

# TOYOTA LEASING (THAILAND) CO., LTD.

No. 148/2025  
9 September 2025

## FINANCIAL INSTITUTIONS

### Issue Ratings:

Guaranteed	AAA
Short-term guaranteed	T1+
<b>Outlook:</b>	<b>Stable</b>

**Last Review Date:** 30/09/24

### Issue Rating History:

Date	Rating	Outlook/Alert
07/10/04	AAA	Stable

### Contacts:

Siriwan Weeramethachai

siriwan@trisrating.com

Sithakarn Tongphiphat, CFA, FRM

sithakarn@trisrating.com

Jittrapan Pantaleard

jittrapan@trisrating.com

Taweechok Jiamsakunthum

taweechok@trisrating.com

Narumol Charnchanavivat

narumol@trisrating.com



WWW.TRISRATING.COM

## RATIONALE

TRIS Rating affirms the ratings on Toyota Leasing (Thailand) Co., Ltd. (TLT or Issuer)'s guaranteed debentures, issued under its THB130 billion Thai Baht Debentures Programme in the year 2020, THB130 billion Thai Baht Debentures Programme in the year 2022, and THB130 billion Thai Baht Debentures Programme in the year 2024, at "AAA" and "T1+".

All rated debentures of TLT are guaranteed by Toyota Motor Finance (Netherlands) B.V. (TMF or Guarantor). TMF is a wholly-owned subsidiary of Toyota Financial Services Corporation (TFS), which is in turn wholly owned by Toyota Motor Corporation (TMC), the ultimate parent company in Japan. All three companies, TMF, TFS, and TMC, are rated "A+" with a "stable" outlook, with their short-term issue ratings rated "A-1+" by S&P Global Ratings.

## KEY RATING CONSIDERATIONS

### Unconditional, irrevocable guarantee

The ratings on TLT's short- and medium-term debentures reflect the unconditional and irrevocable guarantee provided by TMF, whose rating is based on the credit strength of TMC. Under this guarantee structure, TMC has provided a Credit Support Agreement (CSA) to TFS, which has in turn, provided a CSA to TMF. Under the terms of the CSA, TMC will provide sufficient liquidity for the obligations of the bonds, debentures, and commercial papers (CP) of both subsidiaries, TFS and TMF. TMC will also provide sufficient liquidity for TMF's guarantee obligations.

The guarantee is governed by Dutch law and is unconditional and irrevocable. The guarantee covers punctual payments to the debentureholders of all sums payable by TLT. For the guaranteed debentures, the obligations of TMF rank at least pari passu with all other present and future unsecured and unsubordinated indebtedness of TMF. The guarantee cannot be amended or terminated without the consent of both the debentureholders' representatives and the Guarantor, TMF.

The Guarantor will not be under any obligation to make payment for the Issuer's failure to pay due to any of the following actions:

(1) By any Thai Government Agency: (i) interruption of payment by causing the Issuer to be unable to transfer monies or to convert foreign currency to the Registrar or debentureholders to pay debt obligations; (ii) causing the transfer of majority shareholding in, or control over, the Issuer to a third-party not associated with the Toyota Group; (iii) expropriation or nationalization of at least 10% of the net value of hire purchase receivables of the Issuer and its subsidiaries; and (iv) expropriation or nationalization that has the effect of preventing the Issuer and its subsidiaries from carrying on business.

(2) By any Sanctioning Authority: if the Guarantor is prevented to pay under any trade, economic or financial sanction laws, regulations, embargoes, or restrictive measures administered, enacted, or enforced by a Sanctioning Authority.

TRIS Rating believes it is highly unlikely that any of the above events would occur.

## Strong market position supported by diversified product portfolio, global footprint

We expect TMC to continue demonstrating a solid position within the global automotive industry, underpinned by its wide range of vehicle models and extensive geographic presence. Over recent years, the company has consistently maintained a global market share of approximately 12%.

