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

Annual Report & Financial Statements
For the Year Ended 31 March 2008

TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.

Report of the Board of Management
31 March 2008

Contents

BOARD OF MANAGEMENT

Equity Trust Co. N.V.
Eiji Hirano
Nobuo Nagasaki
Takahisa Iizuka

Report of the Board of Management

The Board of Management submits herewith its report and the Financial Statements of Toyota Motor Finance (Netherlands) B.V. ("the company") for the year ended 31 March 2008. The Financial Statements are set out on pages 5 to 42.

Overview of Activities and Future Outlook

The principal activity of the company is to act as a finance company. The company raises funds by issuing bonds and notes in the International Capital Markets.

At the balance sheet date, a total equivalent amount of Euro 2,909 million has been lent to related companies. Other assets comprise short-term investments, consisting of bank deposits and marketable securities. The aforementioned transactions are further detailed in the notes to the Financial Statements.

The Board of Management utilise a risk management policy and receives regular reports from the business to enable prompt identification of financial risks so that appropriate actions may be taken. The company employs written policy and procedures that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these.

The nature of the activities of the company has remained unchanged during 2007/2008 from the prior year, and there have been no significant events since the balance sheet date.

It is expected that the nature of the activities of the company will remain unchanged during 2008/2009. Future financial performance is expected to be profitable and will depend largely on the net interest margin earned on loans and investments, funded by existing and possible further issues of Euro Medium Term Notes and Euro Commercial Paper.

The company has experienced little impact as a result of the current market conditions.

During May 2008 the company has issued a USD 46 million Uridashi bond to be redeemed in 2011 and an AUD 555 million Uridashi bonds, to be redeemed in 2010. These are the first Uridashi bonds that the Company has issued. The bond issuance is line with the normal course of business.

Financial Instruments

Please refer to notes 2 and 3 where the company has explained its use of financial instruments.

24 July 2008

TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.

Report of the Board of Management
31 March 2008

Board of Management

Equity Trust Co. N.V.

Eiji Hirano

Nobuo Nagasaki

Takahisa Iizuka

Income Statement for the year ended 31 March 2008

	Note	2008 €'000	2007 €'000
Interest income	5	128,347	94,264
Guarantee fee income	6	1,412	1,442
Revenue		129,759	95,706
Interest expense	7	(117,069)	(86,183)
Fee expenses	8	(2,235)	(2,056)
Cost of funding		(119,304)	(88,239)
Gross profit		10,455	7,467
Administrative expenses	9	(2,005)	(1,387)
Net gains / (losses)	10	11,914	5,743
Dividend income	11	9	9
Profit before tax	12	20,373	11,832
Taxation	13	(5,354)	(3,483)
Profit for the year		15,019	8,349

The notes to the accounts on pages 9 to 41 are an integral part of these financial statements

Balance Sheet as at 31 March 2008

	Note	2008 €'000	2007 €'000
Assets			
Non-Current Assets			
Loans to related companies	14	1,565,342	1,132,145
Available-for-sale investments - related company	15	898	1,050
Property, plant and equipment	17	23	-
Intangible assets	18	15	-
Deferred tax assets	19	-	327
Total Non-Current Assets		1,566,278	1,133,522
Current Assets			
Loans to related companies	14	1,343,510	1,370,627
Available-for-sale investments	20	9,954	9,831
Other financial assets at fair value through profit or loss	21	31,405	34,932
Other receivables	22	7,358	4,477
Current tax assets	23	1,848	592
Derivative financial instruments	16	78,473	4,335
Cash and bank balances	24	685	2,775
Total Current Assets		1,473,233	1,427,569
Liabilities			
Current Liabilities			
Borrowings	25	2,200,297	1,393,224
Derivative financial instruments	16	111,985	81,650
Financial guarantee liability	26	1,724	1,789
Other liabilities and accrued expense	27	2,400	1,440
Bank overdraft	24	5,185	1,847
Total Current Liabilities		2,321,591	1,479,950
Net Current (Liabilities)/ Assets		(848,358)	(52,381)
Non-Current Liabilities			
Borrowings	25	639,095	1,021,260
Deferred tax liabilities	19	3,977	-
Total Non-Current Liabilities		643,072	1,021,260
Net Assets		74,848	59,881
Shareholders' Equity			
Share capital	29	908	908
Retained earnings	30	73,849	58,830
Fair value reserve	31	91	143
Total Shareholders Equity		74,848	59,881

The notes to the accounts on pages 9 to 41 are an integral part of these financial statements

Statement of Changes in Equity for the year ended 31 March 2008

	Note	Share Capital €'000	Retained Earnings €'000	Fair Value Reserves €'000	Total €'000
Balance at 1 April 2006		908	50,481	21	51,410
Fair value gains	31	-	-	61	61
Deferred tax recognised directly in equity	19	-	-	61	61
Profit for the year		-	8,349	-	8,349
Balance at 31 March 2007		908	58,830	143	59,881
Fair value losses	31	-	-	(18)	(18)
Deferred tax recognised directly in equity	19	-	-	(34)	(34)
Profit for the year		-	15,019	-	15,019
Balance at 31 March 2008		908	73,849	91	74,848

The notes to the accounts on pages 9 to 41 are an integral part of these financial statements

Cash Flow Statement for the year ended 31 March 2008

	Note	2008 €'000	2007 €'000
Cash flow from operating activities			
Cash (used) / generated from operations	34	(512,540)	(151,197)
Interest received		112,465	93,349
Interest paid		(108,228)	(87,608)
Tax paid		(2,339)	(2,325)
Net cash (used) / generated from operating activities		(510,642)	(147,781)
Cash flow from investing activities			
Purchase of Equipment and Software		(41)	-
Sale or redemption of other financial assets		3,279	19,450
Dividend received		9	9
Net cash generated / (used) in investing activities		3,247	19,459
Cash flow from financing activities			
Proceeds from borrowings		15,346,764	13,647,608
Repayment of borrowings		(14,843,500)	(13,847,672)
Net cash (used) / generated in financing activities		503,264	(200,064)
Net (decrease) / increase in cash and cash equivalents		(4,131)	(328,386)
Cash and cash equivalents at the beginning of the year		928	329,388
Exchange gains / (losses) on cash and cash equivalents		(1,297)	(74)
Cash and cash equivalents at 31 March	24	(4,500)	928

The notes to the accounts on pages 9 to 41 are an integral part of these financial statements

Notes to the Financial Statements

1. General information

Toyota Motor Finance (Netherlands) B.V. ('the company') is a wholly owned subsidiary of Toyota Financial Services Corporation. The principal activity of the company is to act as a finance company. The company raises funds by issuing bonds and notes in the International Capital Markets and on lends to other Toyota companies. The company also issues guarantees for debt issuance of other Toyota companies.

The company is incorporated and domiciled in The Netherlands. The address of its registered office is Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands.

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

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

The Financial Statements of the Toyota Motor Corporation can be obtained from 1 Toyota-Cho, Toyota City, Aichi 471-8171, Japan.
The Financial Statements of the Toyota Financial Services Corporation can be obtained from Nagoya Lucent Tower, 15F, 6-1 Ushijima-chou, Nishi-Ku, Nagoya, 451-6016, Japan.

These financial statements have been approved for issue by the Board of Management on 24 July 2006.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The company has no subsidiary, joint venture or associated company investments and is therefore not required to produce consolidated financial statements.

2.1 Basis of preparation

- The Financial Statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union and also in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code.
- As a result of the accounting policies adopted, the Financial Statements of the company are also consistent with all IFRS issued by the International Accounting Standards Board (IASB) and interpretations issued by IFRIC.
- The Financial Statements have been prepared under the historic cost convention, as modified by the revaluation to fair values of available-for-sale financial assets, and other financial assets and liabilities (including derivative instruments).
- The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 3.
- The company's Financial Statements are presented in Euros, which is the company's functional and presentation currency. Except as indicated financial information presented has been presented in Euros and rounded to the nearest thousand.

- The significant accounting policies applied in the preparation of the Financial Statements are set out below.

