

**FINANCIAL SERVICES****Toyota Financial Services (South Africa) (Proprietary) Limited***(a private company incorporated with limited liability under the laws of the Republic of South Africa)**(Registration Number 1982/010082/07)***ZAR 3,000,000,000****Domestic Medium Term Note Programme**

Unconditionally and irrevocably guaranteed by

**Toyota Motor Finance (Netherlands) B.V.***(a private company incorporated with limited liability under the laws of The Netherlands)*

Under this ZAR 3,000,000,000 Domestic Medium Term Note Programme (the "**Programme**") Toyota Financial Services (South Africa) (Proprietary) Limited (the "**Issuer**"), may from time to time issue notes (the "**Notes**"), which expression shall include Senior Notes and Subordinated Notes (each as defined below) denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined below) and further subject to all applicable laws and, in the case of Notes listed on the Bond Exchange of South Africa or its successor ("**BESA**"), or such other or further exchange(s) as may be determined by the Issuer and the relevant authority, the rules of BESA or such other or further exchange(s), that are subject to the terms and conditions (the "**Terms and Conditions**") contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the "**Applicable Pricing Supplement**").

All sums payable by the Issuer in respect of the Notes are unconditionally and irrevocably guaranteed by Toyota Motor Finance (Netherlands) B.V. ("**TMF**"). Toyota Motor Corporation (the "**Parent**") has entered into a credit support agreement and a supplementary credit support agreement governed by Japanese law with Toyota Financial Services Corporation ("**TFS**"), the holding company of TMF. TFS has, in turn, entered into a credit support agreement and a supplementary credit support agreement governed by Japanese law with TMF. (See section entitled "*Relationship of TMF with TFS and the Parent*".)

Save as set out herein, the Notes will not be subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed ZAR 3,000,000,000 (or its equivalent in other currencies calculated as described herein).

Application has been made for this Programme to be approved by BESA. The Programme provides that Registered Notes may be listed on BESA or such other or further exchange(s) as may be determined by the Issuer and the relevant authority and subject to the applicable ruling laws. Notice of the aggregate Nominal Amount (as defined in the Terms and Conditions) of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under the section entitled "*Terms and Conditions of Notes*") of Notes will be set forth in the Applicable Pricing Supplement which will, in the case of listed Registered Notes, be delivered to BESA and the Central Depository (as defined under the section entitled "*Form of Notes*") on or before the date of issue of such Registered Notes and the Registered Notes may then be traded by or through members of BESA from the date specified in the Applicable Pricing Supplement. The Issuer may determine that particular Registered Notes will not be listed on BESA or any other exchange and Bearer Notes and Order Notes will not be listed on such exchange(s), and in that case, no Applicable Pricing Supplement will be delivered to BESA or such other or further exchange(s). The trading and/or settlement of the unlisted Notes will not be guaranteed by the Bond Exchange Guarantee Fund.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section entitled "*Summary of Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Programme Memorandum to the "**relevant Dealer**" shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

This Programme has, as at the date of this Programme Memorandum, not been rated by any rating agency; however, the Issuer may at any time obtain a rating from a rating agency for the Programme or any issue of Notes issued pursuant to the terms of this Programme. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Registered Notes listed on BESA) a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes.

*Arranger***Deutsche Bank AG, Johannesburg branch***Dealers***Citigroup Global Markets (Proprietary) Limited****FirstRand Bank Limited, acting through its  
Rand Merchant Bank Division****The Standard Bank of South Africa Limited****Deutsche Bank AG, Johannesburg branch****Nedbank Limited, acting through its division,  
Nedbank Capital**

The Issuer and TMF each accept full responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer and TMF (who have taken all reasonable care to ensure that such is the case) the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer and TMF, having made all reasonable enquiries, confirm that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Programme Memorandum are honestly held and that there are no other facts the omission of which would make this Programme Memorandum or any of such information or expression of any such opinions or intentions misleading in any material respect.

This document is to be read and construed with any amendment or supplement thereto (this document, as amended or supplement, the “**Programme Memorandum**”) and in conjunction with any other documents which are deemed to be incorporated herein by reference (see the section entitled “*Documents Incorporated by Reference*”) and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

The Arranger, the Dealers or any of their respective affiliates, BESA and other professional advisers named herein have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger or the Dealers, BESA and other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer or TMF. The Arranger, the Dealers, BESA and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer or TMF in connection with the Programme.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, TMF, the Arranger, the Dealers or other professional advisers.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, TMF, the Arranger, any of the Dealers or BESA that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should purchase any Notes.

Each person contemplating the purchase of any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and TMF and its purchase of Notes should be based upon any such investigation as it deems necessary. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, TMF or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer, TMF, TFS or the Parent during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer, TMF, TFS and the Parent when deciding whether or not to purchase any Notes.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes. The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger and the Dealers to inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and other offering material relating to the Notes, see the section entitled “*Subscription and Sale*”.

No one of the Issuer, TMF, the Dealers and other professional advisers represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, TMF, the Dealers or other professional advisers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

**The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”). Notes may not be offered, sold or delivered within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act.**

All references in this document to “Rands”, “ZAR”, “South African Rand”, “R” and “cent” refer to the currency of the Republic of South Africa, to “Japanese Yen”, “JPY” and “¥” to the currency of Japan, to “U.S.\$” to the currency of the United States of America and to “Euro” or “€” to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

**In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, which is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.**

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## Documents Incorporated by Reference

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The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time; and
- (b) in respect of any Issue of Notes, the published annual report incorporating audited annual financial statements, and notes thereto, of the Issuer and the Parent for the three financial years prior to such Issue; and
- (c) the Guarantee executed by TMF in favour of the Noteholders; and
- (d) each Applicable Pricing Supplement relating to any Notes; and
- (e) the most recently prepared memorandum containing the disclosure requirements of the Commercial Paper Regulations published in Government Notice 2172 in Government Gazette 16167 of 14 December 1994 under section 90 of the Banks Act, 1990 (the “**Banks Act**”) to the extent they are applicable,

save that any statement contained in this Programme Memorandum or in any of the documents incorporated by reference in and forming part of this Programme Memorandum shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will provide at the specified office of the Transfer Secretary, without charge, to each person to whom a copy of the Programme Memorandum has been delivered, upon request of such person, a copy of any or all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents should be directed to the Transfer Secretary at its registered office as set out at the end of this Programme Memorandum.

The Issuer has undertaken, in connection with the listing of Registered Notes on BESA or on such other exchange or further exchange or exchanges as may be selected by the Issuer, that so long as any Registered Note remains outstanding and listed on such exchange, in the event of an adverse change in the condition (financial or otherwise) of the Issuer or any change in the information set out under the Terms and Conditions of the Notes that is material in the context of issuance under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to the Programme Memorandum or, as the case may be, publish a new Programme Memorandum.

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## General Description of the Programme

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Under the Programme, the Issuer may from time to time issue Notes denominated in the currency specified in the Applicable Pricing Supplement. The applicable terms of any Notes will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by the Applicable Pricing Supplement relating to the Notes and any supplementary Programme Memorandum.

This Programme Memorandum and any supplement will only be valid for issuing Notes in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed ZAR 3,000,000,000 or its equivalent in other currencies. For the purpose of calculating the South African Rand equivalent of the aggregate amount of Notes issued under the Programme from time to time:

- (a) the South African Rand equivalent of Notes denominated in another Specified Currency (as defined in the Terms and Conditions) shall be determined as of the date of agreement to issue such Notes (the “**Agreement Date**”) on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date;
- (b) the South African Rand equivalent of Dual Currency Notes and Index-Linked Notes (each as defined in the Terms and Conditions) shall be calculated in the manner specified in (a) above by reference to the original nominal amount of such Notes;
- (c) the South African Rand equivalent of Zero Coupon Notes (as defined in the Terms and Conditions) and other Notes issued at a discount or premium shall be calculated in the manner specified in (a) above by reference to the net subscription proceeds received by the Issuer for the relevant issue; and
- (d) the South African Rand equivalent of Partly-Paid Notes (as defined in the Terms and Conditions) shall be calculated in the manner specified in (a) above by reference to the nominal amount regardless of the amount paid up on such Notes.

A summary of the Programme and the Terms and Conditions appears below.

This Programme Memorandum will only apply to Notes issued under the Programme.

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## Summary of the Terms and Conditions of the Programme and the Notes

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*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

<b>Issuer:</b>	Toyota Financial Services (South Africa) (Proprietary) Limited (Registration Number 1982/010082/07).
<b>Parent:</b>	Toyota Motor Corporation.
<b>TMF:</b>	Toyota Motor Finance (Netherlands) B.V.
<b>TFS:</b>	Toyota Financial Services Corporation.
<b>Arranger:</b>	Deutsche Bank AG, Johannesburg branch.
<b>Dealers:</b>	Citigroup Global Markets (Proprietary) Limited, Deutsche Bank AG, Johannesburg branch, FirstRand Bank Limited, acting through its Rand Merchant Bank Division, Nedbank Limited, acting through its division, Nedbank Capital and The Standard Bank of South Africa Limited.
<b>Blocked Rand:</b>	Blocked Rand may be used to purchase Notes.
<b>Calculation Agent:</b>	In relation to any Tranche of Notes, FirstRand Bank Limited, acting through its Rand Merchant Bank Division or such other person specified in the Applicable Pricing Supplement as the Calculation Agent.
<b>Central Depository:</b>	STRATE Limited (Registration Number 1998/022242/06), registered as a central securities depository in terms of the Securities Services Act, 2004, or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. (See section entitled “ <i>Subscription and Sale.</i> ”)
<b>Clearing and Settlement:</b>	Listed Registered Notes will be cleared and settled in accordance with the rules of BESA. Listed Registered Notes have been accepted for clearance through the Central Depository, which forms part of the BESA clearing system that is managed by the Central Depository and may be accepted for clearance through any additional clearing system as may be agreed between BESA and the Issuer. As at the date of this Programme Memorandum, the BESA Settlement Agents are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“ <b>Euroclear</b> ”) and Clearstream Banking, société anonyme (Clearstream Luxembourg) (“ <b>Clearstream</b> ”) may hold Registered Notes through their Settlement Agent.
<b>Credit Support Agreements:</b>	TMF has the benefit of a credit support agreement and a supplementary credit support agreement made between it and TFS. In turn, TFS has the benefit of a credit support agreement and a supplementary credit support agreement made between it and the Parent. These credit support agreements are more fully described on pages 57 to 61.

<b>Currency:</b>	South African Rand (“ <b>ZAR</b> ”) or, as agreed by the Issuer and the relevant Dealer(s), subject to all applicable laws and, in the case of Registered Notes listed on BESA, the rules of BESA, (or such other or further exchange or exchanges as may be selected by the Issuer in relation to such issue) in such other currency as specified in the Applicable Pricing Supplement.
<b>Cross-Default:</b>	The terms of the Notes will contain a cross-default provision relating to indebtedness for money borrowed having an aggregate outstanding amount of at least US\$25,000,000 (or its equivalent in any other currency or currencies) or any guarantee of or indemnity in respect of any such indebtedness as further described in Condition 17.1.5.
<b>Denomination:</b>	Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s), and as indicated in the Applicable Pricing Supplement save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulator (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, as defined in the Applicable Pricing Supplement.
<b>Distribution:</b>	Notes may be distributed by way of private placement or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
<b>Form of Notes:</b>	<p>Notes will be issued in the form of Registered Notes, Order Notes or Bearer Notes as described in the section entitled “<i>Form of Notes</i>”. In the case of Registered Notes which are listed on BESA, each Tranche of such Registered Notes will initially be evidenced by a Global Certificate, which shall be deposited before its Settlement Date with the Central Depository and registered in the name of the nominee of the Central Depository. Beneficial Interests in a Global Certificate will not be exchangeable for Individual Certificates except in the circumstances described in this Programme Memorandum.</p> <p>Individual Certificates will be issued in respect of unlisted Registered Notes, Bearer Notes or Order Notes. Bearer Notes or Order Notes, other than Zero Coupon Notes, will have Coupons and (if indicated in the Applicable Pricing Supplement), Talons attached to the Certificate on issue. Instalment Notes which are Bearer Notes or Order Notes will have Receipts attached to the Certificate on issue.</p>
<b>Governing Law:</b>	The Notes will be governed by and construed in accordance with the laws of the Republic of South Africa in force from time to time.
<b>Guarantee of TMF:</b>	TMF has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due and payable on the Notes in terms of the Terms and Conditions. See the section entitled “ <i>Guarantee by Toyota Motor Finance (Netherlands) B.V.</i> ” and the Guarantee Structure depicted on page 57.
<b>Initial Programme Amount:</b>	Up to ZAR 3,000,000,000 (or its equivalent in other currencies calculated on the Agreement Date as described herein) outstanding at any time. The maximum aggregate principal amount permitted to be outstanding at any time under the Programme may be increased from time to time, in accordance with the terms of the Programme Agreement.
<b>Interest Period(s)/Interest Payment Date(s):</b>	Such period(s) or date(s) as specified in the Applicable Pricing Supplement.
<b>Issue and Transfer Taxes:</b>	No stamp duty, marketable securities tax, uncertificated securities tax or any similar tax is payable in respect of the issue or transfer of interest-bearing Notes under current South African law, unless convertible into shares or similar equity interest or eligible to participate in dividends.

<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement.								
<b>Listing and Trading:</b>	Application will be made for this Programme to be approved by BESA (or such other or further exchange(s) as may be determined by the Issuer and the relevant authority and subject to the applicable ruling laws). Registered Notes issued under the Programme may be listed on BESA (or such other or further exchange(s) as may be selected by the Issuer in relation to such issue). Unlisted Notes may also be issued under the Programme in which case the Issuer shall notify BESA. The Applicable Pricing Supplement in respect of a Tranche will specify whether or not such Notes will be listed and, if so, on which exchange. The trading and/or settlement of unlisted Notes will not be guaranteed by the Bond Exchange Guarantee Fund.								
<b>Maturities of Notes:</b>	In respect of listed Registered Notes, such maturity(ies) that are acceptable to BESA (or such other or further exchange(s) as may be selected by the Issuer in relation to such issue) and, for all Notes, that are specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.								
<b>Notes:</b>	Notes may comprise: <table border="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: top;"><b>Fixed Rate Notes</b></td> <td>Fixed Rate interest will be payable in arrear on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).</td> </tr> <tr> <td style="vertical-align: top;"><b>Floating Rate Notes</b></td> <td> <p>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.</p> </td> </tr> <tr> <td style="vertical-align: top;"><b>Zero Coupon Notes</b></td> <td>Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified).</td> </tr> <tr> <td style="vertical-align: top;"><b>Index-Linked Notes</b></td> <td>Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.</td> </tr> </table>	<b>Fixed Rate Notes</b>	Fixed Rate interest will be payable in arrear on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).	<b>Floating Rate Notes</b>	<p>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.</p>	<b>Zero Coupon Notes</b>	Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified).	<b>Index-Linked Notes</b>	Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.
<b>Fixed Rate Notes</b>	Fixed Rate interest will be payable in arrear on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).								
<b>Floating Rate Notes</b>	<p>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.</p>								
<b>Zero Coupon Notes</b>	Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified).								
<b>Index-Linked Notes</b>	Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.								

<b>Dual Currency Notes</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.
<b>Mixed Rate Notes</b>	which will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index-Linked Notes or Dual Currency Notes, each as specified in the Applicable Pricing Supplement.
<b>Instalment Notes</b>	in respect of which the Applicable Pricing Supplement will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Partly-Paid Notes</b>	in respect of which the Issue Price will be payable in two or more instalments as set out in the Applicable Pricing Supplement.
<b>Exchangeable Notes</b>	which may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement.
<b>Senior Notes</b>	bearing the characteristics described under “ <b>Status of Senior Notes</b> ” below.
<b>Subordinated Notes</b>	bearing the characteristics described under “ <b>Status and Characteristics of Subordinated Notes</b> ” below.
<b>Other Notes</b>	Terms applicable to any other type of Notes that are approved by BESA, or its successor, or such other or further exchange(s) as may be selected by the Issuer in relation to an issue of listed Registered Notes, or as agreed between the Issuer and the relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement.

**Noteholders:** The holders of the Registered Notes (as recorded in the Register) and/or the Bearers of Bearer Notes and/or the Payees of the Order Notes.

**Paying Agent:** In relation to any Tranche of Notes, FirstRand Bank Limited, acting through its Rand Merchant Bank Division or such other person specified in the Applicable Pricing Supplement as the Paying Agent.

**Rating:** As at the date of this Programme Memorandum, this Programme has not been rated by any rating agency. The Issuer may however at any time obtain a rating by a rating agency of this Programme or any issue of Notes issued pursuant to this Programme. Tranches of Notes issued under the Programme may be rated or unrated. Where such a Tranche is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Investors should understand that a security rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organisation, and that each rating should be evaluated independently of any other.

**Redemption:** The Applicable Pricing Supplement relating to a Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or, in the case of Senior Notes only, the Noteholders upon giving not less than 30 nor more than 60 days’ irrevocable notice (or such other notice period (if any) as is indicated in the Applicable Pricing Supplement) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement.

The Applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the Applicable Pricing Supplement.

<b>Selling Restrictions:</b>	There are restrictions on the sale of Notes and the distribution of offering materials in various jurisdictions. See the section entitled “ <i>Subscription and Sale</i> ”, and such restrictions as may be imposed in the Applicable Pricing Supplement.
<b>Status of Senior Notes:</b>	The Senior Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking <i>pari passu</i> amongst themselves and (save for certain obligations required to be preferred by law) at least <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer.
<b>Status and Characteristics relating to Subordinated Notes:</b>	<p>The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> among themselves and will rank at least <i>pari passu</i> with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been accorded by law preferential rights.</p> <p>Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up then and in any such event the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness (as defined below), to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, liquidation or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full. The term “<b>Subordinated Indebtedness</b>” means any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution of the Issuer or if the Issuer is wound up or placed in liquidation.</p>
<b>Stabilisation:</b>	In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, which is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.
<b>Taxation:</b>	All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in South Africa, subject to certain exceptions as provided in Condition 12. In the event that withholding tax or such other deduction is required by law, then the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction.
<b>Transfer Secretary:</b>	In relation to any Tranche of Notes, FirstRand Bank Limited, acting through its Rand Merchant Bank Division or such other person specified in the Applicable Pricing Supplement as the Transfer Secretary will act as transfer secretary and will maintain the Register.
<b>Use of Proceeds:</b>	The Issuer will use the issue proceeds of the Notes for its general corporate purposes or as otherwise described in the Applicable Pricing Supplement.

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## Form of the Notes

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Notes may be issued in registered, bearer or order form, as specified in the Applicable Pricing Supplement.

Registered Notes may be listed on the Bond Exchange of South Africa, a licensed financial exchange in terms of the Securities Services Act, 2004 (“**BESA**”) and/or a successor exchange to BESA or such other or further exchange or exchanges as the Issuer may select in relation to an issue. Each Tranche of Registered Notes listed on BESA will be issued in accordance with the terms and conditions set out below in this Programme Memorandum (the “**Terms and Conditions**”) in the form of a single certificate, without interest coupons (the “**Global Certificate**”), which will be lodged and immobilised in STRATE Limited (Registration number 1998/022242/06), or its nominee, operating in terms of the Securities Services Act, 2004 (or any successor Act thereto) (the “**Central Depository**”), which forms part of the settlement system of BESA. This will entail that the Registered Notes, represented by the Global Certificate, will be deposited with and registered in the name of, and for the account of the Central Depository.

In the event that the Notes are dematerialised, no Certificates shall be issued in respect thereof.

All Notes not represented by a Global Certificate, including Registered Notes which are unlisted, Bearer Notes and Order Notes (each defined below) shall be issued in definitive form (“**Individual Certificate**”). Notes represented by Individual Certificates may only be transferred in accordance with the provisions of Condition 15.

### Listed Registered Notes

Beneficial interests in listed Registered Notes which are lodged in the form of the Global Certificate in the Central Depository (“**Beneficial Interests**”) may, in terms of existing law and practice, be transferred through the Central Depository by way of book entry in the securities accounts of the participants in the Central Depository (“**Participants**”), who are also approved by BESA to act as Settlement Agents and therefore perform electronic settlement of both funds and scrip on behalf of market participants. A certificate or other document issued by a Participant as to the nominal amount of such Beneficial Interest in listed Registered Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest.

Beneficial Interests in listed Registered Notes may be exchanged, without charge by the Issuer, for Individual Certificates in accordance with the provisions of Condition 13 of the Terms and Conditions. The listed Registered Notes represented by the Global Certificate and Individual Certificates will be registered in the names of the Noteholders in the register of Noteholders maintained by or on behalf of the Issuer (the “**Register**”). The Issuer shall regard the Register as the conclusive record of title to the listed Registered Notes. The Central Depository shall be recognised by the Issuer as the owner of the listed Registered Notes represented by the Global Certificate and the registered holders of Individual Certificates shall be recognised by the Issuer as the owners of the listed Registered Notes represented by such Individual Certificates.