In fiscal year 2025 (FY2025) (April 2024–March 2025), TMC reported sales revenues of JPY48 trillion, increasing 6.5% year-on-year (y-o-y), driven by pricing strategy, stronger value-chain, and favorable model mix (notably SUVs and hybrids).

Vehicle sales in FY2025 were 0.9% y-o-y lower, at 9.4 million units, due to soft demand in mature markets. Of total sales, electric vehicles (EVs) have been gaining traction over recent years and now account for 46.2% of total sales (vs. 37.4% in FY2024). This growth was backed by TMC's expanded hybrid and plug-in hybrid lineup and shift in consumer preference.

In the first quarter of fiscal year 2026 (1QFY2026) (April 2025–June 2025), sales revenue rose 3.5% y-o-y to JPY12.3 trillion, on the back of a 7.1% y-o-y increase in vehicle sales (2.4 million units), with EVs comprising 47.6% of retail sales, boosted by continuing hybrid vehicle demand in Asia and Europe. TMC also ramp up next-generation EVs and fuel-cell models.

## Financial strength expected to remain

We expect TMC to maintain strong financial performance, bolstered by its ongoing cost-reduction initiatives and continuous product launches. Operating income in FY2025 declined 10.4% y-o-y to JPY4.8 trillion, impacted by elevated raw-material and logistics costs, increased R&D investments, and weaker JPY against the USD and EUR.

Regionally, Europe, Asia, and other markets delivered improved margins thanks to cost efficiencies and favorable mix models. Meanwhile, Japan and North America faced sharp declines in operating income due to higher incentives, compliance costs, and the temporary shutdown of US manufacturing facilities. Financial service operating income improved 20% to JPY684 billion on stronger financing volumes and lower swap valuation losses.

In 1QFY2026, operating income fell 10.9% y-o-y to JPY1.2 trillion, largely due to a JPY450 billion U.S. tariff. Offsetting this, financial services surged 39.1% to JPY222 billion. Given these macro headwinds, TMC revised its FY2026 operating income forecast down from JPY3.8 trillion to JPY3.2 trillion.

Looking ahead, potential headwinds remain, particularly from trade tensions and evolving tariff policies in key export markets. Any escalation in import duties or imposition of new tariffs could increase cost pressures and affect overall profitability. TMC continues to monitor global trade developments and may adjust its production and supply chain strategies accordingly to mitigate such risks.

## Strong liquidity profile, stable funding base

TMC adheres to a prudent financial policy, maintaining a strong liquidity profile supported by a substantial allocation of assets in cash and high-quality liquid instruments, such as Japanese government bonds and U.S. Treasuries. As of 1QFY2026, TMC reported total liquid assets of JPY17.0 trillion, representing 18% of its total assets. The company benefits from a well-diversified funding base across both domestic and international markets, comprising bank loans, bonds, and commercial papers (CPs). Short-term borrowings accounted for 40% of total debt, while long-term debt and other financial obligations constituted the remaining 60%. This greater reliance on long-term funding has effectively mitigated liquidity risk arising from potential asset-liability mismatches within its captive finance operations.

## BASECASE ASSUMPTIONS

- The credit ratings on TMC assigned by S&P Global Ratings will be maintained.
- There will be no change to the unconditional and irrevocable guarantee by TMF on TLT's debentures.

## RATING OUTLOOK

The "Stable" outlook is underpinned by the creditworthiness of TMF, the guarantor of TLT. TMF's credit profile is intrinsically linked to that of its ultimate parent, TMC. The international-scale issuer credit rating of "A+/Stable" currently assigned to TMC by S&P Global Ratings continues to reflect the company's solid credit fundamentals.

## RATING SENSITIVITIES

The ratings and/or outlook on TLT's guaranteed debentures may be subject to downward revision should there be a material deterioration in the credit profile of TMC.