  Standards, interpretations and amendments to published standards that are not yet effective
  Certain new standards, amendments and interpretations to existing standards have been published that are mandatory to accounting periods beginning on or after 1 January 2008 or later periods which the company has early adopted, as follows:
  - None

  Standards, interpretations and amendments and interpretations to existing standards have been published that are mandatory to accounting periods beginning on or after 1 January 2008 or later periods have not been early adopted by the company as follows:

  - *IFRS 8: Operating Segments (EU adopted)*

    There will be no material impact on financial statements from application as this is a disclosure standard
  - *IAS 1: Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income (not yet EU adopted)*
  - *IAS 1: Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (not yet EU adopted)*
  - *IAS 23: Borrowing Costs - Comprehensive revision to prohibit immediate expensing (not yet EU adopted)*
  - *IAS 32: Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation (not yet EU adopted)*

    As none of the above standard amendments have been EU adopted at the balance sheet date, the Company has not yet determined their effect on the financial statements.

- Changes in standards or interpretations which are not currently relevant to the company's activities:

  - *IAS 27: Consolidated and Separate Financial Statements (revised) (Applicable from 1 July 2009; not yet EU adopted)*
  - *IAS 28: Investments in Associates (revised) (Applicable from 1 July 2009; not yet EU adopted)*
  - *IAS 31: Interests in Joint Ventures (revised) (Applicable from 1 July 2009; not yet EU adopted)*
  - *IFRS 2: Share-based Payment - Amendment relating to vesting conditions and cancellations (Applicable from 1 January 2009; not yet EU adopted)*
  - *IFRS 3: Business Combinations (revised) (Applicable from 1 July 2009; not yet EU adopted)*
  - *IFRIC 12: Service Concession Arrangements (Applicable from 1 January 2008; not yet EU adopted)*
  - *IFRIC 13: Customer Loyalty Programmes (Applicable from 1 July 2008; not yet EU adopted)*
  - *IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Applicable from 1 January 2008; not yet EU adopted)*
  - *IFRIC 15: Agreements for the Construction of Real Estate" (Applicable from 1 January 2009, not yet EU adopted)*
  - *IFRIC 16: Hedges of a Net Investment in a Foreign Operation" (Applicable from 1 October 2008,not yet EU adopted)*

- Changes in standards, applicable to the company, which are not yet mandatory but effective from 1 April 2008:

  - None

Segmental reporting

- The company's primary format for segmental reporting is based on business segmentation and the secondary reporting is based on geographical segmentation.
- The business segmentation is by types of revenue generating contracts e.g. related lending, guarantee fees and investment income.
- Geographical segmentation is on the basis of the country of the counter-party and is analysed by reference to the global organisation of Toyota group operating units.

Foreign Currency

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, in net gains / losses.
- Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other fair value changes in the carrying amount of the security. Translation differences are recognised in profit or loss, and other fair value changes in carrying amount are recognised in equity.
- Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement, in net gains / losses. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

Financial assets

- Financial assets are classified in the following categories: loans and receivables, available-for-sale investments or financial assets at fair value through profit or loss. Management determines the classification of the investments at initial recognition. Regular-way trades of derivatives contracts are accounted for on a trade date basis, and regular-way trades of all other financial assets are accounted for on a settlement date basis.

a) *Loans and receivables*

- The company's loans and advances to Toyota group entities are classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, whose recoverability is based solely on the credit risk of the related company and where the company has no intention of trading the loan. Loans and receivables are initially recognised at fair value including any incremental funding costs. Subsequent recognition is at amortised cost using the effective interest method.

b) *Available-for-sale financial assets*

- Available-for-sale financial assets are non-derivative financial assets, principally (but not exclusively) investment securities intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in interest rates or market prices. Therefore, based on the expectation of management, available for sale investments are classified between current and non-current. They are initially measured at fair value including direct and incremental transaction costs. Subsequent measurement is at fair value, with changes in fair value being recognised in equity except for impairment losses and translation differences, which are recognised in the income statement. Upon de-recognition of the asset, or where there is objective evidence that the investment security is impaired, the cumulative gains and losses recognised in equity are removed from equity and recognised in the income statement.

c) *Held to maturity financial assets*

- Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments that the company has the ability and intention to hold to maturity. They are initially measured at fair value including direct and incremental transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

d) *Financial assets at fair value through profit or loss.*

- Financial assets at fair value through profit or loss are initially measured at fair value, with any transaction costs taken directly to the income statement. Subsequent measurement is at fair value, with changes in fair value recognised directly in the income statement.
- The fair value of quoted investments in active markets is based on current bid prices. For unlisted securities or where the market for a financial asset is not active, the company establishes the fair value using valuation techniques commonly used by market participants.

Derivative financial instruments

- Derivatives are categorised as 'held for trading' unless they are designated as hedging instruments. Currently no derivatives have been designated as hedging instruments. The company enters into derivatives to mitigate the risks associated with other underlying financial assets and financial liabilities.
- Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Currently none of the company's derivatives have been designated as hedging instruments. Consequently, all changes in the fair value of any derivative instruments, net of accrued interest on derivatives, are recognised immediately in the income statement, within net gains / (losses). Accrued interest on derivatives is recorded in the income statement within "interest expense and similar charges".

Impairment of Financial Assets

- A financial asset, or portfolio of financial assets, is impaired, and an impairment loss incurred, if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. The entity assesses financial assets for impairment at each balance sheet date.
- The entity measures the amount of the loss as the difference between the carrying amount of the asset or group of assets and the present value of estimated future cash flows from the asset or group of assets discounted at the effective interest rate of the instrument at initial recognition.
- Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making a collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted, on the basis of current observable data, to reflect the effects of current conditions not affecting the period of historical experience.
- Impairment losses are recognised in profit or loss and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses.
- If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset or group of financial assets, interest income is recognised on the carrying

amount using the effective interest rate at which estimated future cash flows were discounted in measuring impairment.

Property, plant and equipment

- Items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.
- Depreciation is charged to profit or loss on a straight-line basis so as to write off the depreciable amount of property, plant and equipment over the estimated useful life of the assets as follows:
    - Computer hardware: 5 years
- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.
- Gains and losses on disposal of items of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in Administrative expenses in the income statement.

Intangible assets

- Intangible assets that are acquired by the company are stated at cost less accumulated amortisation and any accumulated impairment losses.
- Amortisation is charged to profit or loss on a straight-line basis over the asset's estimated useful life and is included in "Depreciation and amortisation".
- The estimated useful economic lives are as follows:
    - Computer software: 5 years
- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.
- Gains and losses on disposal of items of intangible assets are determined by comparing proceeds with carrying amount. These are included in other Administrative expenses in the income statement.

Impairment of non-financial assets

- An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- At each reporting date the reporting entity assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.
- Property, plant and equipment, and intangible assets are subject to an impairment review if there are events or changes in circumstance which indicate that the carrying amount may not be recoverable.

Cash and cash equivalents

- Cash and cash equivalents are defined as cash and deposits which can be realised within three months. These include, overnight money market deposits with banks, current account and deposit account balances with banks and short-term investments.
- Cash and cash equivalents are measured at amortised cost.

Borrowings

- Borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently at amortised cost. Recognition and de-recognition is on a settlement basis.

- Depending on the maturity date of the contract the borrowing is classified as current or non-current
- The currency and interest rate risk associated with the issue of structured euro medium term notes (EMTNs) is managed in accordance with the risk management policies set out in note 35. The amortised cost valuation of the structured debt and fair valuation of the related derivative would result in an accounting valuation mismatch. The company policy is to designate on initial recognition the structured EMTN's at fair value through the profit or loss to reduce the accounting mismatch.

Taxation

- The charge for current tax is based on the results for the period as adjusted for items that are not taxable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.
- Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss.
- Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.
- Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the reporting entity and it is probable that the temporary difference will not reverse in the foreseeable future.

Guarantees

- The company issues guarantees to debt holders of fellow Toyota Motor Corporation subsidiaries. The company receives guarantee fees from these fellow subsidiaries in respect of the guaranteed debt in issuance. Guarantees are classified as financial liabilities under IAS39 (amended), and as such the guarantees are recognised on balance sheet.
- The guarantees are initially stated at fair value, which is determined by reference to the present value of the future fee cash flows at the point of issuance of the debt being guaranteed. Guarantees are derecognised at the point of repayment of the guaranteed debt.
- The company applies the market swap rates as the applicable discount factor on the date of issue to the future estimated fee cash flows in determining the initial fair valuation.
- Subsequent measurement of the guarantee liability is the higher of the amount determined by IAS 37 "Provisions, contingent liabilities and contingent assets" or the amortised initial present value recognition of the guarantee using the effective interest rate method.