In the event that the listed Registered Notes are dematerialised, the person whose name is reflected in the sub-register maintained by the relevant Participant as a Noteholder shall be treated by the Issuer as the Noteholder of such nominal amount of listed Registered Notes (in which regard any certificate or other document issued by a Participant, as to the nominal amount of such Beneficial Interest in listed Registered Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest) for all purposes, other than with respect to the payment of principal or interest on the listed Registered Notes.

### Bearer and Order Notes

Notes issued in bearer form (“**Bearer Notes**”) or in order form (“**Order Notes**”) and which are interest bearing shall, if indicated in the Applicable Pricing Supplement, have interest coupons (“**Coupons**”) and, if indicated in the Applicable Pricing Supplement, talons for further Coupons (“**Talons**”) attached on issue. Notes repayable in instalments shall have receipts (“**Receipts**”) for the payment of the instalments of principal (other than the final instalment) attached on issue.

Title to Bearer Notes and/or Receipts, Coupons and Talons attached on issue to the Individual Certificate in respect of such Bearer Notes will pass by delivery of such Certificate, Receipt, Coupon or Talon (as the case may be). Title to Order Notes and/or any Receipts, Coupons and Talons attached on issue to the Individual Certificate in respect of such Order Note, will pass by way of endorsement and delivery of such Certificate, Receipt, Coupon or Talon (as the case may be).

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## Pro Forma Applicable Pricing Supplement

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Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme:

**Toyota Financial Services (South Africa) (Proprietary) Limited**  
*(Incorporated with limited liability under the laws of the Republic of South Africa)*  
*(Registration Number 1982/010082/07)*

Unconditionally and irrevocably guaranteed by  
**Toyota Motor Finance (Netherlands) B.V.**  
*(a private company incorporated with limited liability under the laws of The Netherlands)*

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**Under its ZAR 3,000,000,000 Domestic Medium Term Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated [...] 20[...]. The Notes described in this Applicable Pricing Supplement are subject to the Terms and Conditions in the Programme Memorandum. This Applicable Pricing Supplement contains the final terms of the Notes and this Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

### DESCRIPTION OF THE NOTES

Issuer	Toyota Financial Services (South Africa) (Proprietary) Limited
Guarantor	Toyota Motor Finance (Netherlands) B.V.
Whether the Notes are Senior Notes or Subordinated	[...]
Status of Notes	[Secured/Unsecured]
Series Number	[...]
Tranche Number	[...]
Aggregate Nominal Amount:	
(a) Series	[...]
(b) Tranche	[...]
Interest	[Interest bearing/Non-interest bearing]
Interest/Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon/Index-Linked Notes/Dual Currency Notes/Partly-Paid Notes/Instalment Notes/other]
Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	[insert details including date for conversion]
Form of Notes	[Registered/Bearer/Order] Notes
Issue Date	[...]
Business Centre	[...]
Additional Business Centre	[...]
Nominal Amount per Note	[...]

Specified Denomination	[...]
Issue Price	[...]
Interest Commencement Date	[...]
Maturity Date	[...]
Specified Currency	[...]
Applicable Business Day Convention	[Floating Rate Business Day/Following Business Day/Modified Following Business Day/Modified Following Business Day Adjusted/Preceding Business Day/other convention – insert details]
Final Redemption Amount	[...]
Last Date to Register	[...]
Books Closed Period(s)	The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Maturity Date
Default Rate	[...]

#### **FIXED RATE NOTES**

(a) Fixed Rate of Interest	[...] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
(b) Fixed Interest Payment Date(s)	[...] in each year up to and including the Maturity Date/other
(c) Fixed Coupon Amount(s)	[...] per [...] in Nominal Amount
(d) Initial Broken Amount	[...]
(e) Final Broken Amount	[...]
(f) Determination Date(s)	[...] in each year
(g) Day Count Fraction	[...]
(h) Any other terms relating to the particular method of calculating interest	[...]

#### **FLOATING RATE NOTES**

(a) Floating Interest Payment Date(s)	[...]
(b) Interest Period(s)	[...]
(c) Definition of Business Day (if different from that set out in Condition 1)	[...]
(d) Minimum Rate of Interest	[...] per cent. per annum
(e) Maximum Rate of Interest	[...] per cent. per annum
(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	[...]
Manner in which the Rate of Interest is to be determined	[ISDA Determination/Screen Rate Determination/other – insert details]
Margin	[...] basis points to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]

If ISDA Determination	
(a) Floating Rate	[...]
(b) Floating Rate Option	[...]
(c) Designated Maturity	[...]
(d) Reset Date(s)	[...]
(e) ISDA Definitions to apply	[...]

If Screen Determination	
(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	[...]
(b) Interest Rate Determination Date(s)	[...]
(c) Relevant Screen Page and Reference Code	[...]

If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions [...]

Calculation Agent, responsible for calculating amount of principal and interest [...]

**ZERO COUPON NOTES**

(a) Implied Yield	[...]
(b) Reference Price	[...]
(c) Any other formula or basis for determining amount(s) payable	[...]

**PARTLY-PAID NOTES**

(a) Amount of each payment comprising the Issue Price	[...]
(b) Date upon which each payment is to be made by Noteholder	[...]
(c) Consequences (if any) of failure to make any such payment by Noteholder	[...]
(d) Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments	[...] per cent.

**INSTALMENT NOTES**

Instalment Dates	[...]
Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes)	[...]

**MIXED RATE NOTES**

Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for:

(a) Fixed Rate Notes	[...]
(b) Floating Rate Notes	[...]
(c) Indexed Notes	[...]
(d) Dual Currency Notes	[...]
(e) Other Notes	[...]

The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes

## INDEX-LINKED NOTES

(a) Type of Index-Linked Notes	[Indexed Interest Notes/Indexed Redemption Amount Notes]
(b) Index/Formula by reference to which Interest Rate/Interest Amount is to be determined	[...]
(c) Manner in which the Interest Rate/Interest Amount is to be determined	[...]
(d) Interest Period(s)	[...]
(e) Interest Payment Date(s)	[...]
(f) Calculation Agent	[...]
(g) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable	[...]
(h) Definition of Business Day (if different from that set out in Condition 1)	[...]
(i) Minimum Rate of Interest	[...] per cent. per annum
(j) Maximum Rate of Interest	[...] per cent. per annum
(k) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	[...]

## DUAL CURRENCY NOTES

(a) Type of Dual Currency Notes	[Dual Currency Interest Notes/Dual Currency Redemption Amount Notes]
(b) Rate of Exchange/method of calculating Rate of Exchange	[...]
(c) Provisions applicable where calculation by reference to Rate of Exchange if impossible or impracticable	[...]
(d) Person at whose option Specified Currency(ies) is/are payable	[...]

## EXCHANGEABLE NOTES

(a) Mandatory Exchange applicable?	[Yes/No]
(b) Noteholders' Exchange Right applicable?	[Yes/No]
(c) Exchange Securities	[...]
(d) Manner of determining Exchange Price	[...]
(e) Exchange Period	[...]
(f) Other	[...]

## OTHER NOTES

Relevant description and any additional Terms and Conditions relating to such Notes	[...]
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**PROVISIONS REGARDING  
REDEMPTION/MATURITY**

Issuer's Optional Redemption: if yes: [Yes/No]

(a) Optional Redemption Date(s) [...]

(b) Optional Redemption Amount(s) and method, if any,  
of calculation of such amount(s) [...]

(c) Minimum period of notice  
(if different from Condition 11.3) [...]

(d) If redeemable in part: [...]

Minimum Redemption Amount(s) [...]

Higher Redemption Amount(s) [...]

(e) Other terms applicable on Redemption

Redemption at the Option of the Senior Noteholders: if yes: [Yes/No]

(a) Optional Redemption Date(s) [...]

(b) Optional Redemption Amount(s) [...]

(c) Minimum period of notice  
(if different from Condition 11.4) [...]

(d) If redeemable in part:

Minimum Redemption Amount(s) [...]

Higher Redemption Amount(s) [...]

(e) Other terms applicable on Redemption [...]

(f) Attach *pro forma* put notice(s)

Early Redemption Amount(s) payable on redemption  
for taxation reasons or on Event of Default  
(if required). If no: [Yes/No]

(a) Amount payable; or [...]

(b) Method of calculation of amount payable [...]

**GENERAL**

Financial Exchange [...]

Calculation Agent [...]

Paying Agent [...]

Specified office of the Paying Agent [...]

Transfer Secretary [...]

Provisions relating to Stabilisation [...]

Stabilising Manager [...]

Additional Selling Restrictions [...]

ISIN [...]

Stock Code [...]

The notice period required for exchanging interests in  
Global Certificates for Individual Certificates [...]

Method of Distribution [...]

If syndicated, names of Managers	[...]
If non-syndicated, name of Dealer	[...]
Credit Rating assigned to Notes (if any)	[...]
Receipts attached?	[Yes/No]
If yes, number of Receipts attached	[...]
Coupons attached?	[Yes/No]
If yes, number of Coupons attached	[...]
Talons attached?	[Yes/No]
If yes, number of Talons attached	[...]
Stripping of Receipts and/or Coupons prohibited as provided in Condition 15.4	[Yes/No]
Governing law (if the laws of South Africa are not applicable)	[...]
Other Banking Jurisdiction	[...]
Surrendering of Notes	[...] days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Issuer
Use of Proceeds	[...]
Pricing Methodology	[Standard BESA pricing methodology/other – insert details]
Other Provisions	[...]

**RESPONSIBILITY:**

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement.

Application is hereby made to list this issue of Notes (as from (date of Issue of Notes)).

Signed at \_\_\_\_\_ on \_\_\_\_\_

For and on behalf of

**Toyota Financial Services (South Africa) (Proprietary) Limited**

By: \_\_\_\_\_ By: \_\_\_\_\_  
 Director duly authorised Director duly authorised

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## Terms and Conditions of the Notes

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*The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each Note. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The Applicable Pricing Supplement will be attached to each Note.*

Before the Issuer issues any Tranche of listed Registered Notes, the Issuer shall complete, sign and deliver to BESA and the Central Depository a pricing supplement based on the pro forma Applicable Pricing Supplement included in the Programme Memorandum (an “**Applicable Pricing Supplement**”) setting out details of such Registered Notes. The Issuer may determine that particular Notes will not be listed on BESA or any other exchange and in that case, no Applicable Pricing Supplement will be delivered to BESA or such exchange.

If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

### 1. INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

- 1.1 “**Agency Agreement**” means the agency agreement (if any) to be entered into between the Issuer, the Transfer Secretary, the Calculation Agent and the Paying Agent, if the Issuer is not acting in any of the aforementioned capacities;
- 1.2 “**Applicable Pricing Supplement**” means the Pricing Supplement relating to each Tranche of Notes;
- 1.3 “**Applicable Procedures**” means the rules and operating procedures for the time being of the Central Depository, Participants and BESA, as the case may be;
- 1.4 “**Bearer**” means the bearer of an Individual Certificate in respect of a Bearer Note or of a Receipt or Coupon attached to such Individual Certificate on issue;
- 1.5 “**Bearer Note**” means a Note payable to the Bearer thereof, transferable by way of delivery in accordance with Condition 15.2 and the term “**Bearer Note**” shall include the rights to payment of any interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Individual Certificate in respect of such Bearer Note;
- 1.6 “**Beneficial Interest**” means the undivided share of a co-owner of the Notes represented by a Global Certificate as provided in section 41 of the Securities Services Act, 2004;
- 1.7 “**BESA**” means the Bond Exchange of South Africa, a licensed financial exchange in terms of the Securities Services Act, 2004 or any exchange which operates as a successor exchange to BESA, or, where the context so requires, such other or further exchange or exchanges on which the Notes are listed;
- 1.8 “**Books Closed Period**” means the period, as specified in the Applicable Pricing Supplement, commencing after the Last Date to Register, during which transfer of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest;
- 1.9 “**Business Day**” means a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement, save that if the Specified Currency is not ZAR, “**Business Day**” shall mean a day (other than a Saturday or Sunday) which is a day on

which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, “**Business Day**” shall include a Saturday;

- 1.10 “**Calculation Agent**” means FirstRand Bank Limited, acting through its Rand Merchant Bank Division, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes;
- 1.11 “**Central Depository**” means STRATE Limited (Registration number 1998/022242/06), or its nominee, operating in terms of the Securities Services Act, 2004 (or any successor Act thereto), or any additional or alternate depository approved by the Issuer;
- 1.12 “**Certificate**” means a Global Certificate or an Individual Certificate;
- 1.13 “**Coupon**” means an interest coupon evidencing title to an interest payment in respect of an interest bearing Note which is a Bearer Note or an Order Note, attached to the Certificate in respect of such interest bearing Note and any reference to a Coupon shall, unless the context otherwise requires, be deemed to include a reference to a Talon;
- 1.14 “**Dealer**” means any Dealer, as may be appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer;
- 1.15 “**Determination Period**” means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);
- 1.16 “**Dual Currency Notes**” means Notes which pay a coupon in a base currency and the principal in a non-base currency;
- 1.17 “**Early Redemption Amount**” means the amount, as set out in Condition 11.5, at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 11.2 and/or Condition 17;
- 1.18 “**Endorsement**” means an “indorsement”, *mutatis mutandis*, within the meaning of the Bills of Exchange Act, 1964;
- 1.19 “**Endorsement in Blank**” means an Endorsement which specifies no named Payee;
- 1.20 “**Event of Default**” means an event of default by the Issuer as set out in Condition 17;
- 1.21 “**Exchangeable Notes**” means Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
- 1.22 “**Exchange Period**” means in respect of Exchangeable Notes to which the Noteholders’ Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
- 1.23 “**Exchange Price**” means the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
- 1.24 “**Exchange Securities**” means the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
- 1.25 “**Extraordinary Resolution**” means a resolution passed at a meeting (duly convened) of the Noteholders by a majority consisting of not less than 66⅔% (sixty six and two-thirds per cent.) of the persons voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66⅔% (sixty six and two-thirds per cent.) of the votes given on such poll;

- 1.26 “**Final Redemption Amount**” means the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Note upon the Maturity Date;
- 1.27 “**Fixed Interest Period**” means the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date;
- 1.28 “**Fixed Rate Notes**” means Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
- 1.29 “**Floating Rate Notes**” means Notes which will bear interest at a floating rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 8.2;
- 1.30 “**Global Certificate**” means the single Certificate, without interest coupons, registered in the name of the Central Depository and representing those Notes issued in terms of the Terms and Conditions which are lodged and immobilised in the Central Depository other than those Notes represented by the Individual Certificates;
- 1.31 “**Group of Noteholders**” means the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
- 1.32 “**Guarantee**” means the Guarantee described in Condition 7;
- 1.33 “**Implied Yield**” means the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
- 1.34 “**Indexed Interest Notes**” means Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as indicated in the Applicable Pricing Supplement;
- 1.35 “**Index-Linked Notes**” means an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
- 1.36 “**Indexed Redemption Amount Notes**” means Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement;
- 1.37 “**Individual Certificate**” means:
- 1.37.1 in respect of Registered Notes: a Note in the definitive registered form of a single Certificate and, in respect of Registered Notes which are listed, being a Certificate exchanged for a Beneficial Interest in the Notes represented by the Global Certificate in accordance with Condition 13 and any further Certificate issued in consequence of a transfer thereof;
- 1.37.2 in respect of Bearer Notes: a Note in the definitive bearer form of a single Certificate together with Coupons and/or Receipts, if applicable;
- 1.37.3 in respect of Order Notes: a Note in the definitive order form of a single Certificate together with Coupons and/or Receipts, if applicable;
- 1.38 “**Instalment Amount**” means the amount expressed as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
- 1.39 “**Instalment Notes**” means Notes issued at the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
- 1.40 “**Interest Amount**” means the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Condition 8.1 or 8.2, as the case may be;
- 1.41 “**Interest Commencement Date**” means the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;

- 1.42 “**Interest Payment Date**” means the Interest Payment Date(s) specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
- 1.43 “**Interest Rate**” means the rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement;
- 1.44 “**ISDA**” means the International Swaps and Derivatives Association, Inc.;
- 1.45 “**ISDA Definitions**” means the ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
- 1.46 “**Issuer**” means Toyota Financial Services (South Africa) (Proprietary) Limited (Registration number 1982/010082/07);
- 1.47 “**Last Day to Register**” means, with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Secretary will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;
- 1.48 “**Mandatory Exchange**” means, if indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
- 1.49 “**Mixed Rate Notes**” means Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 8.3;
- 1.50 “**NACA**” means nominal annual compounded annually;
- 1.51 “**NACM**” means nominal annual compounded monthly;
- 1.52 “**NACQ**” means nominal annual compounded quarterly;
- 1.53 “**NACS**” means nominal annual compounded semi-annually;
- 1.54 “**Nominal Amount**” means, in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;
- 1.55 “**Noteholders**” means the holders of the Registered Notes (as recorded in the Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes;
- 1.56 “**Noteholders’ Exchange Right**” means, if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
- 1.57 “**Notes**” means the notes issued or to be issued by the Issuer under the Programme and represented by a Certificate together with Receipts and/or Coupons (if any);
- 1.58 “**Order Note**” means a Note payable to the Payee thereon, transferable by way of Endorsement and delivery in accordance with Condition 15.3 and the term “**Order Note**” shall include the rights to interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate in respect of such Order Note;
- 1.59 “**Outstanding**” means in relation to the Notes, all the Notes issued other than:
- 1.59.1 those which have been redeemed in full;
- 1.59.2 those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Certificates;

- 1.59.3 those which have been purchased and cancelled as provided in Condition 11;
  - 1.59.4 those which have become prescribed under Condition 16;
  - 1.59.5 Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 13;
  - 1.59.6 (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 13,
- provided that for each of the following purposes, namely:
- 1.59.7 the right to attend and vote at any meeting of the Noteholders; and
  - 1.59.8 the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 20 and 21,
- all:
- 1.59.9 Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held);
  - 1.59.10 Receipts and Coupons,
- shall be deemed not to be Outstanding;
- 1.60 **“Parent”** means Toyota Motor Corporation, a Japanese corporation having its principal office at 1, Toyota-cho, Toyota City, Aichi Prefecture, Japan;
  - 1.61 **“Participants”** means depository institutions accepted by the Central Depository as participants in terms of the Securities Services Act, 2004;
  - 1.62 **“Partly-Paid Notes”** means Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (as indicated in the Applicable Pricing Supplement);
  - 1.63 **“Payee”** means a person reflected (either as the subscriber or by way of Endorsement) as the payee on a Certificate in respect of an Order Note or a Receipt or Coupon attached thereto on issue and to whom such Certificate, Receipt or Coupon (as the case may be) has been delivered;
  - 1.64 **“Paying Agent”** means FirstRand Bank Limited, acting through its Rand Merchant Bank Division, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act as Paying Agent in respect of that Tranche or Series of Notes;
  - 1.65 **“Payment Day”** means any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
  - 1.66 **“Programme”** means the ZAR 3,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
  - 1.67 **“Receipt”** means a receipt evidencing title to payment of an Instalment Amount payable on an Instalment Note which is a Bearer Note or Order Note, attached upon issue to the Certificate in respect of such Instalment Note;
  - 1.68 **“Register”** means the register maintained by the Issuer in terms of Condition 14;
  - 1.69 **“Registered Note”** means a Note issued in registered form and transferable in accordance with Condition 15.1;
  - 1.70 **“Relevant Date”** means in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the Central Depository in accordance with these Terms and Conditions, it means the first date on which: (i) the full amount of such monies have been received by the Central Depository; (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;

- 1.71 “**Representative**” means a person duly authorised to act on behalf of a Noteholder, the Transfer Secretary and the Paying Agent who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;
- 1.72 “**Senior Notes**” means Notes issued with the status set out in Condition 5;
- 1.73 “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are:
- 1.73.1 expressed to be consolidated and form a single series;
- 1.73.2 identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
- 1.74 “**Settlement Agent**” means a Participant, approved by BESA in terms of the rules of BESA to perform electronic settlement of both funds and scrip on behalf of market participants;
- 1.75 “**Subordinated Notes**” means Notes issued with the status and characteristics set out in Condition 6;
- 1.76 “**Sub-unit**” means, with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
- 1.77 “**Talon**” means a talon entitling the holder to receive further Coupons in relation to an interest bearing Bearer Note or Order Note, if indicated in the Applicable Pricing Supplement, attached to the Certificate in respect of such interest bearing Note;
- 1.78 “**Terms and Conditions**” means the terms and conditions incorporated in this section entitled “*Terms and Conditions of the Notes*” and in accordance with which the Notes will be issued;
- 1.79 “**TMF**” means Toyota Motor Finance (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its principal office at Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, P.O. Box 71744, 1088 DE Amsterdam, The Netherlands;
- 1.80 “**TFS**” means Toyota Financial Services Corporation, a Japanese corporation having its principal office at Mitsui Sumitomo Nagoya Building 10F, 18 – 19, Nishiki 2-chome, Naka-ku, Nagoya City, Aichi Prefecture, Japan;
- 1.81 “**Tranche**” means, in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
- 1.82 “**Transfer Secretary**” means FirstRand Bank Limited, acting through its Rand Merchant Bank Division, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Secretary in accordance with the Agency Agreement, in which event that other entity shall act as an Transfer Secretary in respect of that Tranche or Series of Notes;
- 1.83 “**Transfer Form**” means the written form for the transfer of a Registered Note, in the form approved by the Transfer Secretary, and signed by the transferor and transferee;
- 1.84 “**ZAR**” means the lawful currency of the Republic of South Africa, being South African Rand, or any successor currency;
- 1.85 “**ZAR-JIBAR-SAFEX**” means the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) which appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
- 1.86 “**Zero Coupon Notes**” means Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment.