## COMPANY OVERVIEW

TMC, the ultimate parent company of the Toyota Group including TLT, was founded in 1937. The company's competitive advantage among automakers is its wide range of vehicle types. TMC produces its main brands under the "Toyota" and "Lexus" brands, as well as the "Daihatsu" and "Hino" brands. The automotive business accounts for more than 90% of TMC's total sales.

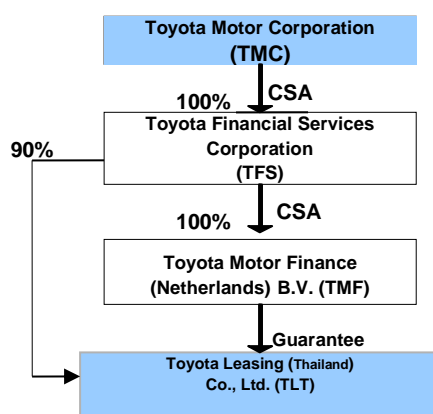
TMC is committed to the Toyota New Global Architecture (TNGA), an initiative for higher development efficiency and the manufacture of better cars. Since 2020, half of the company's global car sales have been TNGA models. The automobile industry is moving toward environmentally friendly car designs. As a result, TMC is shifting towards EVs and hybrid vehicles.

In addition to the automotive business, TMC provides financial services through its captive financing arms. TMC deems its ability to provide customer financing as an important marketing tool to support its car sales. In 1987, TMC established TMF as a private limited company to function as a finance company. TMF raises funds through bonds and notes issued in the international capital markets. In 2000, TMC established TFS, a holding company, as a new framework for effectively integrating the strengths of the Toyota Group's finance companies, such as TLT, on a global scale.

The Toyota Group made its first investment in Thailand through Toyota Motor Sales (Thailand) Co., Ltd. (TMT) in 1957. TMT was founded under Toyota's umbrella in 1962, followed by several subsidiaries and affiliates including TLT in 1993. In 2002, the Toyota Group announced Thailand as a global manufacturing base to support its production and sales.

TLT is a subsidiary of TFS, a wholly-owned subsidiary of TMC in Japan. TLT was established to service automobile hire purchase loans for Toyota's customers and dealers by providing financial services to customers. TLT ranks in the top three automobile hire purchase companies in Thailand, according to TRIS Rating's database.

**Chart 1: Shareholding and Credit Support Structure of Toyota Group**



Source: TLT

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS\*

### Toyota Motor Corporation (TMC)

Unit: Mil. JPY

		-----Year Ended 31 March -----			
	Apr-Jun 2025	2025	2024	2023	2022
Total operating revenues	12,253,326	48,036,704	45,095,325	37,154,298	31,379,507
Earnings before interest and taxes (EBIT)	1,258,363	6,713,001	7,163,474	3,793,846	4,034,528
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	1,944,594	8,996,310	9,074,662	5,651,038	5,643,449
Funds from operations (FFO)	1,558,424	6,959,976	6,819,840	4,682,251	4,483,534
Adjusted interest expense	6,211	298,412	198,389	125,113	43,997
Capital expenditures	1,242,922	5,257,927	5,048,394	3,705,832	3,830,244
Total assets	93,468,144	93,601,351	90,114,294	74,303,179	67,688,770
Adjusted debt	25,422,332	25,628,224	24,701,056	21,642,059	19,525,016
Adjusted equity	36,993,052	36,878,914	35,239,338	29,264,214	27,154,819
<b>Adjusted Ratios</b>					
EBITDA margin (%)	15.9	18.7	20.1	15.2	18.0
Pretax return on permanent capital (%)	7.9	9.0	10.8	6.6	7.6
EBITDA interest coverage (times)	313.1	30.1	45.7	45.2	128.3
Debt to EBITDA (times)	3.1	2.8	2.7	3.8	3.5
FFO to debt (%)	24.7	27.2	27.6	21.6	23.0
Debt to capitalization (%)	40.7	41.0	41.2	42.5	41.8