Revenue recognition

Interest income

- Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and subsequently continues unwinding the discount as interest income.
- The effective interest rate method calculates the amortised cost of a financial asset or liability, and allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments

through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or liability.

When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation includes all amounts received or paid by the company that are an integral part of the overall return, direct incremental transaction costs related to the acquisition or issue of a financial instrument, and all other premiums and discounts.

- Interest on derivatives and the amortisation of the interest component of foreign exchange derivatives are recognised on an effective yield basis within interest expense in the income statement.

Guarantee Fee Income

- Guarantee fee income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Dividend Income

- Dividend income is recognised when the right to receive payment is established.

2.2 Working capital

There is volatility in net current assets and liabilities caused by the application of IFRS accounting standards.

Differences in the accounting basis and classification between the underlying financial assets and liabilities and derivative contracts used to reduce financial risk, result in temporary volatility in short term assets and liabilities.

3. Critical accounting estimates and judgements

The notes to the Financial Statements set out areas where significant judgement; complex calculations or assumptions have been used to arrive at the financial statements presented. Areas of significant judgement or complexity will include the fair valuation of financial instruments, loans and fair value of guarantees.

3.1 Fair Value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price.

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

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

Initial valuation guarantee liability

The initial fair value recognition of guarantee liabilities, in relation to related party debt issuance, is required by IAS 39. As the guarantees of related party debt are not actively traded and no initial fee is charged for entering into the guarantee, a valuation technique is required to assess the initial liability to the third party debt holder.

The company uses the discounted future income cash flows over the life of the guarantee to assess the initial guarantee liability. The initial recognition of the guarantee liability is calculated using the market interest rates applicable to the specific currency of debt issuance on the date the related party issues the debt."

4. Segment Information

Primary reporting format – business segments

The company is a single operating unit. Income generation is principally from lending to related companies, with other income generation from guarantees of related companies and from other investment and deposit income incidental to the primary funding activities.

Costs are allocated on a specific basis where possible and on a pro-rata basis where no direct relationship exists.

As the company operates as a single unit and funds the operations out of currency portfolios, there is no direct allocation of funding costs to specific funding activities.

The segment results for the year ended 31 March 2008 are as follows:

	Affiliate Lending €'000	Guarantees €'000	Investment €'000	*Unallocated €'000	Company €'000
Revenue	123,745	1,412	4,602	-	129,759
Interest and similar charges	(113,933)	(734)	(4,637)	-	(119,304)
Depreciation and amortisation	-	-	-	(3)	(3)
Other unallocated expenses	-	-	-	9,912	9,912
Dividend income	-	-	9	-	9
Profit before tax	9,812	678	(26)	9,909	20,373
Income taxes	(2,579)	(178)	7	(2,604)	(5,354)
Profit for the year	7,233	500	(19)	7,305	15,019

The segment results for the year ended 31 March 2007 are as follows:

	Affiliate Lending €'000	Guarantees €'000	Investment €'000	*Unallocated €'000	Company €'000
Revenue	89,034	1,442	5,230	-	95,706
Interest and similar charges	(82,454)	(575)	(5,210)	-	(88,239)
Depreciation and amortisation	-	-	-	-	-
Other unallocated expenses	-	-	-	4,358	4,356
Dividend income	-	-	9	-	9
Profit before tax	6,580	867	29	4,358	11,832
Income taxes	(1,937)	(256)	(8)	(1,282)	(3,483)
Profit for the year	4,643	611	21	3,074	8,348

*The unallocated profit for the year includes the following items; administration expenses, depreciation and amortisation, exchange gains (losses), fair value gains (losses) and associated tax related to these items. These items do *not relate* directly to the affiliate lending, guarantee or investment segments and therefore they have been grouped separately to increase understanding of the *Financial* Statements.

The segment assets, liabilities and capital expenditure at 31 March 2008 are as follows:

	Related Lending €'000	Guarantees €'000	Investment €'000	Unallocated €'000	Company €'000
Assets	2,994,156	2,375	42,942	38	3,039,511
Liabilities	(2,920,896)	(1,724)	(42,043)		(2,964,663)
Capital Expenditure	-	-	-	(41)	(41)

The segment assets, liabilities and capital expenditure at 31 March 2007 are as follows:

	Related Lending €'000	Guarantees €'000	Investment €'000	Unallocated €'000	Company €'000
Assets	2,509,922	2,582	48,587	-	2,561,091
Liabilities	(2,451,884)	(1,789)	(47,537)	-	(2,501,210)
Capital Expenditure	-	-	-	-	-

Segment assets consist primarily of the loans to affiliates and investment, receivables, deposits and operating bank balances.

Secondary reporting format – geographic segments

The parent company global management structure groups the worldwide operations in 3 main geographical areas and this has been adopted for the company's segmental reporting.

The company is resident in The Netherlands and is a single operating unit, therefore the geographic reporting is based on the geographic location of counter-parties to whom the company lends, invests or issues guarantees.

The company's income is mainly derived from Europe, Asia and Oceania, and North America.

Income

	2008 €'000	2007 €'000
Europe	123,828	92,128
Asia and Oceania	5,277	3,136
North America	493	367
Others	161	75
	129,759	95,706

Income is allocated on the basis of the country in which the counter-party is based.

Total assets

	2008 €'000	2007 €'000
Europe	2,632,275	2,196,107
Asia and Oceania	368,251	351,586
North America	9,973	9,666
Others	503	636
Unallocated	28,508	3,096
	3,039,511	2,561,091

The financial asset allocation is on the basis of the country of the counter-party or investment issuer.

Unallocated assets are mainly derivative assets, which mitigate interest risk and foreign exchange risk on borrowings. The remaining unallocated assets are plant & equipment, intangible assets, other receivables and taxes that are not directly attributable to the income-generating assets.

Capital Expenditure

The company purchased €41,000 of assets during the year (both plant & equipment and intangible assets), (2007: €nil).

5. Interest income

	2008 €'000	2007 €'000
Interest income on loans to related companies	123,745	89,034
Interest income on investments	1,572	1,742
Interest income on deposits	3,030	3,488
Total interest income	128,347	94,264

6. Guarantee Fee Income

The company guarantees the debt of certain other Toyota Motor Corporation subsidiaries, for which it receives guarantee fee income. All guarantee fee income is from related parties. Guarantee fee income for the year was €1,412,000 (2007: €1,442,000).

7. Interest payable and similar charges

	2008 €'000	2007 €'000
Interest expense on loans from related parties	(5,947)	-
Net interest on swap agreements	(14,502)	(11,363)
Interest charge on euro medium term notes	(56,743)	(44,960)
Interest expense on commercial paper	(44,864)	(35,856)
Interest component of foreign exchange derivative contracts	3,987	5,996
Interest payable and similar charges	(117,069)	(86,183)

No impairment provisions or losses have been incurred in the current or previous financial year for any class financial asset.

8. Fee Expenses

The company has the benefit of credit support agreements with Toyota Financial Services Corporation and Toyota Motor Corporation, for which it pays credit support fees based on the company's debt issuance and guarantees issued to related parties. The credit support fees paid in the year to related parties were €2,235,000 (2007: €2,056,000).

9. Administration Expenses

	2008 €'000	2007 €'000
Staff costs	262	-
Research and development	-	-
Operating lease rentals	-	-
Auditors remuneration	122	270
Other administration expenses	1,618	1,117
Profit/loss on sale of PPE and intangible assets	-	-
Depreciation of PPE	2	-
Amortisation of intangible assets	1	-
Total administrative expenses	2,005	1,387

Other administration expenses include related party costs of €793,000 (2007: €678,000) for the provision of business services.

The company had an average of 2 (seconded) employees (2007: nil) during the year. The company has 3 (seconded) employees at the year end (2007: nil).

Staff costs consist of the following expenses and include the payroll costs of seconded employees.

Staff costs	2008 €'000	2007 €'000
Wages and salaries	255	-
Social security costs	4	-
Pension costs	3	-
Total Staff costs	262	-

Payments to key management below consist of all payments and benefits to directors of the company and include all payments to Equity Trust, as a corporate director, for other services rendered to the company (see related party note for details).