## 2. ISSUE

- 2.1 Notes are issued by the Issuer in Series and each Series may comprise one or more Tranches. Each Tranche will be the subject of an Applicable Pricing Supplement.
- 2.2 The Noteholders are deemed to have knowledge of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.
- 2.3 The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Notes. Capitalised expressions used in these Terms and Conditions and not herein defined shall bear the meaning assigned to them in the Applicable Pricing Supplement.
- 2.4 Copies of the Applicable Pricing Supplement are available for inspection at the registered office of the Issuer.

## 3. FORM AND DENOMINATION

### 3.1 General

- 3.1.1 All payments in relation to the Notes will be made in the Specified Currency.
- 3.1.2 Each Note shall be a Senior Note or a Subordinated Note, as indicated in the Applicable Pricing Supplement. Any Note may be a Partly-Paid Note, Instalment Note or an Exchangeable Note.
- 3.1.3 Each Note, whether a Senior Note or a Subordinated Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note or a combination of any of the foregoing or such other types of Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.
- 3.1.4 Notes will be issued in such denominations as may be determined by the Issuer and as indicated in the Applicable Pricing Supplement. Listed and/or unlisted Notes may be issued under the Programme provided that, in respect of unlisted Notes, the Issuer shall notify BESA. Notes which were not originally issued under this Programme may (provided they are amended to be documented in terms of the Programme) be listed under the Programme.
- 3.1.5 The placement of trades in unlisted Notes under this Programme will be reported through the BESA reporting system in order for settlement of trades to take place in accordance with the Applicable Procedures. The trading and/or settlement of unlisted Notes will not be guaranteed by the Bond Exchange Guarantee Fund.

### 3.2 Registered Notes

Each Tranche of Registered Notes listed on BESA will be issued in the form of a Global Certificate, which will be deposited with and registered in the name of, and for the account of the Central Depository or its nominee. An owner of a Beneficial Interest in the Notes represented by the Global Certificate shall be entitled to exchange such Beneficial Interest for an Individual Certificate in accordance with Condition 13. Registered Notes which are not listed will be evidenced by Individual Certificates.

### 3.3 Bearer Notes and Order Notes

Individual Certificates will be issued in respect of Bearer Notes or Order Notes. Bearer Notes or Order Notes, other than Zero Coupon Notes, will have Coupons and (if indicated in the Applicable Pricing Supplement), Talons attached to the Certificate on issue. Instalment Notes which are Bearer Notes or Order Notes will have Receipts attached to the Certificate on issue.

## 4. TITLE

### 4.1 Registered Notes

- 4.1.1 Subject to the provisions set out below, title to the Registered Notes will pass upon registration of transfer in the Register in accordance with Condition 15.1.
- 4.1.2 The Issuer may deem and treat the person reflected in the Register as the holder of any Note as the absolute owner of the Note (whether or not overdue and notwithstanding any notice of ownership or

writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Certificate, without prejudice to the provisions set out in the next succeeding paragraph.

4.1.3 For so long as any of the Notes are represented by a Global Certificate registered in the name of, and held by the Central Depository, each holder of a Beneficial Interest (in which regard any certificate or other document issued by a Participant, as to the nominal amount of such Beneficial Interest in Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest), shall be treated by the Issuer as the Noteholder of such nominal amount of such Notes (represented by such Beneficial Interest) for all purposes, other than with respect to the payment of principal or interest on the Notes. For the purposes of the payment of principal or interest on the Notes, the registered holder of the Notes reflected in the Register shall be treated by the Issuer as the holder of such Notes in accordance with and subject to these Conditions.

4.1.4 Should an Event of Default occur, then for the purposes of pursuing a remedy against the Issuer pursuant to Condition 17, the holder of a Beneficial Interest shall be deemed to be in the same position as a holder of an Individual Certificate whose name was entered in the Register.

#### 4.2 Bearer Notes

Title to a Bearer Note (including rights to Instalment Amounts and/or interest thereon, as applicable) will pass by delivery of the Certificate in respect of such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 15.2. The Issuer, the Transfer Secretary and the Paying Agent may deem and treat the Bearer of any such Certificate, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

#### 4.3 Order Notes

Title to an Order Note (including rights to Instalment Amounts and/or interest thereon, as applicable) will initially pass by Endorsement and delivery of the Certificate in respect of such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 15.3. Any Certificate in respect of an Order Note or such Receipt or Coupon upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Note, for so long as not subject to further Endorsement. The Issuer and the Transfer Secretary may deem and treat the person who from the face of the Certificate, Receipt or Coupon relating to an Order Note appears to be the Payee thereto as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes and payment to such person or their Representative shall discharge the Issuer from all liability to the Payee in relation to such Certificate, Receipt or Coupon, as the case may be, even if such Endorsement has been forged or made without authority. Provided the Issuer pays any amount due upon presentation and surrender of a Certificate in respect of an Order Note, or any Receipt or Coupon attached thereto on issue, in good faith, it shall not be incumbent upon the Issuer or the Transfer Secretary to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the person whose Endorsement it purports to be.

### 5. STATUS OF SENIOR NOTES

Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) at least with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

### 6. STATUS AND CHARACTERISTICS RELATING TO SUBORDINATED NOTES

6.1 Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been accorded by law preferential rights.

6.2 Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness (as defined below), to the extent that in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

- 6.3 “**Subordinated Indebtedness**” means any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution, winding-up or placing into liquidation of the Issuer.

## 7. GUARANTEE

In the guarantee, TMF has unconditionally and irrevocably guaranteed (the “**Guarantee**”) to each Noteholder the due and punctual payment of all sums from time to time payable by the Issuer in respect of such Note as and when the same become due and payable, provided that the Issuer shall have discharged its obligations to pay holders of Beneficial Interests at such time as all amounts payable have been placed at the disposal of the Central Depository or its nominee. The Guarantee appears in the Programme Memorandum under the section entitled “*Guarantee by Toyota Motor Finance (Netherlands) B.V.*”

## 8. INTEREST

### 8.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding Nominal Amount (or, if it is a Partly-Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified payable in arrear on the Fixed Interest Payment Dates in each year up to and including the Maturity Date.

The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.

Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:

- 8.1.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- 8.1.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Fixed Interest Period:

- (a) if “**Actual/Actual (ISMA)**” is specified in the Applicable Pricing Supplement:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the Applicable Pricing Supplement) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the Applicable Pricing Supplement) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (b) if “**30/360**” is specified in the Applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

## 8.2 Interest on Floating Rate Notes and Indexed Interest Notes

### *Interest Payment Dates*

Each Floating Rate Note and Indexed Interest Note bears interest on its outstanding Nominal Amount (or, if it is a Partly-Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

### *Rate of Interest*

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Indexed Interest Notes will be determined in the manner specified in the Applicable Pricing Supplement.

### *Minimum and/or Maximum Rate of Interest*

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

### *Determination of Rate of Interest and Calculation of Interest Amount*

The Calculation Agent, in the case of Floating Rate Notes and Indexed Interest Notes will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Note and Indexed Interest Note in respect of each Specified Denomination for the relevant Interest Period, and the Calculation Agent shall notify the Issuer of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Interest Period:

- (a) if “**1/1**” is specified, 1;
- (b) if “**Actual/365**”, “**Act/365**”, “**Actual/Actual**” or “**Act/Act**” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of: (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- (c) if “**Actual/365 (Fixed)**”, “**Act/365 (Fixed)**”, “**A/365 (Fixed)**” or “**A/365F**” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- (d) if “**Actual/365 Sterling**” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365, in the case of an Interest Payment Date falling in a leap year, 366; or
- (e) if “**Actual/360**”, “**Act/360**” or “**A/360**” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or

- (f) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless: (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or
- (g) if “**30E/360**” or “**Eurobond Basis**” is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (h) such other calculation method as is specified in the Applicable Pricing Supplement.

*Interest Determination, Screen Rate Determination including Fallback Provisions*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph, “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under an interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- (b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- (c) the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on ZAR-JIBAR-SAFEX, the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

For the purposes of the above sub-paragraph “**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement.

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (a) if the Relevant Screen Page is available,
  - (i) the offered quotation (if only one quotation appears on the screen page); or
  - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,
 

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11h00 (or as otherwise specified in the Applicable Pricing Supplement) (Johannesburg time) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or
- (b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at

approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or

- (c) if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

“**Reference Banks**” means four leading banks in the South African inter-bank market selected by the Calculation Agent.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than ZAR-JIBAR-SAFEX, the Rate of Interest in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

#### *Notification of Rate of Interest and Interest Amount*

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to BESA and the Central Depository and/or every other relevant exchange or authority as soon as possible after their determination but in any event no later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to BESA, the Central Depository and/or every other relevant exchange or authority and to the Noteholders in accordance with Condition 19.

#### *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this sub-paragraph 8.2, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **8.3 Interest on Dual Currency Interest Notes**

In the case of Dual Currency Interest Notes, the Rate of Interest or Interest Amount payable shall be determined in the manner specified in the Applicable Pricing Supplement.

### **8.4 Mixed Rate Notes**

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on the form of interest bearing Note (be it a Fixed Rate Note, Floating Rate Note, Indexed Note or Dual Currency Note) specified for each respective period, each as specified in the Applicable Pricing Supplement. During

each such applicable period, the Interest Rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Indexed Notes or Dual Currency Notes, as the case may be.

#### 8.5 **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate specified in the Applicable Pricing Supplement until the date on which all amounts due in respect of such Note have been paid, or, in respect of Notes evidenced by a Global Certificate, the date on which the full amount of the moneys payable has been received by the Central Depository and notice to that effect has been given to Noteholders in accordance with Condition 19.

#### 8.6 **Business Day Convention**

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the “**Floating Rate Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the “**Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (c) the “**Modified Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

### 9. **PAYMENTS**

#### 9.1 **Registered Notes**

Payments of interest on an Individual Certificate shall be made to the registered holder of such Note, as set forth in the Register on the close of business on the Last Date to Register (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Date to Register prior to the Maturity Date, to surrender such Individual Certificate at the offices of the Transfer Secretary.

Payments of interest in respect of a Global Certificate will be made to the Central Depository, or such other registered holder of the Global Certificate, as shown in the Register on the Last Date to Register and the Issuer will be discharged by proper payment to the registered holder of the Global Certificate in respect of each amount so paid. Each of the persons shown in the records of the Central Depository and the Participants, as the case may be, shall look solely to the Central Depository or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such Global Certificate(s).

#### 9.2 **Bearer Notes**

Payments of interest in respect of Bearer Notes will be made to the Bearer only against presentation and surrender by the Bearer or its Representative of the relevant Coupon or (in respect of interest bearing Bearer Notes issued without Coupons) only against presentation by the Bearer or its Representative of the relevant Certificate. Payments of Instalment Amounts in respect of Bearer Notes will be made to the Bearer only

following presentation and surrender by the Bearer or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the Certificate in respect of such Bearer Notes. Upon surrender as aforesaid, the Bearer or its Representative shall be required to nominate in writing to the Paying Agent a bank account within the Republic of South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within the Republic of South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

Payments of interest in respect of Bearer Notes shall be made in accordance with Condition 9.4 only following surrender of the relevant Coupon to the Paying Agent.

Payments of Instalment Amounts in respect of Instalment Notes which are Bearer Notes shall be made by the Issuer in accordance with Condition 9.4 only following surrender of the relevant Receipt to the Issuer. No payment in respect of the final redemption of a Bearer Note shall be made until the later of:

9.2.1 the Relevant Date; and

9.2.2 the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unmatured Coupons relating to Bearer Notes (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

### 9.3 **Order Notes**

Payments of interest in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the relevant Coupon. Payments of Instalment Amounts in respect of Order Notes will be made to the Noteholder only following presentation and surrender by the Payee or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the Certificate in respect of such Order Notes. Upon presentation and/or surrender as aforesaid, the Payee or its Representative shall be required to nominate in writing to the Paying Agent a bank account within the Republic of South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within the Republic of South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

Payments of interest in respect of Order Notes shall be made in accordance with Condition 9.4 only following surrender of the relevant Coupon to the Paying Agent.

Payments of Instalment Amounts in respect of Instalment Notes which are Order Notes shall be made by the Issuer in accordance with Condition 9.4 only following surrender of the relevant Receipt to the Issuer. No payment in respect of the final redemption of an Order Note shall be made until the later of:

9.3.1 the Relevant Date; and

9.3.2 the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unmatured Coupons relating to Order Notes (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

### 9.4 **Method of Payment**

Payments will be made by credit or transfer, by means of electronic settlement, to the Noteholder.

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) to make payment of any such amounts. Such payments by cheque shall be sent by post to:

- 9.4.1 the address of the Noteholder of Registered Notes as set forth in the Register or, in the case of joint Noteholders of Registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note;
- 9.4.2 the address nominated by the Bearer or the Payee in respect of Bearer Notes or Order Notes, as the case may be, upon surrender in accordance with Condition 9.2 or 9.3, as the case may be.

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders of Registered Notes, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 9.4.

In the case of joint Noteholders of Registered Notes payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12.

#### **9.5 Payment Day**

If the date for payment of any amount in respect of any Note is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

#### **9.6 Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- 9.6.1 any additional amounts which may be payable with respect to principal under Condition 12;
- 9.6.2 the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- 9.6.3 the Optional Redemption Amount(s) (if any) of the Notes;
- 9.6.4 in relation to Instalment Notes, the Instalment Amounts;
- 9.6.5 in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 11.5.3); and
- 9.6.6 any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 12.

### **10. EXCHANGE OF TALONS**

On or after the Interest Payment Date on which the final Coupon (comprising the Coupon attached to the relevant Certificate relating to the latest Interest Payment Date in respect of that Series of Coupons) matures, but not later than the date for prescription (in accordance with Condition 16) of the Talons which may be exchanged for the respective Coupons, the Talon (if any) attached to the relevant Certificate upon issue, may be surrendered at the specified office of the Issuer in exchange for further Coupons, including (if such further Coupons do not include Coupons to, and including, the final date for the payment of interest due in respect of the Notes to which they pertain) a further Talon, subject to the provisions of Condition 16. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon issued relative to such Talon matures.

### **11. REDEMPTION AND PURCHASE**

#### **11.1 At Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer in the Specified Currency at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date.

## 11.2 Redemption for Tax Reasons

Notes may be redeemed at the option of the Issuer, at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes, Dual Currency Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes, Dual Currency Interest Notes or Mixed Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders prior to such redemption, in accordance with Condition 19 (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

11.2.1 as a result of any change in, or amendment to, the laws or regulations of the Republic of South Africa or any political sub-division of, or any authority in, or of, the Republic of South Africa having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 12; and

11.2.2 the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Notes may be redeemed by the Issuer in accordance with this Condition 11.2 in whole or in part. A redemption in part may be effected by the Issuer:

11.2.3 notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 12; and

11.2.4 *mutatis mutandis* in the manner described in Condition 11.3, provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Higher Redemption Amount therein shall be disregarded for such purposes.

Notes redeemed for tax reasons pursuant to this Condition 11.2 will be redeemed at their Early Redemption Amount referred to in Condition 11.5, together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

## 11.3 Redemption at the Option of the Issuer

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 19, redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the rules of Central Depository, the BESA Settlement Agents and BESA, in the case of Redeemed Notes represented by a Global Certificate, and in each case not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes (which shall include, in the case of Redeemed Notes which are Bearer Notes or Order Notes, the Receipts and/or Coupons) will be published in accordance with Condition 19 not less than 30 days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes represented by a Global Certificate shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Certificate will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 19 at least 10 days prior to the Selection Date.

Holders of Redeemable Notes shall surrender the Individual Certificates, together with Receipts and Coupons, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates, Receipts and Coupons are redeemed, the Transfer Secretary shall deliver new Individual Certificates, Receipts and Coupons to such Noteholders in respect of the balance of the Notes.

#### 11.4 **Redemption at the Option of the Senior Noteholders**

If holders of Senior Notes are specified in the Applicable Pricing Supplement as having an option to request the redemption of Notes, such holders may exercise such option in respect of such Notes represented by Individual Certificates by delivering to the Transfer Secretary, in accordance with Condition 19, a duly executed notice (“**Put Notice**”), at least 30 days but not more than 60 days, prior to the Optional Redemption Date.

For redemption in part, the redemption amount specified in such Put Notice in respect of any such Note must be of a principal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

The redemption of Notes represented by a Global Certificate shall take place in accordance with the Applicable Procedures.

The Issuer shall proceed to redeem the Notes in respect of which such option has been exercised in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

In the event that the redeeming Noteholder is the holder of an Individual Certificate, then such Noteholder shall (attached to the Put Notice) deliver the Individual Certificate, together with Receipts and/or Coupons, if any, to the Transfer Secretary for cancellation. A holder of an Individual Certificate shall in that holder’s Put Notice specify a bank account into which the redemption payment amount is to be paid.

The delivery of Put Notices shall be required to take place during normal office hours of the Issuer and Transfer Secretary. Put Notices shall be available from the specified offices of the Transfer Secretary.

Any Put Notice given by a holder of any Senior Note pursuant to this paragraph shall be irrevocable except where after giving the notice but prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 17.

The Issuer shall have no liability to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder.

#### 11.5 **Early Redemption Amounts**

For the purpose of the Condition 11.2 and Condition 17, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

11.5.1 in the case of Notes other than Zero Coupon Notes, at the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Nominal Amount; or

11.5.2 in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded as specified in the Applicable Pricing Supplement) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable, or such other amount as is provided in the Applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 or such other calculation basis as may be specified in the Applicable Pricing Supplement.

### **11.6 Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Conditions 11.2 or 17, the Early Redemption Amount will be determined pursuant to Condition 11.5.

### **11.7 Partly-Paid Notes**

If the Notes are Partly-Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 11 and the Applicable Pricing Supplement. In the case of early redemption in accordance with Conditions 11.2 or 17, the Early Redemption Amount will be determined pursuant to Condition 11.5.

### **11.8 Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner indicated in the Applicable Pricing Supplement. Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the in specie redemption in full of such Notes.

### **11.9 Purchases**

The Issuer or any of its subsidiaries may at any time purchase Notes (including all unmatured Coupons and Receipts) at any price in the open market or otherwise. Such Notes may, subject to applicable law, be held, resold, or, at the option of the Issuer surrendered to the Transfer Secretary for cancellation.

### **11.10 Cancellation**

All Notes which have been redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of Notes represented by a Certificate are cancelled, the Transfer Secretary shall deliver a Certificate to such Noteholder in respect of the balance of the Notes. If any Note is purchased and cancelled without all unmatured Coupons appertaining thereto, the Issuer shall make payment in respect of any such missing Coupon in accordance with Condition 9 as if the relevant Note had remained outstanding for the period to which such Coupon relates.

### **11.11 Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 11 or upon its becoming due and repayable as provided in Condition 17 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 11.5.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid and (ii) 5 days after the date on which the full amount of the moneys payable has been received by the Central Depository, and notice to that effect has been given to the Noteholder in accordance with Condition 19.

## **12. TAXATION**

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:

- 12.1 held by or on behalf of a Noteholder, who is liable for such taxes or duties in respect of such Note by reason of his having some connection with the Republic of South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 12.2 held by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 12.3 where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in section 1 of the Income Tax Act, 1962) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act, 1962) of any Noteholder; or
- 12.4 more than 30 days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- 12.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.

Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.