\* Consolidated financial statements

## RELATED CRITERIA

- Group Rating Methodology, 25 August 2025
- Issue Rating Criteria, 26 December 2024
- Financial Institution Rating Methodology, 25 September 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

**Toyota Leasing (Thailand) Co., Ltd. (TLT)**

**Issue Ratings:**

**THB130,000 million guaranteed debentures under Thai Baht Debentures Programme in the year 2020:**

<b>Long-term guaranteed debentures</b>	AAA
- TLT263A: THB1,500 million guaranteed debentures due 2026	AAA
- TLT265A: THB2,900 million guaranteed debentures due 2026	AAA
- TLT285A: THB1,290 million guaranteed debentures due 2028	AAA
<b>Short-term guaranteed debentures</b>	T1+

**THB130,000 million guaranteed debentures under Thai Baht Debentures Programme in the year 2022:**

<b>Long-term guaranteed debentures</b>	AAA
- TLT250A: THB1,280 million guaranteed debentures due 2025	AAA
- TLT25NA: THB2,100 million guaranteed debentures due 2025	AAA
- TLT25DA: THB5,100 million guaranteed debentures due 2025	AAA
- TLT261A: THB1,000 million guaranteed debentures due 2026	AAA
- TLT261B: THB4,500 million guaranteed debentures due 2026	AAA
- TLT262A: THB3,568 million guaranteed debentures due 2026	AAA
- TLT265B: THB2,850 million guaranteed debentures due 2026	AAA
- TLT268A: THB2,740 million guaranteed debentures due 2026	AAA
- TLT268B: THB2,200 million guaranteed debentures due 2026	AAA
- TLT268C: THB4,500 million guaranteed debentures due 2026	AAA
- TLT26NA: THB2,800 million guaranteed debentures due 2026	AAA
- TLT272A: THB3,000 million guaranteed debentures due 2027	AAA
- TLT275A: THB2,150 million guaranteed debentures due 2027	AAA
- TLT276A: THB2,900 million guaranteed debentures due 2027	AAA
- TLT278A: THB2,280 million guaranteed debentures due 2027	AAA
- TLT278B: THB2,000 million guaranteed debentures due 2027	AAA
- TLT27NA: THB3,900 million guaranteed debentures due 2027	AAA
- TLT282A: THB1,000 million guaranteed debentures due 2028	AAA
- TLT285B: THB4,000 million guaranteed debentures due 2028	AAA
- TLT288A: THB1,100 million guaranteed debentures due 2028	AAA
<b>Short-term guaranteed debentures</b>	T1+

**THB130,000 million guaranteed debentures under Thai Baht Debentures Programme in the year 2024:**

<b>Long-term guaranteed debentures</b>	AAA
- TLT26NB: THB5,000 million guaranteed debentures due 2026	AAA
- TLT272B: THB3,600 million guaranteed debentures due 2027	AAA
- TLT275B: THB2,400 million guaranteed debentures due 2027	AAA
- TLT279A: THB1,400 million guaranteed debentures due 2027	AAA
- TLT282B: THB5,400 million guaranteed debentures due 2028	AAA
- TLT284A: THB2,600 million guaranteed debentures due 2028	AAA
- TLT288B: THB5,000 million guaranteed debentures due 2028	AAA
- TLT28NA: THB2,000 million guaranteed debentures due 2028	AAA
- TLT292A: THB1,000 million guaranteed debentures due 2029	AAA
- TLT295A: THB500 million guaranteed debentures due 2029	AAA
- TLT298A: THB1,600 million guaranteed debentures due 2029	AAA
<b>Short-term guarantee debentures</b>	T1+

<b>Rating Outlook:</b>	Stable
------------------------	--------

**TRIS Rating Co., Ltd.**

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

© Copyright 2025, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at [www.trisrating.com/rating-information/rating-criteria](http://www.trisrating.com/rating-information/rating-criteria)