	2008 €'000	2007 €'000
Short term employee benefits	13	-
Fees paid to corporate director	105	-
Total compensation to key management	118	-

	2008 €'000	2007 €'000
Total director emoluments	118	-
Highest paid director	105	-

10. Net Gains / (Losses)

Net gains and losses include both fair value movement and exchange gains and losses from the following categories of financial instruments:

Net Gains / (Losses)	2008 €'000	2007 €'000
Financial assets initially designated at fair value through profit or loss	212	(1,134)
Held for trading financial assets or liabilities at fair value through profit or loss	(40,385)	(92,058)
Available for sale financial assets		
Loans and receivables at amortised cost	(106,714)	3,522
Financial liabilities initially designated at fair value through profit or loss	1,834	19,432
Financial liabilities measured at amortised cost	156,967	75,981
Net Gains / (Losses)	11,914	5,743

The company issues loans to related parties in a number of currencies, and then swaps this lending back into one of four funding books US Dollar, Pounds Sterling, Japanese Yen and Euro (as described in 35.2 'Foreign exchange risk').

By policy, debt is issued in multiple currencies to meet investor demand, and swapped into the four core funding currencies as required.

Exchange gains and losses on assets and liabilities are offset by changes in fair value of the currency derivatives used as economic hedges, which form part of the net gains/(losses) in the income statement.

Due to the adoption of the "fair value option" for structured Euro Medium Term Notes (EMTN) and Investments with associated swaps, the company has eliminated most of the accounting mismatch that would otherwise arise between derivatives measured at fair value and the underlying contract being valued at amortised cost. The company does have some remaining accounting mismatch, mostly on the plain fixed rate EMTN and the related interest rate derivatives, which results in profit volatility due to the accounting mismatch rather than from any unhedged risk.

The remaining net gains and losses arise from exchange rate movement resulting from net equity invested in Pounds Sterling, US Dollar and Japanese Yen (as shown in note 35.2).

11. Dividend Income

The company received a dividend from Toyota Leasing Thailand Co. Ltd. of €9,000 in the year (2007: €9,000).

12. Operating Profit

Operating profit includes the following fees and expenses paid to the company's auditors and to related associated partnerships in other countries.

	2008 €'000	2007 €'000
Audit	41	227
Audit related	81	43

13. Taxation

	2008 €'000	2007 €'000
Current		
Taxation on profit for the year	1,081	1,689
Prior period tax adjustment	3	-
	1,084	1,689
Deferred		
Origination / reversal of timing differences	4,270	1,794
Total	5,354	3,483

The tax on the company's profit before tax differs from the theoretical amounts that would arise using the weighted average tax rate applicable to the profits of the company as follows:

Reconciliation of tax charge	2008 €'000	2007 €'000
Profit before tax	20,373	11,832
Average applicable tax rate for the year	25.42%	28.57%
Tax calculated at domestic tax rates applicable (26% 2008, 29% 2007)	5,177	3,380
Change in tax rates on deferred tax balances	14	106
Irrecoverable withholding tax	161	-
Taxable expense	1	-
Non taxable income	(2)	(3)
Prior period tax adjustment	3	-
Total	5,354	3,483

The marginal tax rates are 25.5% calendar year 2008 (2007: 25.5%, 2006: 29.6%) in The Netherlands.

14. Loans to related companies

The company lends to other Toyota Motor Corporation subsidiaries on both a fixed rate and a floating rate basis. All fixed rate lending is swapped into floating on either a three month or six month floating basis in line with the company's risk management policy.

The currency of related party lending is determined by counterparty demand and then either funded directly from one of four main funding books (USD, GBP, JPY and EUR) or swapped back into the appropriate funding currency using a matching currency swap.

Loans to related companies	31 March 2008 € 000	31 March 2007 € 000
Current loans to related companies	1,343,510	1,370,627
Non current loans to related companies	1,565,342	1,132,145
Total loans to related companies	2,908,852	2,502,772

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

No impairment provisions or losses have been incurred in the current or previous financial year for any class of financial asset.

15. Available-for-sale investment - related company

The company owns 0.4% (2007: 0.4%) of the paid-up share capital of Toyota Leasing (Thailand) Co. Ltd. (TLT), a company domiciled in Thailand. TLT has issued share capital of 15 million shares (face value 1,000 THB per share) of which 3 million shares are fully paid up and 12 million are 25% paid up. The closing paid-up share capital is equivalent to 6 million shares of which TMFNL owns 24,000 shares. The original cost of the investment in 1997 was Euro 0.75 million.

Management has assessed the fair value of the investment in TLT with reference to discounted cash flow modelling of TLT assets and liabilities, and by applying the current market interest rates and exchange rates prevailing on 31 March 2008. The investment in TLT shares at the balance sheet date is measured at fair value.

The valuation of TLT, although using third party market data to value the company, is subject to significant management judgement when assessing the probable cash flows from the current asset base.

Investment in Toyota Leasing (Thailand) Co. Ltd.	2008 € 000	2007 € 000
Balance at the start of year	1,050	755
Fair value adjustment	(152)	295
Balance at the year end	898	1,050

16. Derivative Financial Instruments

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

Assets	2008 €000	2007 €000
Interest swaps	11,641	613
Cross-currency swap	41,493	2,642
Structured swaps	3,500	165
Forward foreign currency contracts	21,839	915
	78,473	4,335

Liabilities	2008 €000	2007 €000
Interest swaps	5,620	5,307
Cross-currency swap	27,829	17,716
Structured swaps	40,929	48,641
Forward foreign currency contracts	37,607	9,986
	111,985	81,650

In accordance with IAS 39, "Financial instruments: Recognition and measurement", the company has reviewed all contracts for embedded derivatives. The contracts that may potentially contain embedded derivatives are the structured EMTN debt. The structured debt is swapped into floating debt by back-to-back structured swaps. The company has opted to fair value the structured EMTN in total, rather than to separately value any embedded derivative components. Both the fair value and face value of the structured EMTN are disclosed in the borrowings note 25.

Structured swap assets	2008 €000	2007 €000
At 31 March		
Structured swaps - callable	2,327	-
Structured swaps – non callable	1,173	165
Total structured swaps assets	3,500	165

Structured swap liabilities	2008 €000	2007 €000
At 31 March		
Structured swaps - callable	(40,265)	(48,226)
Structured swaps – non callable	(664)	(415)
Total structured swaps liabilities	(40,929)	(48,641)
Assets:-		
Current derivative financial instruments	3,500	165
Liabilities:-		
Current derivative financial instruments	(40,929)	(48,641)
Total structured swaps	(37,429)	(48,476)

The callable swaps are callable by the issuing banks. Most of the structured swaps are callable on a semi-annual basis shortly before the interest payment date.

Structured swaps (as well as the associated structured medium term note issuance) are used by the company to reduce the cost of funding.

Derivative assets and liabilities are classified as available for sale. Derivative assets of €78,473,000 and liabilities of €111,985,000 are therefore shown as short term, irrespective of when the contract matures. This leads to volatility in current assets and current liabilities due to an accounting mismatch.

17. Property, plant and equipment

	Computer hardware €'000s	Total €'000s
Cost	-	-
Cost b/fwd at 1 April 2007	-	-
Additions	25	25
Cost Total at 31 March 2008	25	25
Depreciation		
Depreciation b/fwd at 1 April 2007	-	-
Depreciation charge for the period	2	2
Depreciation Total at 31 March 2008	2	2
Reconciliation at the beginning and end of the period		
Opening net book amount - at 1 April 2007	-	-
Closing net book amount - at 31 March 2008	23	23

18. Intangible assets

	Computer software €'000s	Total €'000s
Cost		
Cost b/fwd at 1 April 2007	-	-
Additions	16	16
Cost Total at 31 March 20008	16	16
Amortisation		
Amortisation b/fwd at 1 April 2007	-	-
Amortisation charge for the period	1	1
Amortisation Total at 31 March 2008	1	1
Reconciliation at the beginning and end of the period	-	-
Opening net book amount - at 1 April 2007	-	-
Closing net book amount - at 31 March 2008	15	15

19. Deferred tax

Deferred tax is provided in full on temporary differences under the balance sheet liability method, using the current tax rate of 25.5%. The tax rates apply to calendar years and the higher tax rate is 25.5% for calendar year 2008 (2007: 25.5%).