### 13. CERTIFICATES

- 13.1 Listed Registered Notes will initially be evidenced by a single Global Certificate which will be lodged with the Central Depository. The Central Depository will be reflected in the Register as the holder of the Global Certificate.
- 13.2 A Beneficial Interest in a listed Registered Note evidenced by a Global Certificate will be exchangeable for an Individual Certificate if (i) a written request for Registered Notes in definitive form is submitted by the holder of the Beneficial Interest to the relevant Participant not later than 10 days, or, in the event that the Books Closed Period is less than 10 days, such number of days, prior to the requested date of such exchange, (ii) the Applicable Procedures for obtaining such a Certificate from the Transfer Secretary are followed, and (iii) an equivalent number of Registered Notes are transferred in accordance with the provisions of Condition 15 from the Central Depository to the holder of such Beneficial Interest. If only part of the Registered Notes represented by a Global Certificate are exchanged, a new Global Certificate for the balance will be issued and the cancelled Global Certificate will be retained by the Transfer Secretary.
- 13.3 A Noteholder shall be entitled to receive a Certificate evidencing the Registered Notes transferred to that Noteholder within 7 days after registration of that transfer in accordance with Condition 15 (and which will apply *mutatis mutandis* to such Certificate), provided that joint Noteholders will be entitled to receive only one Certificate in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.
- 13.4 A Noteholder shall be entitled to receive a Certificate in respect of a Registered Note which is not listed, or an Order Note or a Bearer Note within 7 days of becoming entitled thereto, provided that joint Noteholders will be entitled to receive only one Certificate in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.
- 13.5 If a Certificate, Receipt or Coupon is worn out or defaced then, within 14 days of its presentation to the Transfer Secretary, the Transfer Secretary shall cancel that Certificate, Receipt or Coupon and issue a new Certificate, Receipt or Coupon in its place.
- 13.6 If a Certificate, Receipt or Coupon is lost or destroyed then upon proof thereof to the satisfaction of the Transfer Secretary, a new Certificate, Receipt or Coupon in lieu thereof may be issued to the person entitled to that lost or destroyed Certificate, Receipt or Coupon, provided that the Noteholder shall provide the Transfer Secretary and the Issuer with an indemnity and pay any out-of-pocket expenses incurred in connection with the indemnity. The person providing the indemnity and the form of the indemnity shall be to the satisfaction of the Issuer. The new Certificate, Receipt or Coupon shall be issued within 14 days from the date that the conditions for issuing such Certificate Receipt or Coupon have been fulfilled.
- 13.7 An entry as to the issue of a new Certificate, Receipt or Coupon and indemnity (if any) shall be made in the Register (in respect of Registered Notes) upon the date of issue of the new Certificate, Receipt or Coupon.

- 13.8 Certificates, Receipts and Coupons to be provided by the Issuer to Noteholders shall be collected by the Noteholders from the Transfer Secretary.
- 13.9 Certificates, Receipts and Coupons shall be provided where relevant by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates, Receipts or Coupons and/or the transfer of Notes may be levied by other persons, such as a Settlement Agent, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

#### 14. REGISTER

##### 14.1 The Register of Noteholders:

- 14.1.1 shall be kept at the office of the Transfer Secretary or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 14.1.2 shall contain the names, addresses and bank account numbers of the registered Noteholders;
- 14.1.3 shall show the total Nominal Amount of the Notes held by Noteholders;
- 14.1.4 shall show the dates upon which each of the Noteholders was registered as such;
- 14.1.5 shall show whether the Notes are Registered Notes, Bearer Notes or Order Notes in accordance with the provisions of the Companies Act, 1973;
- 14.1.6 shall show the serial numbers of the Certificates and the dates of issue thereof;
- 14.1.7 shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder;
- 14.1.8 shall be closed during the Books Closed Period.
- 14.2 The Transfer Secretary shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.
- 14.3 Except as provided for in these Terms and Conditions or as required by law, in respect of Registered Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.
- 14.4 Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Certificate may be subject.

#### 15. TRANSFER OF NOTES

##### 15.1 Registered Notes

Beneficial Interests in Registered Notes registered in the name of the Central Depository or its nominee may be transferred in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register. In order for any transfer of Registered Notes to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Registered Note:

- 15.1.1 must be in writing and in the usual form or in such other form approved by the Transfer Secretary;
- 15.1.2 must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder or transferee;
- 15.1.3 shall only be in respect of the Specified Denomination of the Registered Note or integral multiples thereof, and consequently the Issuer will not recognise any fraction of the Specified Denomination;
- 15.1.4 must be delivered to the Transfer Secretary together with the Certificate in question for cancellation (if only part of the Registered Notes represented by a Certificate is transferred, a new Certificate for the balance will be issued to the transferor and the cancelled Certificate will be retained by the Transfer Secretary).

The transferor of any Registered Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Secretary reasonably requires as to the identity and title of the transferor and the transferee.

No transfer will be registered whilst the Register is closed.

If a transfer is registered then the transfer form and cancelled Certificate will be retained by the Transfer Secretary.

In the event of a partial redemption of Registered Notes under Condition 11.3 or 11.4, the Transfer Secretary shall not be required:

15.1.5 in terms of Condition 11.3, to register the transfer of any Registered Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive); or

15.1.6 in terms of Condition 11.4, to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

## 15.2 **Transfer of Bearer Notes**

Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the delivery of the Certificate in respect of such Bearer Note or the relevant Receipt or Coupon relating thereto, as the case may be. Where the last Endorsement on a Certificate in respect of an Order Note or a Receipt or Coupon relating thereto is an Endorsement in Blank, then such Certificate, Receipt or Coupon, as the case may be, shall be treated as being in respect of a Bearer Note.

## 15.3 **Transfer of Order Notes**

Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the Endorsement of the Certificate in respect of such Order Note or Receipt or Coupon relating thereto, as the case may be, by the old Payee and the delivery of such Certificate, Receipt or Coupon to the new Payee.

## 15.4 **Prohibition on stripping**

Where so specified in the Applicable Pricing Supplement, Bearer Notes or Order Notes which are issued with Receipts and/or Coupons attached and which are redeemable at the option of the Issuer and/or Noteholders shall be issued subject to the condition that the relevant Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Notes may not be stripped and transferred to various transferees at different times.

## 16. **PRESCRIPTION**

The Notes, Receipts and Coupons will become void unless presented for payment of principal within a period of three years after their redemption date, save that claims against the Issuer under any Certificate, Receipt or Coupon constituting a "*bill of exchange or other negotiable instrument*" in accordance with section 11 of the Prescription Act, 1969 will prescribe within a period of six years after their redemption date.

## 17. **EVENTS OF DEFAULT**

### 17.1 **Senior Notes**

If any one or more of the following events (each an "**Event of Default**") shall have occurred and be continuing:

17.1.1 default is made for more than 7 Business Days in the payment of interest or principal in respect of any Senior Notes following the service on the Issuer of a written notice requiring that breach to be remedied; or

- 17.1.2 the Issuer fails to perform or observe any of its obligations under any Senior Notes other than those referred to in Condition 17.1.1 and such failure has continued for the period of 30 days following the service on the Issuer of written notice requiring the same to be remedied; or
- 17.1.3 the Issuer fails to obtain any consent, license, approval or authorisation now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme or any such consent, license, approval or authorisation ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its obligations under the Notes or the Programme, and such failure or cessation continues for more than 10 Business Days after the Issuer becomes aware of such event; or
- 17.1.4 an administrator, curator or judicial manager is appointed or a resolution is passed or an order of a court of a competent jurisdiction is made that the Issuer be wound-up or placed under judicial management, whether provisionally (and not dismissed or withdrawn within 30 days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, otherwise than for the purposes of or pursuant to and followed by an amalgamation, merger, demerger, consolidation, reconstruction, reorganisation or other similar arrangement in which a continuing corporation effectively assumes all obligations of the Issuer under the Notes or the terms of which were previously approved by Extraordinary Resolution of Noteholders; or
- 17.1.5 any other bonds, debentures, notes or other indebtedness for money borrowed having an aggregate outstanding amount of at least US\$25,000,000 (or its equivalent in any other currency or currencies) (hereinafter collectively called “**Indebtedness**”) of the Issuer become or becomes prematurely repayable following a default which (if it is capable of remedy) shall not have been remedied, or steps are taken to enforce any security therefor, or the Issuer defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others given by the Issuer shall not be honoured when due and called upon; or
- 17.1.6 an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Issuer; or
- 17.1.7 the Issuer stops payment (within the meaning of the bankruptcy law of the jurisdiction in which the Issuer is incorporated or any other applicable bankruptcy law) or is unable to pay its debts as and when they fall due or (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in sub-paragraph 17.1.4) ceases or through an official action of the board of directors of the Issuer threatens to cease to carry on business; or
- 17.1.8 proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 60 days; or
- 17.1.9 *an executorial beslag* (executory attachment) is made on any substantial part of the assets of TMF or a *conservatoir beslag* (interlocutory attachment) is made thereon and is not cancelled or withdrawn within 30 days after the making thereof or TMF is wound up, or TMF offers a compromise to its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or such measures are officially decreed or if TMF applies for a *surséance van betaling* (within the meaning of the Bankruptcy Act of The Netherlands (*Faillissementswet*)) or files a petition in its own bankruptcy (*faillissement*) or if an effective order is made to declare TMF bankrupt (*failliet*) or to adjudge that TMF is in a situation requiring special measures (*bijzondere voorzieningen*) in the interests of all of its creditors as referred to in Chapter X of the Act on the Supervision of Credit Institutions 1992 (*Wet toezicht kredietwezen 1992*) and such order shall have continued undischarged and unstayed for a period of 60 days; or
- 17.1.10 the credit support agreement or supplementary credit support agreement between the Parent and TFS is terminated or any provision thereof is amended or waived, in each case in a manner adverse to the interests of the Noteholders or not enforced in a timely manner by TFS or is breached by the Parent; or
- 17.1.11 the credit support agreement or supplementary credit support agreement between TFS and TMF is terminated or any provision thereof is amended or waived, in each case in a manner adverse to the interests of the Noteholders or not enforced in a timely manner by TMF or is breached by TFS; or
- 17.1.12 the Guarantee is terminated or any provision thereof is amended or waived, in each case in a manner adverse to the interests of the Noteholders or not enforced in a timely manner by the Issuer or the Guarantee is breached by TMF,

then any Senior Noteholder may, by written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 11.5), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, unless all such defaults shall have been remedied by the Issuer prior to the receipt of such written notice, provided that no such action may be taken by a holder of Senior Notes if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of the Republic of South Africa or to comply with any order of a court of competent jurisdiction.

For the purposes of Condition 17.1.5, any Indebtedness which is in a currency other than South African Rand may be translated into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by any leading bank selected on any day such a quotation for such purposes is requested.

## **17.2 Subordinated Notes**

If a default is made by the Issuer in relation to Subordinated Notes in the payment of any amount payable in respect of such Notes, and such default continues for 7 Business Days, or if an Event of Default as contemplated in Condition 17.1.4 occurs, any holder of a Subordinated Note may, subject as provided below, at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes, provided that the Issuer shall not be obliged, save in the case of the institution of liquidation or winding up proceedings, to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the event of the winding-up or liquidation, whether finally or provisionally, of the Issuer, otherwise than for the purposes of an amalgamation, merger, consolidation or re-organisation not involving liquidation, winding-up or bankruptcy, then any holder of Subordinated Notes issued by the Issuer may by written notice to the registered office of the Issuer, require that the Subordinated Notes are immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment.

## **18. CALCULATION AGENT AND OTHER AGENTS**

Any third party appointed by the Issuer as Calculation Agent, Transfer Secretary or otherwise shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts.

## **19. NOTICES**

Notices to holders of Registered Notes shall be valid if mailed to their registered addresses appearing in the Register. Any such notice shall be deemed to have been given on the seventh day after the day on which it is mailed.

In the event of there being any Individual Certificates (whether evidencing Registered Notes, or in respect of Bearer Notes or Order Notes) in issue, such notices shall be published, not earlier than four days after the date of posting of such notice in terms of this clause (i) in an English language daily newspaper of general circulation in the Republic of South Africa and (ii) for so long as the Registered Notes are listed on BESA or such other Financial Exchange upon which the Registered Notes are listed, a daily newspaper of general circulation in the city in which BESA or such other Financial Exchange is situated, and any such notices shall be deemed to have been given on the date of first publication.

If any notice is given to holders of Registered Notes represented by a Global Certificate, a copy thereof shall be delivered to BESA, the Central Depository and the BESA Settlement Agents.

Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the seventh day after the day on which it is sent, together with a certified copy of the relevant Certificate, Coupon or Receipt. The Issuer may change its registered office upon prior written notice to Noteholders specifying such new registered office.

For so long as any of the Registered Notes are represented by a Global Certificate, notice may be given by any holder of a Beneficial Interest in Registered Notes represented by a Global Certificate to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Settlement Agent may approve for this purpose.

## 20. AMENDMENT OF THESE TERMS AND CONDITIONS

- 20.1 These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 20, no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless reduced to writing and signed by or on behalf of the Issuer and the Noteholders.
- 20.2 No modification of these Terms and Conditions may be effected without the written agreement of the Issuer. The Issuer may effect, without the consent of the relevant Group of Noteholders any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated, provided that the consent of BESA shall be required where such Registered Notes are listed. Any such modification shall be binding on the relevant Group of Noteholders and any such modification shall be notified to the relevant Group of Noteholders in accordance with Condition 19 as soon as practicable thereafter.
- 20.3 The Issuer may, with the prior sanction of an Extraordinary Resolution of Noteholders or with the prior written consent of Noteholders holding not less than 66 $\frac{2}{3}$ % (sixty six and two-thirds per cent.) in Nominal Amount of the Notes outstanding from time to time, amend these Terms and Conditions, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 19.

## 21. MEETINGS OF NOTEHOLDERS

- 21.1 The Issuer may at any time convene a meeting of all Noteholders or holders of any Series of Notes upon at least 21 days' prior written notice to such Noteholders. This notice is required to be given in terms of Condition 19. Such notice shall specify the date, place and time of the meeting to be held, which place shall be in the Republic of South Africa.
- 21.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 21.3 Noteholders holding not less than 10% (ten per cent) in Nominal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 days of such a request being received by the Issuer, the Noteholders requesting such a meeting may convene such meeting.
- 21.4 A Noteholder may by an instrument in writing (a "**form of proxy**") signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 21.5 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a "**representative**") in connection with any meeting or proposed meeting of the Noteholders.
- 21.6 Any proxy or representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.
- 21.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 21. Should the Noteholder requisition a meeting, and the Issuer fail to call such a meeting within 10 days of the requisition, then the chairman of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in person, by representative or by proxy.
- 21.8 At any such meeting one or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one-third of the Nominal Amount of Notes for the time being outstanding shall form a quorum for the transaction of business. On a poll, each Noteholder present in person or by proxy at the meeting shall have the number of votes equal to the number of Notes, by denomination, held by the Noteholder.

**22. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

**23. GOVERNING LAW**

The Notes and all rights and obligations to the Notes are governed by, and shall be construed in accordance with, the laws of the Republic of South Africa in force from time to time.

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## Guarantee by Toyota Motor Finance (Netherlands) B.V.

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**This Guarantee is made on 30 November 2005**

**BY:**

- (1) **TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its principal office at Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, P.O. Box 71744, 1088 DE Amsterdam, The Netherlands (the “**Guarantor**”)

**IN FAVOUR OF:**

- (2) **THE HOLDERS** for the time being and from time to time of the Notes referred to below (each a “**Noteholder**” or the “**holder**” of a Note).

**WHEREAS:**

- (A) Toyota Financial Services (South Africa) (Proprietary) Limited (the “**Guaranteed Issuer**”) has established a programme under which it may, from time to time, issue Notes (as defined below). Each issue of Notes may be represented initially by a global certificate (each a “**Global Certificate**”) and a global Note (each “**Global Note**”) which will be exchangeable for Notes in definitive form (“**Individual Certificates**”) in the circumstances specified in the relevant Global Note. Registered, Bearer or Order Notes may be represented by Individual Certificates.
- (B) Each Global Note will be delivered to STRATE Limited (Registration Number 1998/022242/06), registered as a central securities depository in terms of the Securities Services Act, 2004, or its nominee.
- (C) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Guaranteed Issuer to the Noteholders in respect of the Notes.

**THIS GUARANTEE WITNESSES** as follows:

**1. INTERPRETATION**

1.1 In this Guarantee:

- 1.1.1 “**Beneficial Interest**” means the undivided share of a co-owner of the Notes represented by a Global Certificate as provided in section 41 of the Securities Services Act, 2004;
- 1.1.2 “**Paying Agent**” means FirstRand Bank Limited, acting through its Rand Merchant Bank Division or, in relation to any Tranche of Notes, such other person specified in the Applicable Pricing Supplement as the Paying Agent;
- 1.1.3 “**Notes**” means the notes issued or to be issued by the Issuer under the Programme and represented by a Certificate together with Receipts and/or Coupons (if any);
- 1.1.4 “**Noteholders**” means the holders of the Registered Notes (as recorded in the Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes; provided that for so long as any of the Notes are represented by a Global Certificate registered in the name of, and held by STRATE Limited, or its nominee, each holder of a Beneficial Interest (in which regard any certificate or other document issued by a Participant, as to the nominal amount of such Beneficial Interest in Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest), shall be treated by the Guarantor as the Noteholder of such nominal amount of such Notes (represented by such Beneficial Interest) for all purposes under this Guarantee;
- 1.1.5 “**Participants**” means depository institutions accepted by STRATE Limited as participants in terms of the Securities Services Act, 2004;
- 1.1.6 “**person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
- 1.1.7 “**Relevant Date**” means the date on which the relevant Global Certificate becomes void in accordance with its terms; and

Terms and conditions defined in the ZAR 3,000,000,000 Domestic Medium Term Note Programme of the Guaranteed Issuer, which do not contain their own definition herein, shall bear the same meaning herein as given in the ZAR 3,000,000,000 Domestic Medium Term Note Programme of the Guaranteed Issuer.

- 1.2 Any reference in this Guarantee to a Clause is, unless otherwise stated, to a clause hereof.
- 1.3 Any reference in this Guarantee to a statute, any provision thereof or to any statutory instrument, order or regulation made thereunder shall be construed as a reference to such statute, provision, statutory instrument, order or regulation as the same may have been, or may from time to time be, amended or re-enacted.
- 1.4 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Guarantee.
- 1.5 Any reference in this Guarantee to the Central Depository shall, wherever the context so permits, be deemed to include reference to its successor or any additional or alternative depository approved by the Guaranteed Issuer and the Guarantor.
- 1.6 Words used in this Guarantee denoting the masculine gender shall include the feminine gender also, words denoting persons only shall include companies, corporations and partnerships and words importing the singular number shall include the plural and in each case *vice versa*.

## 2. GUARANTEE AND INDEMNITY

- 2.1 The Guarantor hereby unconditionally and irrevocably guarantees to each Noteholder the due and punctual payment of all sums from time to time payable by the Guaranteed Issuer in respect of such Note, for so long as such Notes are outstanding, as and when the same become due and payable, and accordingly undertakes to pay to such Noteholder forthwith upon demand of such Noteholder and in the manner and currency prescribed by such Note for payments by the Guaranteed Issuer in respect of the Notes any and every sum or sums which the Guaranteed Issuer is at any time liable to pay in respect of such Note and which the Guaranteed Issuer has failed to pay; provided that the Guaranteed Issuer shall have discharged its obligations to pay holders of Beneficial Interests at such time as all amounts payable have been placed at the disposal of the Central Depository or its nominee.
- 2.2 The Guarantor undertakes to each Noteholder that, if any sum referred to in Clause 2.1 is not recoverable from the Guaranteed Issuer thereunder for any reason whatsoever (including, without limitation, by reason of any Note or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law), then, (notwithstanding that the same may have been known to such Noteholder) the Guarantor will, as a sole, original and independent obligor, forthwith upon demand by such Noteholder, pay such sum by way of a full indemnity in the manner and currency as is provided for in the Notes and indemnify each Noteholder against all losses, claims, costs, charges and expenses to which it may be subject or which it may incur under or in respect of the Notes or this Guarantee. This indemnity constitutes a separate and independent obligation from the other obligations under this Guarantee and shall give rise to a separate and independent cause of action.
- 2.3 This Guarantee is a guarantee for the benefit of each Noteholder from time to time. Upon transfer of any Note, Receipt or Coupon to a third party, a Noteholder thereof shall no longer have any rights hereunder with respect to such Note, Receipt or Coupon. The rights under this Guarantee with respect to a Note, Receipt or Coupon are not separately transferable from such Note, Receipt or Coupon. It is specifically intended by the parties hereto that the rights under this Guarantee with respect to any Note, Receipt or Coupon shall be transferred by operation of law under Article 6:251 of the Dutch Civil Code (“DCC”) to a subsequent Noteholder of that Note, Receipt or Coupon.

## 3. TAXES AND WITHHOLDINGS

All payments in respect of the Notes under this Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by The Netherlands and/or the Republic of South Africa or any political subdivision or any authority thereof or therein having power to tax (“Taxes”). If the Guarantor or any agent thereof is required

by law or regulation to make any withholding or deduction for or on account of Taxes, the Guarantor shall, to the extent permitted by applicable law or regulation, pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable to a Noteholder:

3.1 who:

3.1.1 would be able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority (but fails to do so); or

3.1.2 is liable to such by reason of its having some connection with The Netherlands or the Republic of South Africa other than the mere holding of and payment in respect of the relevant Note; or

3.2 more than 15 days after the Relevant Date except to the extent that such Noteholder would then have been entitled to such additional amounts on presenting the same for payment on such fifteenth day.