The movement on the deferred tax account is shown below:

Balance as at 31 March	2008 € 000	2007 € 000
At 1 April 2007 and 1 April 2006	327	2,060
Fair valuation of assets and liabilities through profit or loss	(4,270)	(1,794)
Fair valuation of available-for-sale securities through reserves	(34)	61
	(3,977)	327

Deferred tax assets have been recognised for all tax losses and other temporary differences giving rise to deferred tax assets, because it is probable that these assets will be recovered.

The composition of deferred tax is shown below:

Balance as at 31 March	2008 € 000	2007 € 000
Deferred tax on other asset and liabilities at fair value through the profit or loss	(3,995)	275
Deferred tax on available for sale investments – third party	18	52
	(3,977)	327

20. Available-for-sale Investments

	2008 €'000	2007 €'000
Balance as at beginning of the financial year	9,831	10,070
Movement in Fair value	123	(239)
Closing Balance as at 31st March	9,954	9,831
Nominal Value as at 31 March	10,000	10,000

21. Other Financial Assets at Fair Value through Profit or Loss

	2008 € 000	2007 € 000
Balance as at beginning of the financial year	34,932	56,556
Additions	-	-
Disposals		-
Maturities	(3,607)	(20,039)
Movement in fair valuation	(349)	(1,301)
Movement in foreign exchange gain/ (loss)	429	(284)
Closing Balance as at 31 March	31,405	34,932
Nominal Value as at 31 March	30,800	33,177

Other financial assets are bond investments which are investment grade or above, held for liquidity purposes. Interest rate swaps are used to manage the associated interest rate risk in line with risk management policies of the company.

The fixed interest bond investments are initially designated at fair value through profit or loss to reduce the accounting treatment mismatch between the investments and the related swap contracts that would otherwise occur.

22. Other Receivables

Balance as at 31 March	2008 € 000	2007 € 000
Outstanding lodgement on bank accounts	4,983	1,841
Prepaid administration service fee	-	54
Related party receivable	651	793
Guarantee fee receivable	1,724	1,789
	7,358	4,477

23. Current Taxes

Current taxes are charge based on the prevailing tax rates. The tax rates apply to calendar years and profit for the accounting year is therefore pro-rated between the two calendar years on a day-count basis to compute the effective tax rate. The marginal tax rates are 25.5% calendar year 2008 (2007: 25.5%, 2006: 29.6%) in The Netherlands.

Corporation tax asset for the year is: €1,848,000 (2007: € 592,000 asset). The tax payments are made during the year in which the profits are earned on an estimated basis. The extent to which the final taxable charge differs from the original amount estimated, results in a current tax asset or liability due to over or under payment of tax respectively.

24. Cash and Cash Equivalents

	31 March 2008 € 000	31 March 2007 € 000
Cash at bank and in hand	6	156
Short-term bank deposits	679	2,620
Cash and bank balances	685	2,775
Bank overdraft	(5,185)	(1,847)
Net cash and cash equivalents	(4,500)	928

25. Borrowings

	31 March 2008 € 000 Current	31 March 2008 € 000 Non-current	31 March 2007 € 000 Current	31 March 2007 € 000 Non-current
Euro commercial paper	1,471,809	-	915,301	-
Euro medium term notes	721,452	397,458	477,072	771,460
Financial borrowings at amortised cost	2,193,261	397,458	1,392,373	771,460
Structured euro medium term notes	7,036	241,637	851	249,800
Financial borrowings designated at fair value	7,036	241,637	851	249,800
Total borrowings	2,200,297	639,095	1,393,224	1,021,260

The Company's principal borrowings are from a Euro short-term commercial paper programme and from a long-term Euro medium term note programme. Euro commercial paper is a short-term debt instrument normally issued at a discount and repaid at the face value. The company can issue commercial paper with maturities between 1 day and 364 days.

Euro commercial paper and plain vanilla Euro medium term notes (EMTN) are held at amortised cost. Structured Euro medium term notes are held at fair value through profit or loss using the IAS 39 (amended) "Fair Value Option".

The payment cycle on fixed rate EMTN's is either semi-annual or annual. The company is not exposed to significant interest rate risk as all fixed rate debt is swapped into a floating rate basis on a quarterly or semi-annual basis.

When the company issues a structured medium term note it enters into a mirrored structured swap agreement, which swaps the cash flows on the structured note into a floating interest rate basis, consistent with the risk management policies set out in note 35.

To ensure consistent accounting treatment of the structured note and associated structured swap, the company has used the fair value option to fair value both contracts through profit or loss, which reduces profit volatility.

Where the related structured swap is callable by the issuing bank, the terms of the structured note allow for the company to call the bond without penalty with early repayment on the normal interest settlement date. The callable structured notes are mostly callable on a semi-annual basis.

Both callable and non-callable structured medium term notes are shown at fair value, through profit or loss.

When assessing the fair valuation of the company's own debt, in the absence of a active market price the management have determined that, as the company is a AAA credit rated debt issuer, and there is no evidence of any significant change in credit spreads from recent issuance of similar financial instruments, that credit spread changes are not a significant factor in determining the fair valuation of the company's debt. There are no fair value gains or losses attributable to the company's credit risk for either 2008 or 2007.

The interest payment cycle, on all structured EMTN's are on a semi-annual basis. The company is not exposed to significant interest rate risk as all structured rate debt is swapped into a floating rate basis on a quarterly or semi-annual basis.

The total fair value of structured EMTN's at the balance sheet date of €248,673,000 (2007: €250,651,000) compares to a nominal principle value payable by the company on maturity of €247,546,000 (2007: €262,005,000).

26. Financial guarantee liability

The financial guarantee liabilities are initially recognised at fair value and then subsequently held at the higher of the amortised fair value, using the effective interest rate for the guarantee, or the provision for guarantee liabilities as required by IAS 37. The current amortised fair value of guarantees outstanding is: €1,724,000 (2007: €1,789,000), and these relate only to guarantees issued in respect of debt issuance for other related group companies (see note 2).

The estimation of the initial fair value of the guarantees is subject to significant level of management judgement and complexity, as the individual related group companies do not have a separate credit rating from that of the overall Toyota Motor Corporation group.

27. Other liabilities and accrued expenses

	2008 €'000	2007 €'000
Related party accounts payable	2,081	1,044
Accrued administration expenses	223	271
Other accrued taxes	96	94
Other liabilities	-	31
Total	**2,400**	**1,440**

28. Capital Management

The Company's internal objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to the Company's primary shareholder, Toyota Financial Services Corporation ('TFSC'), by pricing products and services commensurately with the level of risk

The Company monitors capital on the basis of fiscal equity.
Fiscal equity is accounting equity adjusted for temporary tax timing differences. The main tax timing differences are disclosed in note 19, deferred tax.
Accounting equity is defined as the sum of issued share capital (see note 20) and retained earnings (see note 30).

During 2008 the Company's capital management strategy remained unchanged from 2007 and was to operate profitably and to add to retained reserves.
The company has complied with all internal capital requirements during the period.

29. Share Capital

Authorised	2008 € 000	2007 € 000
10,000 (2007: 10,000) ordinary shares of Euro 454 each	4,540	4,540
Issued and Fully Paid		
2,000 (2007: 2,000) ordinary shares of Euro 454 each	908	908

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

30. Retained Earnings

	€ 000
At 1 April 2006	50,481
Profit / (loss) for the year	8,349
At 31 March 2007	**58,830**
Profit / (loss) for the year	15,019
At 31 March 2008	**73,849**

31. Fair value reserve

	2007 / 2008 € 000	2006 / 2007 € 000
Opening fair value reserve as at 1 April	143	21
Movement		
Gross unrealised gains/(losses) on available-for-sale financial assets	(18)	61
Deferred tax	(34)	61
Closing fair value reserves as at 31 March	91	143
Gross unrealised gains/(losses) on available-for-sale financial assets	73	91
Deferred tax	18	52
Balance as at 31 March	91	143

The fair valuation reserve arises from the fair valuation through equity of available for sale financial assets and the related deferred taxation on the fair valuation adjustment.

32. Related-party transactions

Parent & ultimate controlling party

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

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

Transactions with parent companies

During the year TMC provided credit support to TMFNL in respect of related party guarantees and charged €32,000 (2007: €69,000) in fees, with €6,000 (2007: €36,000) outstanding at year-end. The outstanding amount bears no interest and there are no fixed repayment terms.

During the year TFSC provided credit support to TMFNL in respect of debt issuance in the capital markets and related party guarantees. The fees charged were €2,203,000 (2007: €1,987,000) guarantee commission with €1,143,000 (2007: €984,000) outstanding at year-end. The outstanding amount bears no interest and there are no fixed repayment terms.

Fellow subsidiaries

During the year transactions were entered into with the following TMC subsidiaries:-

Toyota (GB) PLC
Toyota Credit Canada Inc.

Toyota Financial Services (UK) PLC, as well as its subsidiaries and associated undertakings;

Toyota Financial Services (UK) PLC subsidiaries:-
Toyota Finance Finland Oy
Toyota Financial Services Czech s.r.o.
Toyota Financial Services Danmark A/S

Toyota Financial Services (UK) PLC associated undertakings:-
Toyota Financial Services (South Africa) (Proprietary) Limited

Toyota Financial Services Philippines Corporation
Toyota Financial Services Securities Corporation

Toyota Kreditbank GMBH, as well as with its branches and subsidiaries;

Toyota Kreditbank branches:-
Toyota France Financement
Toyota Kreditbank GmbH, Norsk Filial
Toyota Kreditbank GmbH Tyskland, Sverige Filial

Toyota Kreditbank subsidiaries:-
Toyota Bank Polska S.A.
Toyota Leasing GmbH
Toyota Leasing Polska Sp.z o.o.

Toyota Leasing (Thailand) Co. Ltd
Toyota Motor Europe, NV/SA
Toyota Motor Manufacturing France S.A.S
Toyota Motor Credit Corporation
UMW Toyota Capital Sdn.Bhd

Transactions with fellow subsidiaries

Guarantees

The company earned €1,412,000 (2007: €1,442,000) from fellow subsidiaries as guarantees fees. The amount relating to the guarantee fees that remained unpaid at year-end was € 651,000 (2007: € 793,000). The outstanding amount bears no interest and has not been impaired.

Dividends

The company received € 9,000 (2007: € 9,000) in dividends as disclosed on note 11 on its unlisted investment in Toyota Leasing (Thailand) Co. Ltd.

Borrowings

The company borrowings from fellow subsidiaries during the year are shown below. Borrowings from other related companies are short term only and there were no other related company borrowings in the previous financial year.

Loans from other related companies	2008 € 000	2007 € 000
Balance at the beginning of year	-	-
Loans received during the year	1,596,952	-
Loans repaid during the year	(1,596,952)	-
Interest expense	5,947	-
Interest paid	(5,947)	-
Exchange revaluation of loans from related companies	-	-
Balance as at the year end	-	-

Lending

The summary of loans to fellow subsidiaries and the income and expenses incurred thereon during the year is set out below:

Loans to related companies	2008 € 000	2007 € 000
Balance at the beginning of year	2,502,772	2,287,704
Loans advanced during the year	4,948,509	2,494,518
Loans received	(4,438,835)	(2,293,046)
Interest charged	123,746	89,034
Interest received	(118,284)	(85,895)
Exchange revaluation of affiliated company loans	(108,956)	10,457
Balance as at the year end	2,908,952	2,502,772

No impairment has been recognised on the amounts outstanding at year-end (see note 14).

Directors

Equity Trust BV, a company incorporated in The Netherlands acts as a director of the company.

Transactions with directors

Equity Trust provides certain administrative services to the company.
During the year Equity Trust was paid €105,000 (2007: €76,000) for services as a director and for administrative services.
These amounts are included in administrative expenses (see note 9).
The amount outstanding at year-end was €10,000 (2007: €24,000).
The amount bears no interest and there are no fixed repayment terms.

Summary of related party payables included in other liabilities

Balance as at 31 March	2008 € 000	2007 € 000
Credit support fees payable to parent company	1,143	984
Credit support fees payable to ultimate parent company	6	35
Business and administration services payable to related companies	923	-
Fees payable to Equity Trust	9	24
Total	2,081	1,044

Summary of guarantees and related party receivables

Balance as at 31 March	2008 € 000	2007 € 000
Related party receivables (note 32)	651	793

Amounts receivable from related parties have not been impaired.

33. *Contingent liabilities*

The company issues guarantees to debt holders of other Toyota Motor Corporation subsidiaries. The company receives guarantee fees from Toyota Motor Corporation subsidiaries in respect of the guaranteed debt in issuance.

The company assesses the need for provisions by reviewing the net assets and profitability of the companies for the year ending 31st March 2008. The accounts of the respective debt issuers indicate that there is adequate net equity to cover the borrowings.

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

Set out below is the Euro equivalent of the guarantees issued in relation to debt issuance by other Toyota Motor Corporation subsidiaries.

Contingent Liabilities as at 31st March

Currency of debt guaranteed	2008 € 000	2007 € 000
Euro	107,500	414,600
Japanese Yen	31,766	31,774
Malaysian Ringgit	140,483	132,112
Norwegian Krone	-	113,284
Polish Zloty	139,371	124,157
Pounds Sterling	43,349	149,563
South African Rand	79,282	187,075
Swedish Krona	-	87,920
Thai Baht	649,063	645,598
US Dollar	-	172,975
Total contingent liabilities	**1,189,816**	**2,058,938**

The nature of the guarantees is that they are unconditional guarantees issued to the debt holders. If for any reason the issuer is unable to pay as and when the debt falls due, the company may be required to repay the debt on behalf of the issuer.
The guarantees are for bills of exchange, commercial paper, medium term notes and bank loans.

34. Cash Flow from Operating Activities

Cash Generated from Operations	31 March 2008 € 000	31 March 2007 € 000
Net profit	15,019	8,349
Adjustments for:		
Depreciation and Amortisation	3	-
Dividends received	(6)	(9)
Taxation	5,354	3,483
Interest income	(128,347)	(94,263)
Interest expense	117,070	86,183
Loss on disposal of investment		-
Fair value unrealised gains and losses	(26,470)	49,554
Unrealised foreign exchange gains and losses	16,400	12,587
Changes in working capital:		
(Increase) / decrease in loans to related companies	(509,574)	(216,074)
(Increase) / decrease in other current assets	(2,946)	(2,144)
Increase / (decrease) in other current liabilities	960	137
Cash generated from continuing operations	*(512,540)*	*(151,197)*

35. Financial Risk Management

35.1 Financial Risk Factors

The company's principal activities are the lending of funds to other subsidiaries of Toyota Financial Services Corporation (the parent company) and acting as a guarantee vehicle for third party debts of other companies within the Toyota Motor Corporation group. In addition to the primary funding activities, the company has a small portfolio of investment-grade listed debt securities held for liquidity purposes.

The company's role as a financing vehicle, mainly for Toyota related companies, exposes it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. The company has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company of those risks by matching foreign currency assets and liabilities and through the use of financial instruments, including interest rate swaps, cross-currency swaps and foreign currency contracts, to manage interest rate and foreign currency risk.

The board of management utilise a risk management policy and receive regular reports from the business to enable prompt identification of financial risks so that appropriate actions may be taken. The company employs written policies and procedures that specify guidelines for managing foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these risks.

35.2 Foreign exchange risk

The company lends to related Toyota group companies in Euros and other Continental European currencies - Sterling, Japanese Yen and US Dollars. The company actively borrows in a number of currencies to meet investor demand for its issued debt. The company makes use of cross-currency swaps and forward foreign exchange contracts to match assets and liabilities into specific currency portfolios. The net exposure results in the company being exposed to foreign exchange risks primarily with respect to Sterling, US dollars and Yen.

The company manages its exposure to foreign exchange risk by ensuring that its holdings of financial assets, including its investment portfolio, and financial liabilities are matched within each of its four funding currency portfolios, to ensure that any net long or short positions within each currency fall within levels that management consider acceptable.

The remaining net exposures at the balance sheet date were as follows:

Net exposure to Foreign exchange risk	31 March 2008 € 000	31 March 2007 € 000
Sterling	23,457	23,141
US Dollar	3,734	4,278
Japanese Yen	2,925	2,077
Other	(41)	(15)
Total foreign currency exposure	30,075	29,481

The above exposure represents the present value of future foreign currency cash flows discounted at market interest rates at the balance sheet date. The exposure derives from the net equity investment in the three main foreign currency funding books that the company uses to provide funding to related parties.