#### 4. PRESERVATION OF RIGHTS

4.1 The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

4.2 The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Guaranteed Issuer's obligations under or in respect of any Note and shall continue in full force and effect until all sums due from the Guaranteed Issuer in respect of each Note have been paid, and all other obligations of the Guaranteed Issuer thereunder or in respect thereof have been satisfied in full.

4.3 Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Noteholders by this Guarantee or by law shall be discharged, impaired or otherwise affected by:

4.3.1 the winding-up, liquidation or dissolution of the Guaranteed Issuer or analogous proceeding in any jurisdiction or any change in the Guaranteed Issuer's status, function, control or ownership; or

4.3.2 any of the obligations of the Guaranteed Issuer under any of the Notes being or becoming illegal, invalid or unenforceable; or

4.3.3 time or other indulgence being granted or agreed to be granted to the Guaranteed Issuer in respect of its obligations under or in respect of the Notes; or

4.3.4 any amendment to, or any variation, waiver or release of, any obligation of the Guaranteed Issuer under any of the Notes or any security or other guarantee or indemnity in respect thereof; or

4.3.5 any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Noteholders or any of them by the Guarantee or by law.

4.4 Any settlement or discharge between the Guarantor and the Noteholders or any of them shall be conditional upon no payment to the Noteholders or any of them by the Guaranteed Issuer or any other person on the Guaranteed Issuer's behalf being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Noteholders shall each be entitled to recover the amount by which such payment is so avoided or reduced from such Guarantor subsequently as if such settlement or discharge had not occurred.

4.5 No Noteholder shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Guarantee or by law:

4.5.1 to make any demand of the Guaranteed Issuer, other than the presentation of the relevant Note; or

4.5.2 to take any action or obtain judgment in any court against the Guaranteed Issuer; or

4.5.3 to make or file any claim or proof in a winding-up or dissolution of the Guaranteed Issuer,

and, save as aforesaid, the Guarantor hereby expressly waives presentment, demand, protest, and notice of dishonour in respect of each Note.

4.6 The Guarantor agrees that, so long as any sums are or may be owed by the Guaranteed Issuer in respect of the Notes or the Guaranteed Issuer is under any actual or contingent obligation thereunder, the Guarantor shall not exercise any right which the Guarantor may at any time have by reason of performance by the Guarantor of its obligations hereunder:

4.6.1 to be indemnified by the Guaranteed Issuer; and/or

4.6.2 to claim any contribution from any other guarantor of the Guaranteed Issuer's obligations under or in respect of the Notes; and/or

4.6.3 to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes by any Noteholder; and/or

4.6.4 to be subrogated to the rights of any Noteholder against the Guaranteed Issuer in respect of amounts paid by the Guarantor under this Guarantee.

4.7 The Guarantor undertakes that its obligations hereunder will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## 5. DEPOSIT OF GUARANTEE

This Guarantee shall be deposited with and held by the Paying Agent until the date on which all the obligations of the Guaranteed Issuer and the Guarantor under or in respect of the Notes have been discharged in full. The Guarantor hereby acknowledges the right of every Noteholder to the production of this Guarantee.

## 6. STAMP DUTIES

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable in The Netherlands and/or the Republic of South Africa on or in connection with the execution and performance of this Guarantee, and shall indemnify each Noteholder against any claim, demand, action, liability, damages, costs, loss or expenses (including, without limitation, legal fees and any applicable value added tax) which it may incur as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## 7. BENEFIT OF GUARANTEE

7.1 This Guarantee is given to the Noteholders with the consequence that the Noteholders acquire the right to directly demand from the Guarantor the performance of the obligations assumed in this Guarantee. The Paying Agent does not assume any agency, trustee, fiduciary or any similar obligations on behalf of the Noteholders.

7.2 It is hereby irrevocably agreed and stipulated, for nil consideration ("*om niet*" in the sense of the article referred to), by way of third party stipulation ("*derdenbeding*") in the meaning of Article 6:253 DCC, for the benefit of each Noteholder (whether present or future) that, to the extent that any such Noteholder should not become entitled to the rights under this Guarantee with respect to any Note, Receipt or Coupon (whether by operation of Article 6:251 DCC as referred to in Clause 2.3 hereof or otherwise), such Noteholder shall become a beneficiary of the rights under (and accordingly a party to) this Guarantee as set forth in Article 6:253 DCC upon having become a Noteholder of such Notes, Receipts or Coupons (unless such Noteholder has rejected such stipulation without delay upon having become aware of it).

## 8. PAYMENTS

8.1 All payments under this Guarantee shall be made *mutatis mutandis* in accordance with Condition 9 of the Terms and Conditions.

- 8.2 Payment to the Paying Agent of any sum demanded by a Noteholder under this Guarantee shall:
- 8.2.1 be made by the Guarantor to the Paying Agent not later than 5 (five) Business Days after receipt of a demand in accordance with the provisions of Clause 2;
  - 8.2.2 discharge the Guarantor of its applicable obligation to Noteholders under this Guarantee; and
  - 8.2.3 *pro tanto* discharge the Guaranteed Issuer of its corresponding obligations to Noteholders under the Notes.

## 9. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provisions under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

## 10. NOTICES

- 10.1 All notices and other communications hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:
- c/o Toyota Financial Services (UK) PLC  
Great Burgh  
Burgh Heath  
Epsom  
Surrey KT18 5UZ  
United Kingdom  
Tel: +44 1737 365400  
Fax: +44 1737 365596
- Attention: Treasury Operations
- or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the Noteholders.
- 10.2 Any communication from any party to any other under this Guarantee shall be effective upon receipt by the addressee, provided that any such notice or other communication which would otherwise take effect after 16:00 (Johannesburg time) on any particular day shall not take effect until 10:00 (Johannesburg time) on the immediately succeeding business day in the place of the addressee.

## 11. LAW AND JURISDICTION

- 11.1 This Guarantee is governed by, and shall be construed in accordance with the laws of The Netherlands.
- 11.2 The Guarantor agrees for the benefit of the Noteholders that the district court (*Rechtbank*) in Amsterdam, The Netherlands, shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Guarantee (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 11.3 The Guarantor irrevocably waives any objection which it might now or hereafter have to the abovementioned court being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that such court is not a convenient or appropriate forum.

## Toyota Financial Services (South Africa) (Proprietary) Limited

### Incorporation and Jurisdiction

Toyota Financial Services (South Africa) (Proprietary) Limited (the “**Issuer**”) is a private company registered and incorporated on November 2, 1982. The Issuer commenced business as “*Toyota Financial Services (South Africa) (Proprietary) Limited*” as of May 2, 2000.

### Business Objectives

The main business of the Issuer is to provide financial services to authorised and approved Toyota South Africa dealers (“**Toyota Dealers**”) and their customers, including retail financing and lease programmes for new Toyota, Lexus and Hino vehicles and any used vehicles sold through the Toyota Dealers.

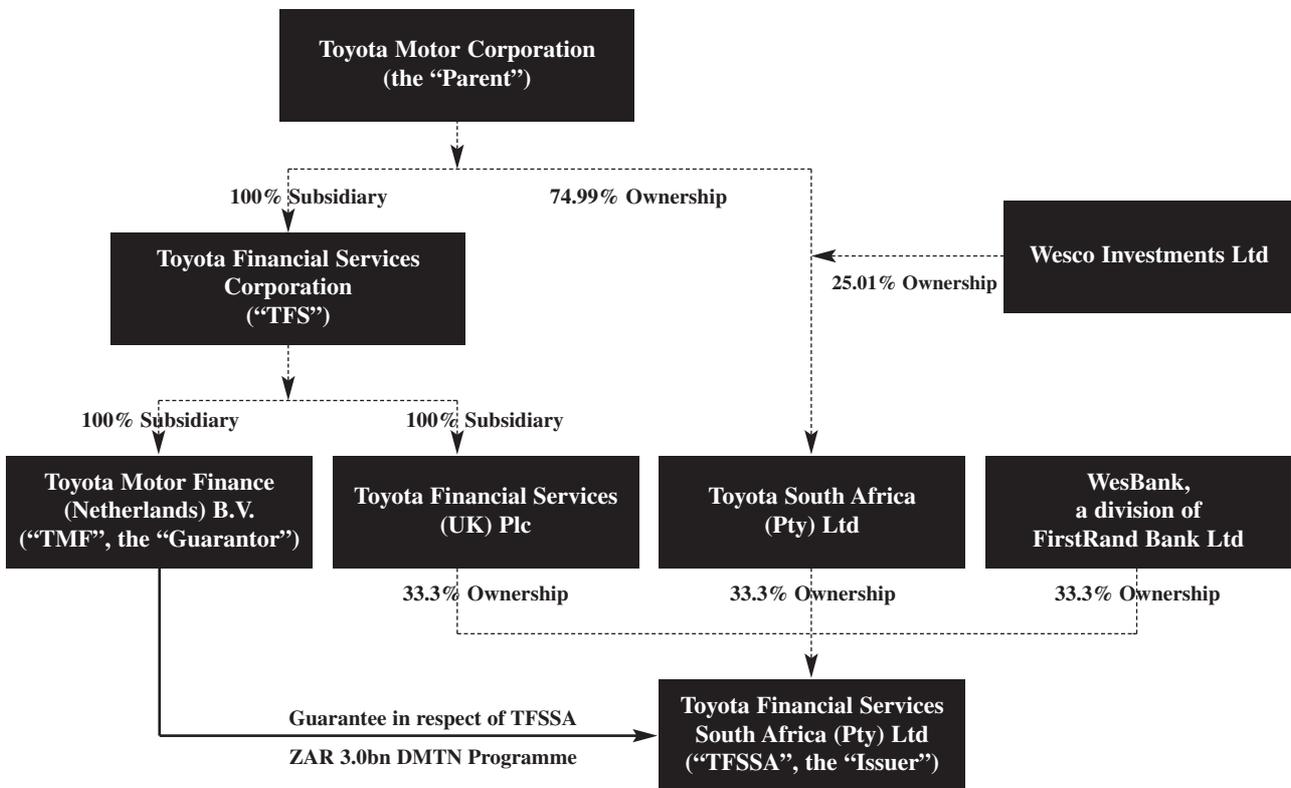
### Business Operations

The Issuer provides retail finance under instalment sale, lease and rental agreements. Wholesale finance, in the form of floor plan facilities to cater for stock holdings, is also provided to Toyota Dealers.

The Issuer, which has 63 employees, outsources its day to day business operations to WesBank, a division of FirstRand Bank Limited, under an operational management service agreement. To ensure that the Issuer operates in South Africa, utilising the Toyota global best practices, there is active involvement from Toyota Financial Services Europe Africa Region in the operations and reporting of the business of the Issuer.

### Ownership Structure

The ownership structure and shareholding of the Issuer is represented by the following diagram:



## Capital and Shareholding

The Issuer is governed by a debt to equity ratio of 11.5:1 which it is not allowed to exceed in terms of the Shareholders Agreement dated April 17, 2000 amongst Toyota Financial Services (United Kingdom) Plc, Toyota South Africa (Proprietary) Limited and WesBank, a division of FirstRand Bank Limited (“Shareholders Agreement”). These shareholders ensure that the gearing ratio is adhered to in terms of the Shareholders Agreement.

	March 31, 2005 (ZAR '000)	March 31, 2004 (ZAR '000)
Authorised Share Capital	6	6
Issued Share Capital	5	5
Share Premium	449 995	449 995
Retained Profit/(Accumulated Loss)	72 254	(10 555)
<b>Total Equity</b>	<b>522 254</b>	<b>439 445</b>

## Financial Liabilities

As at March 31, 2005 the Issuer had the following financial liabilities:

	March 31, 2005 (ZAR '000)
FirstRand Bank Limited	3 215 413
CitiBank	440 000
Japan Bank for International Cooperation	591 517
Sumitomo Mitsui Banking Corporation	638 000
Bank of Tokyo Mitsubishi Limited	750 000
Currency Derivative	192 560
<b>Total Borrowings</b>	<b>5 827 490</b>

As at the date of this Programme Memorandum the Issuer utilised local and foreign banks as the suppliers of financing. All borrowings have been granted on the strength and structure of the local operations. The borrowings from FirstRand Bank Limited are secured by a cession of the total advances book made by the Issuer to its customers.

## Management

### Management Team

Current members of the Management Team are:

J Brink	Chief Executive Officer
T Yanaida (Japanese)	Chief Financial Officer and Executive Coordinator
G Stuart (New Zealander)	General Manager Administration and Operations
L Barnes	General Manager Sales and Marketing

### The Board of Directors

The Board of Directors consists of three representatives from each shareholder.

Current members of the Board of Directors are:

Representing Toyota Financial Services (United Kingdom) Plc

W Leyendecker (German) TFS Europe Africa Region (Chairman)

J Brink

H Ozaki (Japanese) TFS Corporation

Representing Toyota South Africa (Proprietary) Limited

M G Burger Toyota South Africa (Proprietary) Limited (Vice-President, Finance and IT)

H Niwa (Japanese) Toyota South Africa (Proprietary) Limited (Executive Vice-President)

Dr J J van Zyl Toyota South Africa (Proprietary) Limited (President and Chief Executive Officer)

Representing FirstRand Bank Limited

A D Cunningham (British)	WesBank Chief Financial Officer
B Riley (British)	WesBank General Manager Motor Division
R W Watson	WesBank Chief Executive Officer

The company secretary of the Issuer is Mr B Unser. The business address of the company secretary is 1st Floor, 4 Merchant Place, corner Fredman and Rivonia, Sandton, 2196.

### **Annual General Meeting**

An annual general meeting is held within nine months after expiration of the financial year and no more than 15 months shall elapse between the date of one annual general meeting and that of the next meeting.

### **Financial Statements**

The Issuer is required in terms of the Companies Act, 1973 to prepare Annual Financial Statements for each financial year. The Issuer's Annual Financial Statements are prepared in conformity with South African Generally Accepted Accounting Practice (SA GAAP). The financial information for March 31, 2005 is set out in the audited Financial Statements of TFSSA for the year ended March 31, 2005. With effect from April 1, 2005, the Issuer has made a change to its accounting policies to prepare its financial statements in accordance with International Financial Reporting Standards ("IFRS"). This includes international accounting standard (IAS39). The preparation of financial statements under IFRS instead of South African Generally Accepted Accounting Principles may introduce volatility in the financial results of the Issuer due to the recognition and measurement of changes to the fair value of certain financial instruments.

### **Auditors**

The auditors of the Issuer are Deloitte & Touche, Deloitte & Touche Place, The Woodlands, 20 Woodlands Drive, Woodmead, Sandton, 2196. The auditors have examined the Issuer's Financial Statements for the year ended March 31, 2005, which are incorporated by reference, and have issued an unqualified audit opinion.

### **Financial Year**

The financial year-end of the Issuer is end of March of each year.

### **Risk Management**

#### ***Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme***

The Issuer may be exposed to certain risks and uncertainties that could have a material adverse impact to the Issuer's financial condition and operating results:

#### ***Credit Risk***

Credit risk is the risk of loss arising from a failure of a customer or dealer to meet the terms of any contract with the Issuer or otherwise fail to perform as agreed.

#### ***Liquidity Risk***

Liquidity risk is the risk arising from the inability to meet obligations when they are due. The Issuer's liquidity strategy is to maintain the capacity to fund assets and repay liabilities in a timely and cost-effective manner under adverse market conditions.

#### ***Market Risk***

Market risk is the risk that changes in market interest rates or prices will negatively affect the Issuer's income and capital. Policies governing market risk exposure are established and periodically reviewed by the Issuer's senior management as conditions warrant. The Issuer uses derivative instruments, along with other tools and strategies, to manage its market risk. The Issuer has established procedures to ensure that its risk management, including its use of derivatives, is in accordance with its policy framework.

### *Operational Risk*

Operational risk is the risk of loss resulting from, among other factors, inadequate or failed processes, systems or internal controls, theft, fraud, or natural disaster. Operational risk can occur in many forms including, but not limited to, errors, business interruptions, failures of control, inappropriate behaviour of or misconduct by the Issuer's employees or those contracted to perform services for the Issuer, and vendors that do not perform in accordance with their contractual agreements. These events can potentially result in financial losses or other damages to the Issuer, including damage to the Issuer's reputation.

The Issuer relies on internal and external information and technological systems to manage its operations and is exposed to risk of loss resulting from breaches in the security, or other failures of these systems.

In order to monitor and manage operational risk, the Issuer maintains a framework of internal controls designed to provide a sound and well-controlled operational environment. The Issuer strives to maintain appropriate levels of operational risk relative to its business strategies, competitive and regulatory environment, and markets in which it operates. Notwithstanding these control measures, the Issuer remains exposed to operational risk. However, while the Issuer's approach to operational risk management is intended to mitigate such losses, management can provide no assurance that these problems will not have a material effect on the Issuer's operations.

In the case of TMF, the operations for TMF are supplied by a service provider (Toyota Financial Services (UK) plc, "TFSUK"). TFSUK has in place a Disaster Recovery Plan which includes the treasury services supplied to TMF. The plan provides that no significant disruption is expected to the treasury services supplied to TMF in the event of an incident which, without such a plan in place, could interrupt the operations of TMF.

### *Regulatory Risk*

Regulatory risk is the risk arising from the failure to comply with applicable regulatory requirements and the risk of liability and other costs imposed under various laws and regulations, including changes in legislation and new regulatory requirements.

### *Counterparty Credit Risk*

Counterparty credit risk is the risk that a counterparty may fail to perform on its contractual obligations in a derivatives contract.

### *Residual Value Risk*

Residual value risk is the risk that the estimated residual value at lease origination will not be recoverable at the end of the lease term. When the market value of a leased vehicle at contract maturity is less than its contractual residual value, there is a higher probability that the vehicle will be returned to the Issuer. A higher rate of vehicle returns exposes the Issuer to greater risk of loss at the end of the lease term.

### *Credit Support*

TMF's credit ratings depend, in part, on the existence of the credit support arrangements between TMF and TFS and TFS and the Parent discussed in "*Relationship of TMF with TFS and the Parent*". The credit support arrangements may be amended, provided that such amendment does not have any adverse effects upon any holder of any Notes outstanding at the time of such amendment, and does not require the acceptance of the rating agencies. Without the benefit of the credit support arrangements, TMF would expect that its credit ratings would be substantially less than its current credit ratings. A lower credit rating leads to significantly constrained access, or no access, to the domestic or international capital markets, substantially higher borrowing costs and potentially an inability to raise the volume of funding necessary for it to operate its business. However, TMF believes that its current credit support arrangements will continue to be available.

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## Toyota Motor Finance (Netherlands) B.V.

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### DESCRIPTION OF TOYOTA MOTOR FINANCE (NETHERLANDS) B.V. (“TMF”)

TMF, which was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on August 3, 1987 and registered in the Trade Register of the Amsterdam Chamber of Commerce (the “**Chamber**”) under number 33194984, is a wholly-owned subsidiary of Toyota Financial Services Corporation (“**TFS**”) which is a wholly-owned subsidiary of the Parent, and its registered office is at Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands with telephone number +31 20 406 4444.

As of the date of this Programme Memorandum, TMF’s authorised share capital was 10,000 shares of common stock with a par value of EUR 454 of which 2,000 shares have been issued and fully paid-up. All issued and fully paid-up shares in TMF are held by TFS.

TMF and TFS have entered into a Credit Support Agreement and a Supplementary Credit Support Agreement. (See section entitled “*Relationship of TMF with TFS and the Parent*” below).

The principal business of TMF is to assist the Parent’s subsidiaries and affiliates in obtaining financing in the international capital markets. As a group finance company, TMF is dependent on the performance of the subsidiaries and affiliates of the Parent and TFS to which it grants loans.

The Board of Management of TMF has the ultimate responsibility for the administration of the affairs of TMF. The Managing Directors of TMF are Messrs. Hideto Ozaki of TFS, Mitsui Sumitomo Bank Building, 10th floor, 18-19, Nishiki 2-chome, Naka-ku, Nagoya, 460-0003, Japan and Takashi Hata of the Parent 1, Toyota-cho, Toyota City, Aichi Prefecture 471-8571, Japan (both of whom are engaged in the business of TMF and/or the Parent) and Equity Trust Co. N.V. of Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands (which is engaged in the business of providing corporate services to TMF and other Dutch companies). The two Japanese Managing Directors have no other business activities outside of the Toyota group. Equity Trust, the third Managing Director, is a corporate service provider registered with the Chamber under number 33126512,

The senior management of TMF is comprised of certain senior management members of TFS. As at September 30, 2005 the names of senior management were, Hideto Ozaki, Nobukazu Tsurumi, Masaki Nosaka, Toshiaki Tsurumi and Toshiaki Kawai. On July 1, 2005 Mr Yoshio Ishizaka resigned as Managing Director of TMF. His successor was Mr Hideto Ozaki who was appointed on the same date.