The follow sensitivity analysis shows the impact on equity, through both income statement and recognition directly in reserves, of a 5% appreciation and depreciation in the value of the Euro against all other currencies at the balance sheet date.

The assumed 5% parallel shift in currency exchange rates has been based on historic average annual change in exchange rates of the key currencies, in which the company net equity is invested.

Sensitivity analysis of the income statement and net equity to changes in exchange rates at the balance sheet date is as follows:

	31 March 2008 € 000			31 March 2007 € 000		
	Income statement Gain / (Loss)	Unrealised Reserve Gain / (Loss)	Total Net Equity Gain / (Loss)	Income statement Gain / (Loss)	Unrealised Reserve Gain / (Loss)	Total Net Equity Gain / (Loss)
5 % Euro strengthening	(2,153)	(7)	(2,160)	(1,138)	(14)	(1,152)
5 % Euro weakening	3,320	6	3,326	854	16	870

35.3 Interest rate risk

The company has both interest-bearing assets and interest-bearing liabilities. The company has a policy of maintaining assets and liabilities at floating interest rates. The company uses swaps, in respect of financial assets, including inter-company lending to manage risk. In respect of borrowing, swaps are used to retain flexibility in the debt capital markets. The interest rate swaps are settled on a bi-annual or quarterly basis with payment or receipt of the difference between the agreed fixed interest rate and the floating interest rate amounts on the principal.

Interest rate risk in relation to the company's related party lending activities is managed by ensuring that any fixed rate funding is swapped into floating rate, with reset dates typically of a three month duration.

This interest rate profile broadly matches that of the company's intra-group loan assets either carrying variable coupons with a three month re-pricing or, where fixed for longer periods, are swapped into three month floating rates.

The company's investment portfolio includes securities, which carry variable and fixed coupons. For those with a fixed coupon, the company enters into swap agreements to convert the yield into floating rates linked to the base rates of the relevant currency.

As disclosed in note 25, the company issues "structured euro medium term notes" which are debt securities carrying a structured coupon that may be calculated by reference to fixed rates and floating indices and by reference to interest rates of more than one currency. The interest rate risk associated with the structured swaps is mitigated through the use of matched swaps, which convert the structured coupon into floating rates linked to a single currency. The swaps used to mitigate the interest rate risk on the structured notes are in some cases callable by the counter-party bank, and the terms of the underlying notes allow the company to redeem the notes at par and without penalty in the event that the associated swap is called.

Market risk measurement techniques - Interest rate Value at Risk (VaR)

The company applies a 'value at risk' methodology (VaR) to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions.

Senior Management set limits on the value of risk that may be accepted, in line with Toyota global policy, which are then monitored on a regular basis by Senior Management via an Asset Liability Committee (ALCO).

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the company might lose, but only to a certain level of confidence (95%).

The companies VaR measure is based on market data over the preceding 12 months.

Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/factors used in the VaR calculation.
The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the company's market risk control regime, VaR limits are reviewed by the Board of Directors annually for the trading operations and business units.

Actual exposure against limits, together with the VaR for each business unit, is reviewed monthly by the ALCO.

	2008 Year High € 000	2008 Year Low € 000	2008 Year Average € 000	31 March 2008 Closing € 000
Interest rate VaR	2,777	64	462	196

	2007 Year High € 000	2007 Year Low € 000	2007 Year Average € 000	31 March 2007 Closing € 000
Interest rate VaR	539	109	270	149

The increase of VaR in 2008 mainly relates to the increased volatility of market interest rates in global financial markets.

While the table above details the company's best estimate of the VaR at each balance sheet date, actual results could differs from estimates, as a number of assumptions are used:
- Assumptions are made regarding repayment rates for loans and receivables and projections of future market interest rate changes
- The VaR model assumes a certain 'holding period' until positions can be closed (1 month)
- It also assumes that market movements occurring over this holding period will follow a similar pattern to those that have occurred over 1 month periods in the past.

The Company's interest rate risk exposure derives from the following financial contracts:

As at 31 March 2008	Fixed rate	Floating rate	Non interest bearing	Total
	€ 000	€ 000	€ 000	€ 000
Non-Current Assets				
Loans to related companies	463,027	1,102,315	-	1,565,342
Available for sale investment – related company	-	-	896	896
Current Assets				
Loans to related companies	97,813	1,245,697	-	1,343,510
Other financial assets at fair value through profit or loss	31,405	-	-	31,405
Available for sale investments	-	9,954	-	9,954
Other receivables – financial instruments only	-	4,983	851	5,834
Cash and bank balances	-	685	-	685
Current Liabilities				
- ECP	330,320	1,141,489	-	1,471,809
- EMTN	24,571	696,881	-	721,452
- Structured EMTN	201	6,835	-	7,036
Total Current Borrowings	355,092	1,845,205	-	2,200,297
Other liabilities and accrued expenses - financial instruments only	-	-	2,305	2,305
Bank overdraft	-	5,185	-	5,185
Non-Current Liabilities				
- EMTN	303,728	93,730	-	397,458
- Structured EMTN	82,422	158,772	443	241,637
Total Non-Current Borrowings	386,150	252,502	443	639,095
Pre-derivative position (a)	(148,997)	260,742	(1,199)	110,546
Derivative effect (b)	155,639	(206,756)	17,604	(33,513)
Net interest bearing asset / (liability) position (a)+(b)	6,642	53,986	16,405	77,033

As at 31 March 2007	Fixed rate	Floating rate	Non interest bearing	Total
	€ 000	€ 000	€ 000	€ 000
Non-Current Assets				
Loans to related companies	146,629	985,516	-	1,132,145
Available for sale investment – related company	-	-	1,050	1,050
Current Assets				
Loans to related companies	103,193	1,267,434	-	1,370,627
Other financial assets at fair value through profit or loss	34,932	-	-	34,932
Available for sale investments	-	9,831	-	9,831
Other receivables – financial instruments only	-	2,831,162	-	2,831,162
Cash and bank balances	-	2,775,294	-	2,775,294
Current Liabilities				
- ECP	65,232	850,069	-	915,301
- EMTN	14,739	462,333	-	477,072
- Structured EMTN	232	619	-	851
Total Current Borrowings	80,203	1,313,021	-	1,393,224
Other liabilities and accrued expenses - financial instruments only	-	-	1,449,840	-
Bank overdraft	-	1,647	-	1,647
Non-Current Liabilities				
- EMTN	216,948	554,512	-	771,460
- Structured EMTN	92,812	169,193	(12,205)	249,800
Total Non-Current Borrowings	309,760	723,705	(12,205)	1,021,260
Pre-derivative position (a)	(105,210)	228,821	12,597	136,208
Derivative effect (b)	60,149	(125,055)	(12,398)	(77,304)
Net interest bearing asset / (liability) position (a)+(b)	(45,061)	103,766	199	58,904

Short term borrowing with an original term of less than 6 months is subject to regular interest rate changes on replacement, therefore, short term funding of this nature is classified as floating rate funding in the above table.

35.4 Credit risk

Counter party exposure from investments, deposits and derivative financial investments is limited to financial institutions with investment-grade credit ratings with more stringent rating thresholds for exposures in excess of 5 years. The amount of exposure to any individual counter-party is subject to a limit, which is reassessed annually.

The company is exposed to credit risk from its activities as a lender and guarantor of Toyota Motor Corporation operating companies' third party debts in various geographical locations.
While the company's primary credit risk exposure is default by the related companies to which it lends or issues guarantees to third parties, this risk is mitigated by credit support agreements with its parent and ultimate parent company, whereby they have undertaken to the debt and *guarantee holders to maintain the net equity of the company at a specified level.*
In addition, the company's lending and guarantee activity is to significant operating entities as part of the Toyota group, and therefore the company's continuing trading viability is ultimately dependant upon the trading performance of the Toyota Motor Corporation group as a whole.

Lending is on an un-subordinated basis, but there are instances where loans are subordinated to assist in meeting regulatory funding requirements of the borrower.

In relation to the company's investment portfolio, the credit risk is considered to be low as the investment portfolio is in investment grade listed securities, with maturities not currently in excess of 3 years.

Derivatives entered into by the company exclusively to manage its interest rate and currency risk are traded solely with recognised credit institutions with credit ratings as detailed above.