With effect from April 1, 2005, TMF has made a change to its accounting policies to prepare its financial statements in accordance with International Financial Reporting Standards (“**IFRS**”). This includes EU-adopted international accounting standard (IAS39). The preparation of financial statements under IFRS instead of Dutch generally accepted accounting principles may introduce volatility in the financial results of TMF due to the recognition and measurement of changes to the fair value of certain financial instruments.

## CAPITALISATION AND INDEBTEDNESS OF TMF

The unaudited consolidated capitalisation of TMF as at September 30, 2005 was as follows:

	(thousands of Euro)	(thousands of US dollars) <sup>(1)</sup>
<b>Short-term debt:</b>		
Euro-commercial paper <sup>(2)(8)</sup>	905,901	1,091,789
<b>Total</b>	<b>905,901</b>	<b>1,091,789</b>
<b>Long-term debt:</b>		
Variable rate notes due 2005 <sup>(3)(8)</sup>	250,625	302,052
0.168 per cent notes due 2005 <sup>(3)(8)</sup>	14,657	17,665
Variable rate notes due 2006 <sup>(3)(8)</sup>	801,563	966,041
4.00 per cent. notes due 2006 <sup>(3)(8)</sup>	16,832	20,286
0.150 per cent. notes due 2006 <sup>(3)(8)</sup>	10,978	13,231
3.007 per cent. notes due 2006 <sup>(3)(8)</sup>	76,892	92,670
Variable rate notes due 2007 <sup>(3)(8)</sup>	152,004	183,195
0.260 per cent. notes due 2007 <sup>(3)(8)</sup>	14,647	17,653
Variable rate notes due 2009 <sup>(3)(8)</sup>	3,796	4,575
4.460 per cent. notes due 2010 <sup>(3)(8)</sup>	91,283	110,014
Variable rate notes due 2011 <sup>(3)(8)</sup>	7,494	9,032
0.805 per cent. notes due 2011 <sup>(3)(8)</sup>	7,260	8,750
Variable rate notes due 2012 <sup>(3)(8)</sup>	77,684	93,625
Variable rate notes due 2013 <sup>(3)(8)</sup>	58,905	70,992
4.662 per cent. notes due 2014 <sup>(3)(8)</sup>	75,714	91,250
4.541 per cent. notes due 2014 <sup>(3)(8)</sup>	75,598	91,110
Variable rate notes due 2015 <sup>(3)(8)</sup>	14,715	17,734
1.320 per cent. notes due 2015 <sup>(3)(8)</sup>	21,640	26,080
4.533 per cent. notes due 2015 <sup>(3)(8)</sup>	72,559	87,448
<b>Total</b>	<b>1,844,846</b>	<b>2,223,403</b>
<b>Stockholders' equity:</b>		
Common stock, par value EUR454 (Authorised: 10,000 shares Issued: 2,000 shares)	908	1,094
<b>Reserves<sup>(4)</sup></b>	<b>50,311</b>	<b>60,635</b>
	<b>2,801,966</b>	<b>3,376,921</b>

### Notes

- (1) Translated into U.S. dollars at €0.82974 = U.S.\$1.
- (2) TMF has the ability to issue under a €3.3 billion Euro-commercial paper programme.
- (3) Translated into Euro at an exchange rate of JPY 1 = €0.0073169, CHF1 = €0.64309, U.S.\$1 = €0.832974 and GBP1 = €1.4652.
- (4) Outstanding as at March 31, 2005 which is the most recent audited figure available. It is not TMF practice to publish unaudited reserves.
- (5) All of the issued shares of TMF are fully paid up.
- (6) As at September 30, 2005 TMF has contingent liabilities of €1,462 million.
- (7) Since September 30, 2005 TMF has issued further notes on October 18, 2005 being an issue of €100 million variable rates notes due April 18, 2007, on November 9, 2005 being an issue of U.S.\$30 million variable rates notes due November 9, 2015 and November 10, 2005 being an issue of €210 million variable rate notes due November 10, 2008. Such notes have the benefit of the Credit Support Agreement with TFS.
- (8) TMF's outstanding long-term and short-term debt has the benefit of Credit Support Agreement with TFS and is unsecured. Indebtedness is not guaranteed and is unsecured.
- (9) Save as above there has been no other material changes in the consolidated capitalisation, indebtedness, material content, liabilities and guarantees of TMF since September 30, 2005.
- (10) No account has been taken of intra-group liabilities.

**SELECTED FINANCIAL INFORMATION OF TMF**  
**Consolidated Balance Sheet at March 31, 2005 and 2004**  
**(After proposed appropriation of results)**

The financial information set forth below has been extracted without material adjustment from the audited consolidated financial statements of TMF for those periods. This information should be read in conjunction with, and is qualified by reference to, the audited financial statements (which include the consolidated financial statements) of TMF and notes thereof for the years ended March 31, 2005 and March 31, 2004.

	March 31, 2005 (EUR '000)	March 31, 2004 (EUR '000)	March 31, 2005 (U.S.\$ '000)
<b>Fixed Assets</b>			
<i>Financial fixed assets</i>			
Investment in affiliated company	755	755	978
Loans to affiliated companies	1,275,381	1,089,039	1,652,887
	1,276,136	1,089,794	1,653,865
<b>Current Assets</b>			
<i>Accounts receivable</i>			
Interest receivable from affiliated companies	11,706	12,440	15,171
Interest receivable on securities	2,190	917	2,838
Interest receivable from banks	11,494	9,392	14,897
Loans to affiliated companies	961,715	1,063,896	1,246,378
Tax receivable	75	–	97
Other receivables	4,360	8,168	5,651
	991,540	1,094,813	1,285,032
<i>Investments</i>			
Securities	129,771	100,163	168,183
Bank deposits	356,005	76,192	461,381
Other	400,000	400,000	518,398
	885,776	576,355	1,147,952
Cash at banks	4,139	1,322	5,364
Total current assets	1,881,455	1,672,490	2,438,358
<b>Total Assets</b>	<b>3,157,591</b>	<b>2,762,284</b>	<b>4,092,223</b>

	March 31, 2005 (EUR '000)	March 31, 2004 (EUR '000)	March 31, 2005 (U.S.\$ '000)
<b>Capital and Reserves</b>			
Paid up and called share capital	908	908	1,177
Retained earnings	50,311	46,264	65,203
	51,219	47,172	66,380
<b>Long Term Liabilities</b>			
Medium term notes payable	1,009,979	1,069,719	1,308,928
Deferred bond and note issue premium	3,914	6,282	5,072
Total long term liabilities	1,013,893	1,076,001	1,314,000
<b>Current Liabilities</b>			
Euro commercial paper	856,329	1,112,581	1,109,798
Medium term notes payable	1,079,091	417,618	1,398,497
Short-term borrowing from affiliated companies	137,407	91,383	178,079
Bank Borrowing	24	314	31
Interest payable on notes	8,634	6,100	11,190
Interest on short-term borrowing affiliated companies	278	159	360
Interest on bank borrowing	9	13	12
Interest payable to banks under swap agreements	9,180	9,513	11,897
Tax payable	–	162	–
Accrued expenses and other liabilities	1,527	1,268	1,979
Total current liabilities	2,092,479	1,639,111	2,711,843
<b>Total Liabilities, Capital and Reserves</b>	<b>3,157,591</b>	<b>2,762,284</b>	<b>4,092,223</b>

**Consolidated Profit and Loss Account for the years ended March 31, 2005 and 2004**  
(After proposed appropriation of results)

	March 31, 2005 (EUR '000)	Years ended March 31, 2004 (EUR '000)	March 31, 2005 (U.S.\$ '000)
<b>Interest Income</b>			
Interest from loans to affiliated companies	73,153	63,764	94,807
Interest from swap agreements	26,956	25,241	34,935
Interest from securities	5,626	2,045	7,291
Other interest income	16,532	11,383	21,426
	122,267	102,433	158,459
<b>Interest Charges</b>			
Interest on bonds and notes	37,056	24,849	48,024
Amortisation of deferred bond and note issue discounts and premiums	(2,388)	(39)	(3,095)
Interest on swap agreements	42,676	46,970	55,308
Interest on euro-commercial paper	21,545	13,910	27,922
Interest Other (cash management system)	3,793	1,680	4,916
Amortisation of forward points	11,059	9,023	14,334
	113,741	96,393	147,409
Other income	1,304	1,998	1,690
Gross margin	9,830	8,038	12,740
<b>Expenses</b>			
General and administrative expenses	(2,665)	(2,429)	(3,454)
<b>Other Finance Income</b>			
Net exchange results	(1,053)	(5,235)	(1,365)
Operating profit/(loss) before taxation	6,112	374	7,921
Tax (charge)/credit on result from ordinary operations	(2,065)	(117)	(2,676)
<b>Net Profit for the years ended March 31, 2005 and 2004</b>	<b>4,047</b>	<b>257</b>	<b>5,245</b>

**Consolidated Cashflow Statement**  
**For the years ended March 31, 2005 and 2004**

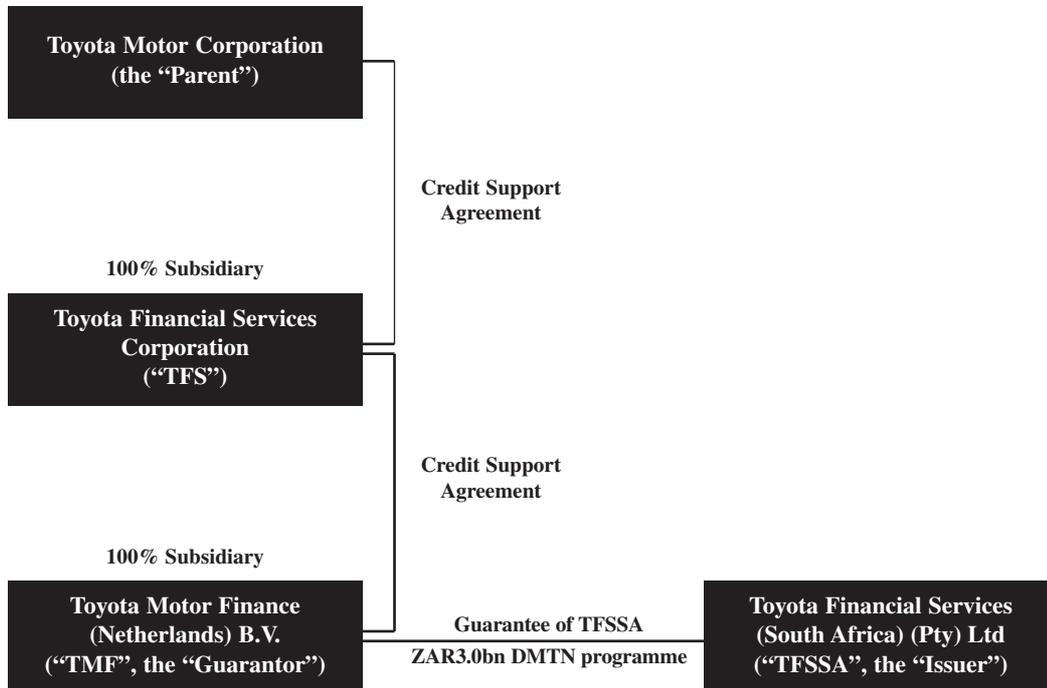
	March 31, 2005 (EUR '000)	Years ended March 31, 2004 (EUR '000)	March 31, 2005 (U.S.\$ '000)
<b>Cash flows from operating activities:</b>			
Net income	4,047	257	5,245
Adjustments to reconcile net income to net cash use by operating activities:			
Unrealised gains and losses on securities	4	(688)	5
Amortisation of deferred bond and note issue (premium)	(2,388)	(126)	(3,095)
Amortisation of deferred bond and note issue discount	–	87	–
Deferred income taxes	–	(30)	–
Changes in operating assets and liabilities			
(Increase) in interest receivables	(2,641)	(5,468)	(3,423)
Decrease in other current assets	1,506	17,722	1,952
Increase in interest payable	2,316	2,721	3,002
Increase/(decrease) in accrued income taxes	2,065	(3,023)	2,676
Increase in other current liabilities	259	624	336
Net cash provided by operating activities	5,168	12,076	6,698
<b>Cash flow from investing activities</b>			
(Increase) in loans to affiliated companies	(84,161)	(350,753)	(109,072)
(Purchase) of marketable securities	(29,612)	(54,927)	(38,377)
Other	–	(200,000)	–
Net cash (used in)/provided by investment activities	(113,773)	(605,680)	(147,449)
<b>Cash flows from financing activities:</b>			
(Decrease)/increase in long term debt	(59,720)	617,109	(77,397)
Increase/(decrease) in short-term borrowings	450,955	(72,375)	584,435
Net cash provided by financing activities	391,235	544,734	507,038
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>282,630</b>	<b>(48,870)</b>	<b>366,287</b>
<b>Cash and equivalents at beginning of year</b>	<b>77,514</b>	<b>126,384</b>	<b>100,458</b>
<b>Cash and equivalents at end of year</b>	<b>360,144</b>	<b>77,514</b>	<b>466,745</b>

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## Relationship of TMF with TFS and the Parent

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### Guarantee Structure



### General

TMF is a wholly-owned subsidiary of TFS and TFS is a wholly-owned subsidiary of the Parent.

### Credit Support Agreements

TMF (the “**Company**”) has entered into a credit support agreement in English with TFS dated as of August 7, 2000, which has been supplemented by a supplementary credit support agreement dated as of August 7, 2000 (together, the “**Credit Support Agreement**”). TFS has entered into a basic credit support agreement in Japanese with the Parent dated as of July 14, 2000, which has been supplemented by a supplementary credit support agreement dated as of July 14, 2000 (together, the “**Basic Agreement**”). The following are extracted from the Credit Support Agreement and the Basic Agreement, copies or, in the case of the Basic Agreement, an English translation of which are available for inspection as stated in “**General Information**” below.

**Note:** The addresses of TFS and TMF hereinafter are those as of the date of this Programme Memorandum. In the original credit support agreements, they are those as of the date when the respective agreements were entered into.

#### *Credit Support Agreement:*

This Credit Support Agreement (the “**Agreement**”) is made as of August 7, 2000 by and between:

- (1) **TOYOTA FINANCIAL SERVICES CORPORATION**, a Japanese corporation having its principal office at Mitsui Sumitomo Bank Nagoya Building, 18 – 19, Nishiki 2-chome, Naka-ku, Nagoya City, Aichi Prefecture, Japan (“**TFS**”); and
- (2) **TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.**, a Dutch corporation having its principal office at Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands (“**TMF(NL)**”).

WHEREBY it is agreed as follows:

1. TFS will, directly or indirectly, own all of the outstanding shares of the capital stock of TMF(NL) and will not, directly or indirectly, pledge or in any way encumber or otherwise dispose of any such shares of stock so long as TMF(NL) has any outstanding bonds, debentures, notes and other investment securities and commercial paper (hereafter “**Securities**”), unless required to dispose of any or all such shares of stock pursuant to a court decree or order of any governmental authority which, in the opinion of counsel to TFS, may not be successfully challenged.

2. TFS will cause TMF(NL) and TMF(NL)'s subsidiaries, if any, to have a consolidated tangible net worth, as determined in accordance with generally accepted accounting principles in The Netherlands and as shown on TMF(NL)'s most recent audited annual consolidated balance sheet, of at least EUR100,000 so long as Securities are outstanding. Tangible net worth means the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets.
3. If TMF(NL) at any time determines that it will run short of cash or other liquid assets to meet its payment obligations on any Securities then or subsequently to mature and that it shall have no unused commitments available under its credit facilities with lenders other than TFS, then TMF(NL) will promptly notify TFS of the shortfall and TFS will make available to TMF(NL), before the due date of such Securities, funds sufficient to enable it to pay such payment obligations in full as they fall due. TMF(NL) will use such funds made available to it by TFS solely for the payment of such payment obligations when they fall due.
4. This Agreement is not, and nothing herein contained and nothing done by TFS pursuant hereto shall be deemed to constitute a guarantee, direct or indirect, by TFS of any Securities.
5. This Agreement may be modified or amended only by the written agreement of TFS and TMF(NL) unless any holder of Securities has made a claim against TFS pursuant to clause 7, in which case any modification or amendment shall be subject to the consent of such a holder. No such modification or amendment shall have any adverse effect upon any holder of any Securities outstanding at the time of such modification or amendment. Either TFS or TMF(NL) will provide written notice to the other, with a copy to each statistical rating agency that, upon the request of TMF(NL) or TFS, has issued a rating in respect of TMF(NL) or any Securities (hereafter a "**Rating Agency**"), 30 days prior to such proposed modification or amendment.
6. Either TFS or TMF(NL) may terminate this Agreement upon 30 days written notice to the other, with a copy to each Rating Agency, subject to the limitation that termination will not take effect until or unless (i) all Securities issued on or prior to the date of such termination notice have been repaid or (ii) each Rating Agency has confirmed to TMF(NL) that the debt ratings of all such Securities will be unaffected by such termination.
7. This Agreement is executed for the benefit of the holders of Securities and such holders may rely on TFS's observance of the provisions of this Agreement.
8. TFS and TMF(NL) hereby agree that the holders of Securities shall have the right to claim directly against TFS to perform any of its obligations under this Agreement. Such claim shall be made in writing with a declaration to the effect that such a holder will have recourse to the rights given under this Agreement. If TFS receives such a claim from any holder of Securities, TFS shall indemnify, without any further action or formality, such a holder against any loss or damage arising out of or as a result of the failure to perform any of its obligations under this Agreement. The holder of Securities who made the claim may enforce such indemnity directly against TFS. In relation to any Securities in respect of which a trustee has been appointed to act for the holders of such Securities, such trustee may make the above mentioned claim in favour of the holders of Securities directly against TFS and, where appropriate, it may enforce the indemnity against TFS in favour of such holders. Provided that, if the trustee, having become bound to proceed directly against TFS, fails to do so within a reasonable period thereafter to protect the interests of the holders of such Securities, and such failure shall be continuing, the holders of such Securities may take actions available under this clause.
9. This Agreement shall be governed by, and construed in accordance with, the laws of Japan. TFS and TMF(NL) hereby irrevocably submit to the jurisdiction of the Tokyo District Court over any action or proceeding arising out of this Agreement.

*Supplemental Credit Support Agreement:*

This Supplemental Credit Support Agreement (the "Agreement") is made as of August 7, 2000 by and between

- (1) **TOYOTA FINANCIAL SERVICES CORPORATION**, a Japanese corporation having its principal office at Mitsui Sumitomo Bank Nagoya Building, 18 – 19, Nishiki 2-chome, Naka-ku, Nagoya City, Aichi Prefecture, Japan ("**TFS**"); and
- (2) **TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.**, a Dutch corporation having its principal office at Atrium, Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands ("**TMF(NL)**").

WHEREBY it is agreed as follows:

1. TFS will, directly or indirectly, own all of the outstanding shares of the capital stock of TMF(NL) and will not directly or indirectly pledge or in any way encumber or otherwise dispose of any such shares of stock so long as TMF(NL) has outstanding guarantee or credit support obligations (hereafter "**Obligations**"), unless required to dispose of any or all such shares of stock pursuant to a court decree or order of any governmental authority which, in the opinion of counsel to TFS, may not be successfully challenged.

2. TFS will cause TMF(NL) and TMF(NL)'s subsidiaries, if any, to have a consolidated tangible net worth, as determined in accordance with generally accepted accounting principles in The Netherlands and as shown on TMF(NL)'s most recent audited annual consolidated balance sheet, of at least EUR 100,000 so long as Obligations are outstanding. Tangible net worth means the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets.
3. If TMF(NL) at any time determines that it will run short of cash or other liquid assets to meet its payment obligations on any Obligations then or subsequently to mature and that it shall have no unused commitments available under its credit facilities with lenders other than TFS, then TMF(NL) will promptly notify TFS of the shortfall and TFS will make available to TMF(NL), before the due date of such Obligations, funds sufficient to enable it to pay such payment obligations in full as they fall due. TMF(NL) will use such funds made available to it by TFS solely for the payment of such payment obligations when they fall due.
4. This Agreement is not, and nothing herein contained and nothing done by TFS pursuant hereto shall be deemed to constitute a guarantee, direct or indirect, by TFS of any Obligations.
5. This Agreement may be modified or amended only by the written agreement of TFS and TMF(NL) unless any holder of Obligations has made a claim against TFS pursuant to clause 7, in which case any modification or amendment shall be subject to the consent of such a holder. No such modification or amendment shall have any adverse effect upon any holder of any Obligations outstanding at the time of such modification or amendment. Either TFS or TMF(NL) will provide written notice to the other, with a copy to each statistical rating agency that, upon the request of TMF(NL) or TFS, has issued a rating in respect of TMF(NL) or any Obligations (hereafter a "**Rating Agency**"), 30 days prior to such proposed modification or amendment.
6. Either TFS or TMF(NL) may terminate this Agreement upon 30 days' written notice to the other, with a copy to each Rating Agency, subject to the limitation that termination will not take effect until or unless: (i) all Obligations issued on or prior to the date of such termination notice have been repaid or (ii) each Rating Agency has confirmed to TMF(NL) that the debt ratings of all such Obligations will be unaffected by such termination.
7. This Agreement is executed for the benefit of the holders of Obligations and such holders may rely on TFS's observance of the provisions of this Agreement.
8. TFS and TMF(NL) hereby agree that the holders of Obligations shall have the right to claim directly against TFS to perform any of its obligations under this Agreement. Such claim shall be made in writing with a declaration to the effect that such a holder will have recourse to the rights given under this Agreement. If TFS receives such a claim from any holder of Obligations, TFS shall indemnify, without any further action or formality, such a holder against any loss or damage arising out of or as a result of the failure to perform any of its obligations under this Agreement. The holder of Obligations who made the claim may enforce such indemnity directly against TFS. In relation to any Obligations in respect of which a trustee has been appointed to act for the holders of such Obligations, such trustee may make the above mentioned claim in favour of the holders of Obligations directly against TFS and, where appropriate, it may enforce the indemnity against TFS in favour of such holders. Provided that, if the trustee, having become bound to proceed directly against TFS, fails to do so within a reasonable period thereafter to protect the interests of the holders of such Obligations, and such failure shall be continuing, the holders of such Obligations may take actions available under this clause.
9. The Agreement shall be governed by, and construed in accordance with, the laws of Japan. TFS and TMF(NL) hereby irrevocably submit to the jurisdiction of the Tokyo District Court over any action or proceeding arising out of this Agreement.