The company's cash and cash equivalents are held with a selection of banks from a list approved by Toyota Motor Corporation/Toyota Financial Services Corporation within specified limits.

The maximum exposure to credit risk from financial instruments at the balance sheet date is as follows:

As at 31 March 2008	31 March 2008	31 March 2007
	€ 000	€ 000
Non-Current Assets		
Loans to related companies	1,585,342	1,132,145
Current Assets		
Loans to related companies	1,343,510	1,370,627
Available for sale investments	9,964	9,531
Other financial assets at fair value through profit or loss	31,405	34,932
Other receivables – financial instruments only	5,634	2,631
Derivative financial instruments	78,473	4,336
Cash and bank balances	685	2,775
Contingent Liabilities		
Guarantees of related party debt	1,189,818	2,058,938

There are no specific collateral or guarantees held in respect of the above financial assets. However, limited offsetting of derivative assets and liabilities is available in the event of default.

Details of the contingent liabilities are shown in note 33.

The maximum single exposure from derivative assets at the balance sheet date to a single counterparty is €30,397,714 (2007: €153,780 2007) and the 3 largest counterparty positions represent €44,396,448 (2007: €255,707 2007).

35.5 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet payment obligations associated with its financial liabilities when they fall due.

The company regularly forecasts short and medium term funding requirements incorporating information from other related companies and ensures that there is an appropriate level of liquid resources to cover any unforeseen cash requirements.

The company actively maintains a mixture of long-term and short-term debt maturities, together with long-term committed facilities and liquid investments that are designed to ensure the company has sufficient available funds for operations. The company maintains a committed credit line with a syndicate of commercial banks to mitigate the liquidity risk. In addition, the company has entered into a Credit Support Agreement and a Supplemental Credit Support Agreement with its Parent Company in respect of capital market borrowing and guarantee obligations respectively.

The following table details the expected maturity of non-derivative financial liabilities. The analysis is based on gross contractual (undiscounted) cash flows payable.
Foreign currency cash flows included in the table below have been translated using market rates. Where future interest payments are variable, the cash flows are based on the interest rate index at the balance sheet date.

31 March 2008	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Due after 5 years
	€000	€000	€000	€000
Bank borrowings	-	-	-	-
Commercial paper	830,267	661,938	-	-
EMTN	215,810	633,898	281,060	181,092
Structured EMTN	8,597	3,086	119,792	156,898
Total debt cash flows 31 March 2008	1,054,674	1,298,922	400,842	337,990

31 March 2007	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Due after 5 years
	€000	€000	€000	€000
Bank borrowings	-	-	-	-
Commercial paper	790,094	131,294	-	-
EMTN	124,843	388,103	683,097	153,494
Structured EMTN	1,781	2,202	41,869	257,832
Total debt cash flows at 31 March 2007	916,718	521,599	724,966	411,326

The following table details the expected maturity of derivative financial instruments.

The analysis is based on the gross contractual (undiscounted) cash flows.
When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to current market indices at the reporting date.

31 March 2008	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Due after 5 years
	€000	€000	€000	€000
Net settled:				
– Interest derivatives	(662)	(1,161)	(14,481)	(8,338)
Gross settled:				
– Currency derivatives - receivable	(1,005,207)	(828,813)	(481,984)	(112,269)
– Currency derivatives – payable	985,206	823,301	543,636	132,842
Total derivative cash flows at 31 March 2008	(20,664)	(6,593)	47,193	12,835
Total net cash flows at 31 March 2008	1,033,990	1,292,329	448,035	350,825

31 March 2007	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Due after 5 years
	€000	€000	€000	€000
Net settled:				
– Interest derivatives	(706)	2,418	9,213	1,981
Gross settled:				
– Currency derivatives - receivable	(796,153)	(332,454)	(505,150)	(200,552)
– Currency derivatives - payable	796,067	349,354	539,445	243,500
Total derivative cash flows at 31 March 2007	(792)	19,318	43,508	44,929
Total net cash flows at 31 March 2007	915,916	549,917	768,474	456,265

The company has extended loan facilities to related parties and to the extent that these loan facilities are undrawn at the balance sheet data this represents a future lending commitment.

Potential cash outflows from undrawn loan facilities at the reporting date are shown in the table above at the earliest possible drawn down date. The cash flow effect of probable future related party borrowing requirements is monitored through regular cash flow forecasts provided to the company by the related parties.

31 March 2008	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Due after 5 years
	€000	€000	€000	€000
Undrawn loan commitments	527,184	-	-	-
Total undrawn commitments as at 31 March 2008	527,184	-	-	-

31 March 2007	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Due after 5 years
	€000	€000	€000	€000
Undrawn loan commitments	633,570	-	-	-
Total undrawn commitments as at 31 March 2007	633,570	-	-	-

35.6 *Price risk*

The company is not significantly exposed to equity price risk or commodity price risk.

36. Fair value of financial instruments

The following tables compare the carrying value and fair value of those financial assets and liabilities not presented on the balance sheet at fair value.

Derivative financial instruments, structured EMTNs, and investments are recognised in the balance sheet at their fair value. Therefore they are not included in the comparison tables below.

36.1 Fair value estimation

Fair value is obtained by calculating the amount at which an asset or liability could be exchanged in an arm's length transaction between informed and willing parties other than in a forced liquidation.

Financial assets:

The fair value of cash held in the Company's bank accounts is the same as the carrying amount.

The book value of short-term financial assets approximates their fair value due to the short maturities of these instruments.

The fair value calculation for loans to related parties is based on discounting expected future cash flows using an estimated discount rate that reflects the expected future interest rates, derived from quoted market rates at the balance sheet date. Early settlements, credit losses and credit spread assumptions are reviewed periodically, but currently are not relevant to this class of asset.

Statistical methods are used that divide receivables into segments by type of receivables and contractual term.

Financial liabilities:

The book value of short-term financial liabilities approximates their fair value due to the short maturities of these instruments.

The fair value of borrowings is based on current market prices where available.

Where active market prices are not available, the fair value of fixed interest borrowings is based on future cash flows discounted at the current rate for similar debt or assets with the same remaining maturities.

36.2 Carrying amounts and fair value of financial instruments

	31 March 2008		31 March 2007	
	Carrying Value	Fair value	Carrying Value	Fair value
	€000	€000	€000	€000
Financial assets				
Loans to related parties	2,906,852	2,915,507	2,602,772	2,606,863
Cash and bank balances	685	685	2,775	2,775
Financial liabilities				
Borrowings				
- Commercial paper	1,471,809	1,471,058	915,301	914,979
- *Euro medium term notes*	1,367,563	1,382,751	1,499,153	1,493,687
Overdrafts	5,186	5,185	1,847	1,847

As mentioned above, financial instruments at fair value are not included in the above comparison table.

37. Events after the balance sheet date

There are no events after the balance sheet events to disclose.

Other Information

Retained Earnings

In accordance with Article 21 of the Articles of Association, retained earnings are at the disposal of the shareholder in general meeting. Subject to the company being in a profitable position, the Board of Management may decide to pay an interim dividend subject to the approval of the shareholder in general meeting.

Appropriation of Profit

The Board of Management proposed and agreed that the net profit for the past financial year was credited to the retained earnings.

Post Balance Sheet Events

There are no post balance sheet events to disclose.

Auditors' Opinion

The auditors' opinion is set out on page 43

PRICEWATERHOUSECOOPERS

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To the Board of Management and the General Meeting of Shareholders of Toyota Motor Finance (Netherlands) B.V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements for the year ended 31 March 2008 of Toyota Motor Finance (Netherlands) B.V., Amsterdam as set out on pages 5 to 42 which comprise the balance sheet as at 31 March 2008, the income statement, statement of changes in equity and cash flow statement for the year ended 31 March 2008 and a summary of significant accounting policies and other explanatory notes.

The directors' responsibility

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers is the trade name of among others the following companies: PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287) and PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289). The services rendered by these companies are governed by General Terms & Conditions, which include provisions regarding our liability. These General Terms & Conditions are filed with the Amsterdam Chamber of Commerce and can also be viewed at www.pwc.com/nl

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Toyota Motor Finance (Netherlands) B.V. as at 31 March 2008, and of its result and its cash flows for the year ended 31 March 2008 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 24 July 2008
PricewaterhouseCoopers Accountants N.V.

J. van Hees RA