*English Translation of the Basic Agreement:*

This Credit Support Agreement (the "**Agreement**") is made as of July 14, 2000 by and between:

- (1) **TOYOTA MOTOR CORPORATION**, a Japanese corporation having its principal office at 1, Toyota-cho, Toyota City, Aichi Prefecture, Japan (the "**TMC**"); and
- (2) **TOYOTA FINANCIAL SERVICES CORPORATION**, a Japanese corporation having its principal office at Mitsui Sumitomo Bank Nagoya Building, 18 – 19, Nishiki 2-chome, Naka-ku, Nagoya City, Aichi Prefecture, Japan (the "**TFS**").

WHEREBY it is agreed as follows:

1. TMC will, directly or indirectly, own all of the outstanding shares of the capital stock of TFS and will not, directly or indirectly, pledge or in any way encumber or otherwise dispose of any such shares of stock so long as TFS has any outstanding bonds, debentures, notes and other investment securities and commercial paper (hereafter

“Securities”, which shall include, except for the purpose of clause 3, any securities issued by the subsidiaries or affiliates of TFS in respect of which TFS has guarantee or credit support obligations), unless required to dispose of any or all such shares of stock pursuant to a court decree or order of any governmental authority which, in the opinion of counsel to TMC, may not be successfully challenged.

2. TMC will cause TFS and TFS’s subsidiaries, if any, to have a consolidated tangible net worth, as determined in accordance with generally accepted accounting principles in Japan and as shown on TFS’s most recent audited annual consolidated balance sheet, of at least JPY10,000,000 so long as Securities are outstanding. Tangible net worth means the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets.
3. If TFS at any time determines that it will run short of cash or other liquid assets to meet its payment obligations in respect of any Securities or obligations under any guarantee and credit support agreements then or subsequently to mature and that it shall have no unused commitments available under its credit facilities with lenders other than TMC, then TFS will promptly notify TMC of the shortfall and TMC will make available to TFS, before the due date in respect of such obligations, funds sufficient to enable it to pay such payment obligations in full as they fall due. TFS will use such funds made available to it by TMC solely for the payment of such payment obligations when they fall due.
4. This Agreement is not, and nothing herein contained and nothing done by TMC pursuant hereto shall be deemed to constitute a guarantee, direct or indirect, by TMC of any Securities.
5. This Agreement may be modified or amended only by the written agreement of TMC and TFS unless any holder of Securities has made a claim against TMC pursuant to clause 7, in which case any modification or amendment shall be subject to the consent of such a holder. No such modification or amendment shall have any adverse effect upon any holder of any Securities outstanding at the time of such modification or amendment. Either TMC or TFS will provide written notice to the other, with a copy to each statistical rating agency that, upon the request of TFS or TMC, has issued a rating in respect of TFS or any Securities (hereafter a “**Rating Agency**”), 30 days prior to such proposed modification or amendment.
6. Either TMC or TFS may terminate this Agreement upon 30 days’ written notice to the other, with a copy to each Rating Agency, subject to the limitation that termination will not take effect until or unless: (i) all Securities issued on or prior to the date of such termination notice have been repaid or (ii) each Rating Agency has confirmed to TFS that the debt ratings of all such Securities will be unaffected by such termination.
7. This Agreement is executed for the benefit of the holders of Securities and such holders may rely on TMC’s observance of the provisions of this Agreement.
8. TMC and TFS hereby agree that the holders of Securities shall have the right to claim directly against TMC to perform any of its obligations under this Agreement. Such claim shall be made in writing with a declaration to the effect that such a holder will have recourse to the rights given under this Agreement. If TMC receives such a claim from any holder of Securities, TMC shall indemnify, without any further action or formality, such a holder against any loss or damage arising out of or as a result of the failure to perform any of its obligations under this Agreement. The holder of Securities who made the claim may enforce such indemnity directly against TMC. In relation to any Securities in respect of which a trustee has been appointed to act for the holders of such Securities, such trustee may make the above mentioned claim in favour of the holders of Securities directly against TMC and, where appropriate, it may enforce the indemnity against TMC in favour of such holders. Provided that, if the trustee, having become bound to proceed directly against TMC, fails to do so within a reasonable period thereafter to protect the interests of the holders of such Securities, and such failure shall be continuing, the holders of such Securities may take actions available under this clause.
9. This Agreement shall be governed by, and construed in accordance with, the laws of Japan. TMC and TFS hereby irrevocably submit to the jurisdiction of the Tokyo District Court over any action or proceeding arising out of this Agreement.

*English Translation of the Supplemental Credit Support Agreement*

This Supplemental Credit Support Agreement (the “Agreement”) is made as of July 14, 2000 by and between:

**TOYOTA MOTOR CORPORATION**, a Japanese corporation having its principal office at 1, Toyota-cho, Toyota City, Aichi Prefecture, Japan (the “**TMC**”); and

**TOYOTA FINANCIAL SERVICES CORPORATION**, a Japanese corporation having its principal office at Mitsui Sumitomo Bank Nagoya Building, 18 – 19, Nishiki 2-chome, Naka-ku, Nagoya City, Aichi Prefecture, Japan (the “**TFS**”).

WHEREBY it is agreed as follows:

1. TMC will, directly or indirectly, own all of the outstanding shares of the capital stock of TFS and will not directly or indirectly pledge or in any way encumber or otherwise dispose of any such shares of stock so long as TFS has outstanding credit support obligations (hereafter "**Obligations**", which include, except for the purpose of clause 3, guarantee and credit support obligations of Toyota Motor Finance (Netherlands) B.V., a subsidiary of TFS), unless required to dispose of any or all such shares of stock pursuant to a court decree or order of any governmental authority which, in the opinion of counsel to TMC, may not be successfully challenged.
2. TMC will cause TFS and TFS's subsidiaries, if any, to have a consolidated tangible net worth, as determined in accordance with generally accepted accounting principles in Japan and as shown on TFS's most recent audited annual consolidated balance sheet, of at least JPY10,000,000 so long as Obligations are outstanding. Tangible net worth means the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets.
3. If TFS at any time determines that it will run short of cash or other liquid assets to meet its payment obligations in respect of Obligations or obligations under any guarantee and credit support agreement then or subsequently to mature and that it shall have no unused commitments available under its credit facilities with lenders other than TMC, then TFS will promptly notify TMC of the shortfall and TMC will make available to TFS, before the due date in respect of such payment obligations, funds sufficient to enable it to pay such payment obligations in full as they fall due. TFS will use such funds made available to it by TMC solely for the payment of such payment obligations when they fall due.
4. This Agreement is not, and nothing herein contained and nothing done by TMC pursuant hereto shall be deemed to constitute a guarantee, direct or indirect, by TMC of any Obligations.
5. This Agreement may be modified or amended only by the written agreement of TMC and TFS unless any holder of Obligations has made a claim against TMC pursuant to clause 7, in which case any modification or amendment shall be subject to the consent of such a holder. No such modification or amendment shall have any adverse effect upon any holder of any Obligations outstanding at the time of such modification or amendment. Either TMC or TFS will provide written notice to the other, with a copy to each statistical rating agency that, upon the request of TFS or TMC, has issued a rating in respect of TFS or any Obligations (hereafter a "**Rating Agency**"), 30 days prior to such proposed modification or amendment.
6. Either TMC or TFS may terminate this Agreement upon 30 days' written notice to the other, with a copy to each Rating Agency, subject to the limitation that termination will not take effect until or unless: (i) all Obligations incurred on or prior to the date of such termination notice have been repaid or (ii) each Rating Agency has confirmed to TFS that the debt ratings of all such Obligations will be unaffected by such termination.
7. This Agreement is executed for the benefit of the holders of Obligations and such holders may rely on TMC's observance of the provisions of this Agreement.
8. TMC and TFS hereby agree that the holders of Obligations shall have the right to claim directly against TMC to perform any of its obligations under this Agreement. Such claim shall be made in writing with a declaration to the effect that such a holder will have recourse to the rights given under this Agreement. If TMC receives such a claim from any holder of Obligations, TMC shall indemnify, without any further action or formality, such a holder against any loss or damage arising out of or as a result of the failure to perform any of its obligations under this Agreement. The holder of Obligations who made the claim may enforce such indemnity directly against TMC. In relation to any Obligations in respect of which a trustee has been appointed to act for the holders of such Obligations, such trustee may make the above mentioned claim in favour of the holders of Obligations directly against TMC and, where appropriate, it may enforce the indemnity against TMC in favour of such holders. Provided that, if the trustee, having become bound to proceed directly against TMC, fails to do so within a reasonable period thereafter to protect the interests of the holders of such Obligations, and such failure shall be continuing, the holders of such Obligations may take actions available under this clause.
9. This Agreement shall be governed by, and construed in accordance with, the laws of Japan. TMC and TFS hereby irrevocably submit to the jurisdiction of the Tokyo District Court over any action or proceeding arising out of this Agreement.

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## Toyota Financial Services Corporation

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### DESCRIPTION OF TOYOTA FINANCIAL SERVICES CORPORATION (“TFS”)

#### General Information

TFS, a wholly-owned subsidiary of the Parent, was incorporated as a private company with limited liability on July 7, 2000 under the laws of Japan. TFS is a holding company of all the financial subsidiaries of the Toyota group and controls and manages Toyota’s financial operations worldwide. TFS has 49 consolidated subsidiaries and 5 affiliates, most overseas as of the date of this Programme Memorandum. Financial services and products rendered through the group companies of TFS include automobile loans and leasing, loans to automobile dealers and other businesses such as insurance, credit cards and securities. These operations are conducted in 30 countries and regions.

In connection with the above the Parent has entered into the Credit Support Agreement with TFS and TFS has, in turn, entered into the Credit Support Agreement with TMF. See “*Relationship of TMF with TFS and the Parent*”.

TFS’s principal executive offices are located in Mitsui Sumitomo Bank Nagoya Building, 18-19, Nishiki 2-chome, Naka-ku, Nagoya City, Aichi Prefecture (telephone number 052-239-3100).

#### Business Overview

##### *Principal activities*

The main business of TFS as a holding company is formulating the plans and strategies of the financial business, management of earnings and risk management of the group companies and the promotion of efficient financial business.

TFS has the following principal consolidated subsidiaries and affiliates which conduct business centering on financial products relating to Toyota products.

##### *(Automobile Financial Services)*

Country by region	Name	
<i>Americas</i>		
United States	Toyota Motor Credit Corporation	(TMCC)
Canada	Toyota Credit Canada Inc.	(TCCI)
Puerto Rico	Toyota Credit de Puerto Rico Corporation	(TCPR)
Mexico	Toyota Services de Mexico, S.A. de C.V.	(TSM)
Brazil	Banco Toyota do Brasil S.A.	(BTB)
Venezuela	Toyota Services de Venezuela, C.A.	(TSV)
Argentina	Toyota Compania Financiera de Argentina S.A.	(TCFA)
<i>Europe and South Africa</i>		
United Kingdom	Toyota Financial Services (U.K.) Plc	(TFSUK)
Germany	Toyota Kreditbank GmbH	(TKG)
France	Toyota France Financement	(TFSF)
Italy	Toyota Financial Services Italy	(TFSI)
Spain	Toyota Financial Services Espana	(TFSES)
Norway	Toyota Finans Service Norge	(TFSN)
Denmark	Toyota Financial Services Danmark A/S	(TFSDK)
Sweden	Toyota Financial Services Sweden	(TFSSW)
Finland	Toyota Finance Finland Oy	(TFF)
Czech Republic	Toyota Financial Services Czech s.r.o	(TFSCZ)
Hungary	Toyota Financial Services Hungary Rt.	(TFSH)
Poland	Toyota Bank Polska S.A.	(TBP)
Slovakia	Toyota Financial Services Slovakia s.r.o.	(TFSSK)
South Africa	Toyota Financial Services South Africa (Pty) Limited*	(TFSSA)

Country by region	Name	
<i>Asia and Oceania</i>		
Australia	Toyota Finance Australia Limited	(TFA)
Thailand	Toyota Leasing (Thailand) Co., Ltd.	(TLT)
Malaysia	UMW Toyota Capital Sdn. Bhd.	(UMWTC)
New Zealand	Toyota Finance New Zealand Limited	(TFNZ)
Phillipines	Toyota Financial Services Phillipines Corporation	(TFSPH)
China	Toyota Motor Finance (China) Company, Limited	(TMFCN)
South Korea	Toyota Financial Services Korea Co., Ltd.	(TFSKR)
Taiwan	Hotai Finance Corporation*	(HFC)
	Hotai Leasing Corporation*	(HLC)
<i>Japan</i>		
	Toyota Finance Corporation	(TFC)
<i>(Other Financial Services)</i>		
Japan	Toyota Financial Service Securities Corporation	(TFSS)
	Toyota Asset Management Co., Ltd.*	(TAMCO)
	Toyota Accounting Service Co.	(TASC)
Netherlands	Toyota Motor Finance (Netherlands) B.V.	(TMFNL)
United States	Toyota Financial Services Americas Corporation	(TFSA)
	Toyota Financial Savings Bank	(TFSB)
	Toyota Financial Services Securities USA Corporation	(TFSS USA)

\* Affiliated company

#### *Principal markets*

TFS, through its subsidiaries and affiliates, conducts business in Japan, North America, Europe, Asia and other areas. The main competitors are commercial banks and other financial institutions.

#### **Board of Directors and Corporate Auditors**

As at the date of this Programme Memorandum, TFS's Board of Directors consists of the following persons:

##### *Directors*

Ryuji Araki <sup>1</sup>	(Chairman)
Hideto Ozaki <sup>1</sup>	(President and Representative Director)
Nobukazu Tsurumi <sup>1</sup>	(Executive Vice President)
Hiroshi Adachi <sup>1</sup>	(Executive Vice President)
Tokuichi Uranishi <sup>2</sup>	(Executive Vice President of the Parent)
Kyoji Sasazu <sup>2</sup>	(Executive Vice President of the Parent)
Mitsuo Kinoshita <sup>2</sup>	(Executive Vice President of the Parent)
Akio Toyoda <sup>2</sup>	(Executive Vice President of the Parent)
Takeshi Suzuki <sup>2</sup>	(Senior Managing Director of the Parent)
Takeshi Hata <sup>2</sup>	(Managing Officer of the Parent)
George E. Borst <sup>3</sup>	(President of Toyota Motor Credit Corporation)
Yoshio Inagaki <sup>1</sup>	(President of Toyota Finance Coproration)

The business addresses of the Directors of TFS are as follows:

1. Mitsui Sumitomo Bank Nagoya Building, 18-19, Nishiki 2 chome, Naka-ku, Nagoya City, Aichi Prefecture
2. 1, Toyota cho, Toyota City, Aichi Prefecture
3. 19001 South Western Avenue, Torrance, California 90509.

As at the date of this Programme Memorandum, the following persons comprise TFS's Corporate Auditors:

<i>Name</i>	<i>Position</i>
Keisuke Hayashi	Standing Corporate Auditor
Katsuaki Watanabe	President of the Parent
Chiaki Yamaguchi	Corporate Auditor of the Parent
Toyomitsu Ikeshima	CPA and Professor of Tezukayama University

### **Share Capital**

As at the date of this Programme Memorandum, TFS's authorised share capital is 4,680,000 shares of common stock with no par value, of which 1,570,500 shares have been issued and fully paid-up. All shares are held by the Parent.

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## Toyota Motor Corporation (“TMC”) Description of TMC

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*Unless otherwise specified in this document, the “Parent” or “TMC” means Toyota Motor Corporation and “Toyota” means the Parent and its consolidated subsidiaries.*

### General Information

TMC is a limited liability, joint-stock company incorporated under the Commercial Code of Japan. TMC is registered in Japan. Toyota commenced operations in 1933 as the automobile division of Toyota Industries Corporation (formerly, Toyoda Automatic Loom Works, Ltd.). TMC was incorporated on 28th August, 1937. As of 31st March, 2005, Toyota operated through 524 consolidated subsidiaries and 22 affiliated companies, of which 56 companies were accounted for through the equity method. TMC’s principal executive offices are located at 1, Toyota-cho, Toyota City, Aichi Prefecture 471-8571, Japan. TMC’s telephone number in Japan is 81-565-28-2121.

TMC’s shares are listed on the Tokyo Stock Exchange, Inc., the four other stock exchanges in Japan and are listed on the Official List and admitted for trading on the London Stock Exchange. In addition, TMC’s shares in the form of American Depositary Shares are listed on the New York Stock Exchange.

### Business Overview

#### *Principal Activities*

Toyota is the largest producer of automobiles in Japan and the third largest automobile producer in the world in terms of both vehicles produced and vehicles sold. Toyota sold 7.40 million vehicles in the year ended 31st March, 2005 (“**fiscal 2005**”) on a consolidated basis. Toyota had net revenues of ¥18.6 trillion and net income of ¥1.171 trillion in fiscal 2005. Toyota’s business segments are automotive operations, financial services operations and all other operations. The following table, which has been extracted without material change from the audited financial statements prepared in accordance with US generally accepted accounting principles (“**US GAAP**”) sets forth Toyota’s net revenues from external customers in each of its business segments for each of the past three fiscal years.

	Yen in millions		
	Year Ended 31st March,		
	2003	2004	2005
Automotive	¥14,300,799	¥15,963,100	¥17,098,415
Financial Services	707,527	716,727	760,664
All Other	493,227	614,933	692,447

Toyota’s automotive operations include the design, manufacture, assembly and sale of passenger cars, recreational and sport-utility vehicles, minivans and trucks and related parts and accessories. Toyota’s financial services business consists primarily of providing financing to dealers and their customers for the purchase or lease of Toyota vehicles. Toyota’s financial services also provide retail leasing through the purchase of lease contracts originated by Toyota dealers. Related to Toyota’s automotive operations is its development of intelligent transport systems. Intelligent transport systems are a variety of information technology-based systems encompassing car multimedia systems, on-board intelligent systems, advanced transportation systems and transportation infrastructure and logistics systems. These systems combine automotive, information and telecommunications technologies. An important element of Toyota’s work in intelligent transport systems is its research collaboration with telecommunication and information services providers. Toyota currently holds an 11.7% of ownership interest in KDDI Corporation, a full service telecommunications provider in Japan. Toyota’s other operations business segment includes the design and manufacture of prefabricated housing and information technology related businesses, including certain intelligent transport systems and an e-commerce marketplace called Gazoo.com. Toyota sells its vehicles in approximately 170 countries and regions. Toyota’s primary markets for its automobiles are Japan, North America and Europe. The following table, prepared in accordance with US GAAP sets forth Toyota’s net revenues from external customers in each of its geographical markets for each of the past three fiscal years.

	Yen in millions		
	Year Ended 31st March,		
	2003	2004	2005
Japan	¥6,621,054	¥7,167,704	¥7,408,136
North America	5,929,803	5,910,422	6,187,624
Europe	1,514,683	2,018,969	2,305,450
All Other Markets	1,436,013	2,197,665	2,650,316

During fiscal 2005, 32% of Toyota's automobile unit sales on a consolidated basis were in Japan, 31% were in North America and 13% were in Europe. The remaining 24% of unit sales were in other markets, including 11% in East and Southeast Asian countries other than Japan.

### Vehicle Models

Toyota's product line includes subcompact and compact cars, mini-vehicles, hybrid, mid-size, luxury, sports and specialty cars, recreational and sport-utility vehicles, pickup trucks, minivans and trucks.

#### *Subcompact and Compact*

Toyota's subcompact and compact cars include the four-door Corolla sedan, which is one of Toyota's best selling models. The Yaris, marketed as the Vitz in Japan, is a subcompact car designed to include features that are particularly attractive to European consumers, such as better car performance and comfort as compared to other compact cars available on the market, with small car fuel economy and low emissions. The Vitz is currently available in Japan as a hatchback in five-door models and underwent a model change in February 2005. In early 2002, Toyota introduced a remodelled Corolla to the European market and the Corolla and the Matrix to North America. Toyota also introduced the i and the WiLL Cypha compact cars to the Japanese market in May 2002 and October 2002, respectively. In early 2003, Toyota began introducing the VIOS to China and other Asian markets. Further, Toyota introduced a remodelled Raum in Japan in May 2003 and introduced the Scion xA and the Scion xB (marketed in Japan as the i and the bB, respectively) in the United States in June 2003. In June 2004, Toyota commenced the sale of the Passo (sold by Daihatsu as the Boon), the smallest passenger vehicle under the Toyota brand, jointly developed with Daihatsu, a subsidiary of Toyota Motor Corporation.

#### *Mini-Vehicles*

Mini-vehicles are manufactured and sold by Daihatsu. Daihatsu manufactures mini-vehicles, passenger vehicles, commercial vehicles and auto parts. Mini-vehicles are cars, vans or trucks with engine displacements of 660 cubic centimetres or less. Toyota also sells under its name certain automobiles (excluding mini-vehicles) manufactured by Daihatsu. Daihatsu sold approximately 580,000 mini-vehicles and 120,000 automobiles during fiscal 2005. Daihatsu's largest market is Japan, which accounted for approximately 78% of Daihatsu's unit sales during fiscal 2005.

#### *Hybrid*

The Prius is the world's first mass-produced hybrid car. It runs on an optimal combination of gasoline and electric power. This system allows it to travel twice as far as conventional vehicles of comparable size and performance on the same amount of gasoline. In addition, the hybrid design of the Prius results in the output of 75% less pollution than the maximum amount allowed by Japanese environmental regulations. Toyota views the Prius as the cornerstone of its emphasis on designing and producing environmentally friendly automobiles. In 2003, Toyota introduced in Japan, the United States, Europe and other markets, a fully remodelled Prius, which combines decreased environmental impact by higher fuel efficiency and ultra-low emissions with increased power and performance. Toyota introduced hybrid versions of the RX400h, a Lexus brand sports-utility vehicle (marketed in Japan as the Harrier), in North America, Europe and Japan, and the Highlander sport-utility vehicle (marketed in Japan as the Kluger V and L) in North America and Japan in March 2005. Toyota plans to introduce the Prius in China in the second half of 2005 and the hybrid version of the Camry in North America in 2006. Toyota also plans to introduce the hybrid version of the Lexus brand premium sedan, the GS450h, in North America, Europe and Japan in the first half of 2006. As of 31st March, 2005, Toyota has sold over 360,000 hybrid vehicle units. Toyota also began limited sales of fuel cell hybrid vehicle in Japan and the United States in December 2002. In June 2005, Toyota's new fuel cell hybrid passenger vehicle became the first vehicle in Japan to acquire vehicle type certification under the Road Vehicles Act, as amended and enacted on 31st March, 2005, by Japan's Ministry of Land, Infrastructure and Transport. Leases for the hybrid vehicle began on 1st July, 2005. Toyota aims to continue its efforts to offer a diverse lineup of hybrid vehicles, enhance engine power while improving fuel efficiency, and to otherwise work towards increasing the sales of hybrid vehicles.

### *Mid-Size*

Toyota's mid-size models include the Camry, which has been the best selling passenger car in the United States for seven of the past eight years and also for the last three consecutive years. The Camry line includes the Camry Solara sport coupe, which was fully remodelled in 2003. Camry sales in the United States for 2004 was approximately 427,000 units (including approximately 49,600 Solaras). Toyota's Japanese mid-size cars also include the Mark I, which was succeeded by the new model, Mark X, in November 2004, the Premio, the Allion and the Caldina station wagon. In September 2002, Toyota introduced a remodelled version of the Caldina station wagon to the Japanese market. In March 2003, Toyota introduced in Europe a remodelled version of the Avensis, its flagship mid-size car for European markets, which was also subsequently introduced in Japan in October 2003.

### *Luxury*

In North America and Europe, Toyota's luxury line consists primarily of vehicles sold under the Lexus brand name. In the United States, Lexus has earned the title of best-selling luxury brand for the fifth consecutive year by selling approximately 288,000 vehicles in 2004. Lexus models include the full-size LS430 sedan, which is sold as the Celsior in Japan and was remodelled in August 2000; the smaller GS300 and GS430 sedans and the ES300 sedan, sold as the Aristo and the Windom in Japan; the IS300 and IS200 mid-size sport sedans, marketed in Japan as the Altezza; the IS300 Sport Cross, which is sold in Japan as the Altezza Gita; Luxury sport-utility vehicles such as the GX470, which was introduced to the United States in December 2002 and is marketed in Japan as the Land Cruiser Prado, and the RX330, which is marketed in Japan as the Harrier and which was completely remodelled and introduced to Japan and to the United States in February 2003 and March 2003, respectively; and the SC430, sold as the Soarer in Japan, and LX470, sold as the Land Cruiser Cygnus in Japan. Toyota commenced sales of its luxury automobiles in Japan under the Lexus brand in August 2005. Toyota's best-selling full-size luxury car in Japan is the Crown, which was remodelled in December 2003. In Japan, Toyota also sells the Progres and the Brevis, compact luxury models, as well as the Century limousine.

### *Sports and Speciality*

Toyota's main sports car model is the Celica. The Celica is a two-door sports coupe with a four-cylinder engine. In Japan and other markets, Toyota sells the Lexus SC430 two-door sports coupe, which is marketed in Japan as the Soarer, as well as the MR2 Spyder, a mid-size sport car model marketed in Japan as the MR-S and in Europe as the MR2. In June 2004, Toyota introduced in the United States the Scion tC, a sport car model targeted to the younger market.

### *Recreational and Sport-Utility Vehicles and Pickup Trucks*

Toyota sells a variety of sport-utility vehicles and pickup trucks, including the Tacoma and Tundra pickup trucks. Toyota sport-utility vehicles available in North America include the Sequoia; the 4Runner, which was completely remodelled and introduced to the United States in October 2002 and is marketed as the Hilux-Surf in Japan; the RAV4; the Highlander, which is available in Japan under the model name Kluger V and L; and the Land Cruiser. The Tacoma, the Tundra and the Sequoia are built in the United States. Toyota also offers sport utility vehicles under the Lexus brand, including the LX470, the GX470, the RX400, and remodelled RX330. The LX470, the Land Cruiser, the Tundra, the Sequoia, 4runner (marketed as the Hilux-Surf in Japan), Prado and the GX470 sold in North America are equipped with V-8 engines. Toyota introduced the remodelled Harrier to the Japanese market in February 2003. Local production in Canada of the RX400 began in September 2003. Toyota's pickup truck, the Hilux, has been the best selling model of all Toyota cars sold in Thailand.

### *Minivans*

Toyota offers several basic models for the global minivan market. Its largest minivan, the Alphard, was released in May 2002. Toyota's other minivan models include the Sienna, which underwent a model change in March 2003 and is sold in North America; the Previa, which is sold in Japan as the Estima; the European market's Avensis Verso, which was remodelled in 2001 and is sold in Japan as the Ipsum; the Hiace and Regius Ace, both remodelled in August 2004; the Noah and the Voxy, both released in Japan in November 2001; the Wish, which was released in Japan in January 2003; the Sienta, which was released in Japan in September 2003; and the Isis, which was released in Japan in September 2004. In May 2004, Toyota introduced to the European market the remodelled Corolla Verso, which is sold in Japan as the Funcargo.

### *Trucks and Buses*

Toyota's product line-up includes trucks (including vans) up to a load capacity of four tons and micro-buses, which are sold in Japan and in the overseas markets. Trucks and buses are also manufactured and sold by Hino, a subsidiary of Toyota. Hino's product line-up includes large trucks with a load capacity of over 10 tons, medium trucks with a load capacity between four and eight tons, and small trucks with a load capacity of between two and four tons. Hino held the

largest share of the Japanese medium truck market in fiscal 2005, primarily due to the success of its Ranger model. Hino's bus line-up includes large to medium buses used primarily as tour buses and public buses, small buses and micro-buses. Toyota and Hino maintain a large share of the small bus (including micro-buses) segment in Japan.

### Principal Markets

#### Markets, Sales and Competition

Toyota's primary markets are Japan, North America and Europe. The following table sets forth Toyota's consolidated vehicle unit sales by geographic market for the periods shown. The vehicle unit sales below reflect vehicles sales made by Toyota to unconsolidated entities (and recognised as sales under Toyota's revenue recognition policy), including sales to unconsolidated distributors and dealers. Vehicles sold by Daihatsu are included in vehicle unit sales numbers set forth below. Vehicles sold by Hino are included in vehicle unit sales numbers set forth below beginning in October 2001. North America sales information includes sales in Mexico, Puerto Rico and Hawaii.

Market	Year Ended 31st March,									
	2001		2002		2003		2004		2005	
	Units	%	Units	%	Units	%	Units	%	Units	%
Japan	2,322,838	42.0%	2,217,002	40.0%	2,217,770	36.3%	2,303,078	34.3%	2,381,325	32.1%
North America	1,733,569	31.4	1,780,133	32.1	1,981,912	32.4	2,102,681	31.3	2,271,139	30.7
Europe	691,135	12.5	727,192	13.1	775,952	12.7	898,201	13.4	978,963	13.2
Other Regions	779,321	14.1	818,395	14.8	1,137,644	18.6	1,415,803	21.0	1,776,951	24.0
Total	5,526,863	100.0%	5,542,722	100.0%	6,113,278	100.0%	6,719,363	100.0%	7,408,378	100.0%

The following tables sets forth Toyota's vehicle unit sales and market share in Japan, North America and Europe on a retail basis for the periods shown. Each market's total sales and Toyota's represent new vehicle registrations in the relevant year. All information on Japan excludes mini-vehicles. The sales information contained below excludes unit sales by Daihatsu and Hino, each a consolidated subsidiary of Toyota. North America sales information includes sales in Mexico, Puerto Rico and Hawaii.

	Fiscal Year Ended 31st March, (sales in thousands of units)				
	2001	2002	2003	2004	2005
<b>Japan:</b>					
Total market sales	4,121	3,981	4,045	4,030	3,940
Toyota sales (retail basis)	1,774	1,678	1,710	1,729	1,755
Toyota market share	43.1%	42.2%	42.3%	42.9%	44.5%

	Calendar Year Ended 31st December, (sales in thousands of units)				
	2001	2002	2003	2004	2005
<b>North America:</b>					
Total market sales	20,377	20,113	19,956	19,695	20,092
Toyota sales (retail basis)	1,766	1,894	1,941	2,072	2,292
Toyota market share	8.7%	9.4%	9.7%	10.5%	11.4%
<b>Europe:</b>					
Total market sales	20,423	20,002	19,496	19,707	20,826
Toyota sales (retail basis)	684	684	779	866	962
Toyota market share	3.3%	3.4%	4.0%	4.4%	4.6%

## *Japan*

The automobile market in Japan has become saturated and its growth has become stagnant over the past several years. Despite this trend, Toyota believes that Japan continues to be the most important market for Toyota's automotive products. In Japan, the automotive industry is highly competitive. The Japanese automotive industry includes five major domestic producers, five specialised domestic producers and a growing volume of imports from major United States and European manufacturers. The prolonged economic slump in the Japanese economy has also shifted consumer preference towards more affordable automobiles such as compact and subcompact vehicles and towards utility vehicles such as mini-vans. For more than 40 years, Toyota has been the largest automobile manufacturer in Japan. In each year since fiscal 1999, Toyota, excluding Daihatsu and Hino, has achieved a market share (excluding mini-vehicles) of over 40%, reflecting in part the success of the Vitz subcompact car and the introduction of new model mini-vans and sedans. Toyota's (excluding Daihatsu and Hino) share of the domestic market excluding mini-vehicles was 44.5% in fiscal 2005. Toyota's (including Daihatsu and Hino) share of the market including mini-vehicles was 41.1% in fiscal 2005. Toyota is taking steps to further increase its market leadership in Japan by actively introducing products in key market segments, including the introduction of the Lexus brand vehicles.

## *North America*

Toyota's consolidated vehicle unit sales in North America was 2,271,139 in fiscal 2005. The United States is the largest portion of the North American market for Toyota, representing approximately 90% of its total retail unit sales in the region. In 2004, Toyota's retail unit sales in North America showed continued strength, achieving for two consecutive years unit sales in excess of two million vehicles, reflecting the introduction of new products and the market success of its light trucks. Toyota's market share in the United States was 12.2% in 2004, its largest market share ever. Competition in North America, particularly the United States, is intense. Toyota's principal competitors in North America are General Motors, Ford and DaimlerChrysler, with other manufacturers providing competition within specific market segments.

## *Europe*

European sales of Toyota vehicles in fiscal 2005 reached an all-time high for the eighth year in a row, with total sales of 978,963 vehicles on a consolidated basis, up 9.0% from fiscal 2004. In 2004, Toyota had a market share in Europe of 4.6% and achieved annual retail unit sales of approximately 962,000 vehicles. European sales growth is largely attributable to the success of the Yaris, which was launched in April 1999 and is marketed as the Vitz in Japan, the RAV4, the fully remodelled Avensis in 2003 and the remodelled Corolla Verso in the first half of 2004. Toyota's principal European markets are the United Kingdom, Italy and Germany. Toyota's principal competitors in Europe are Renault, Volkswagen, Opel, Ford and Peugeot.

## *East and Southeast Asia*

The market in the East and Southeast Asia region (excluding China and Hong Kong) was 3.46 million units in 2004, an increase of approximately 4.6% from 3.31 million units in 2003. The market in the East and Southeast Asia region (including China and Hong Kong) grew to 8.72 million units in 2004, an increase of approximately 10% from 7.89 million units in 2003. Toyota believes that the long-term potential of the East and Southeast Asian market is good and remains committed to its operations in the region. The following table sets forth Toyota's sales figures in East and Southeast Asia for the periods shown. This information excludes unit sales by Daihatsu and Hino.

<b>Toyota Sales (in thousands of vehicles) (Calendar year)</b>	<b>Asia (excluding China and Hong Kong)</b>	<b>China and Hong Kong</b>
2002	393	62
2003	513	107
2004	644	127

While competition in East and Southeast Asia is increasing, Toyota believes that its early entry into the market gives it a competitive advantage. Toyota plans to further increase its competitiveness as it faces increased competition in the region by improving product lines offered in the region and increasing local procurement to decrease its exposure to foreign currency exchange fluctuations. Toyota's market share in Asia (excluding China and Hong Kong) was 11.5% in 2002, 15.5% in 2003 and 18.6% in 2004. East and Southeast Asia (excluding Hong Kong and China) accounted for 13.0% of Toyota's overseas unit sales in 2004 (not including unit sales by Daihatsu and Hino outside Japan), an increase of 1.2% from 11.8% in 2003.

### **Financial Services**

Toyota's revenues from its financial services operations were ¥781 billion in fiscal 2005, ¥737 billion in fiscal 2004 and ¥725 billion in fiscal 2003. The market for automobile financing has grown as more consumers are financing their purchases, particularly in North America and Europe. TFS is Toyota's wholly owned subsidiary established in July 2000 which oversees the management of Toyota's finance companies worldwide and the expansion into new automobile related product areas. Toyota plans to expand its network of financial services, which currently covers 30 countries and regions, in accordance with its strategy of further developing its auto-related financing businesses in significant markets. Toyota Motor Credit Corporation is Toyota's principal financial services subsidiary in the United States. Toyota also provides financial services in 29 other countries and regions through various financial services subsidiaries, including:

- Toyota Finance Corporation in Japan,
- Toyota Credit Canada Inc. in Canada,
- Toyota Finance Australia Ltd. in Australia,
- Toyota Kreditbank GmbH in Germany, and
- Toyota Financial Services (UK) PLC in the United Kingdom.

The table below has been extracted without material change from the audited financial statements prepared in accordance with US GAAP:

	Yen in millions	
	31st March,	
	2004	2005
<b>Finance Receivables</b>		
Retail	¥3,643,998	¥4,780,250
Finance leases	912,622	758,632
Wholesale and other dealer loans	1,680,907	1,773,440
	6,237,527	7,312,322
Unearned income	(298,153)	(233,417)
Allowance for credit losses	(87,462)	(91,829)
Total finance receivables, net	5,851,912	6,987,076
Less – Current portion	(2,622,939)	(3,010,135)
Noncurrent finance receivables, net	¥3,228,973	¥3,976,941
<b>Operating Leases</b>		
Vehicles	¥1,387,404	¥1,736,238
Equipment	106,376	92,459
	1,493,780	1,828,697
Less – Accumulated depreciation	(375,861)	(424,609)
Vehicles and equipment on operating leases, net	¥1,117,919	¥1,404,088

### **Other Operations**

In addition to its automotive operations and financial services operations, Toyota is involved in a number of other non-automotive business activities. Net sales for these activities totaled ¥1,030 billion in fiscal 2005, ¥896 billion in fiscal 2004, and ¥795 billion in fiscal 2003. The sales to external customers of other operations represented 3.7% of Toyota's net revenues for fiscal 2005. The most significant of Toyota's other operations include pre-fabricated housing, its information technology related businesses, including certain intelligent transport systems and an e-commerce marketplace called Gazoo.com. Substantially all of Toyota's revenues from other operations were derived in Japan.

## Directors and Senior Management

As of the date of this Programme Memorandum the following persons comprise TMC's board of Directors and Corporate Auditors:

Name	Title
Hiroshi Okuda	Chairman of the Board
Fujio Cho	Vice Chairman of the Board
Katsuhiko Nakagawa	Vice Chairman of the Board
Katsuaki Watanabe	President, Member of the Board
Tokuichi Uranishi	Executive Vice President, Member of the Board
Kazuo Okamoto	Executive Vice President, Member of the Board
Kyoji Sasazu	Executive Vice President, Member of the Board
Mitsuo Kinoshita	Executive Vice President, Member of the Board
Yoshimi Inaba	Executive Vice President, Member of the Board
Takeshi Uchiyamada	Executive Vice President, Member of the Board
Masatami Takimoto	Executive Vice President, Member of the Board
Akio Toyoda	Executive Vice President, Member of the Board
Tetsuo Hattori	Senior Managing Director, Member of the Board
Yukitoshi Funo	Senior Managing Director, Member of the Board
Takeshi Suzuki	Senior Managing Director, Member of the Board
Atsushi Niimi	Senior Managing Director, Member of the Board
Hajime Wakayama	Senior Managing Director, Member of the Board
Hiroshi Takada	Senior Managing Director, Member of the Board
Teiji Tachibana	Senior Managing Director, Member of the Board
Shinichi Sasaki	Senior Managing Director, Member of the Board
Shin Kanada	Senior Managing Director, Member of the Board
Akira Okabe	Senior Managing Director, Member of the Board
Yoshio Shirai	Senior Managing Director, Member of the Board
Yoichiro Ichimaru	Senior Managing Director, Member of the Board
Shoji Ikawa	Senior Managing Director, Member of the Board
Shoichiro Toyoda	Honorary Chairman, Member of the Board
Hideaki Miyahara	Standing Corporate Auditor
Yoshiro Hayashi	Standing Corporate Auditor
Chiaki Yamaguchi	Standing Corporate Auditor
Yasutaka Okamura	Corporate Auditor
Hiromu Okabe	Corporate Auditor
Yoichi Kaya	Corporate Auditor
Tadashi Ishikawa	Corporate Auditor

The business address of each of the Directors and Corporate Auditors of TMC is 1, Toyota-cho, Toyota City, Aichi Prefecture 471-8571, Japan.

## Share Capital

As of 31st March, 2005, TMC's authorised share capital was 9,740,185,400 common stock shares of no par value, of which 3,609,997,492 shares had been issued and are fully paid up.

## **Legal Proceedings**

In February 2003, Toyota, General Motors Corporation, Ford, DaimlerChrysler, Honda, Nissan and BMW and their U.S. and Canadian sales and marketing subsidiaries, the National Automobile Dealers Association and the Canadian Automobile Dealers Association were named as defendants in purported nationwide class actions on behalf of all purchasers of new motor vehicles in the United States since 1st January, 2001. Twenty-six similar actions were filed in federal district courts in California, Illinois, New York, Massachusetts, Florida, New Jersey and Pennsylvania. Additionally, 56 parallel class actions were filed in state courts in California, Minnesota, New Mexico, New York, Tennessee, Wisconsin, Arizona, Florida, Iowa, New Jersey and Nebraska on behalf of the same purchasers in these states. As of 1st April, 2005, actions filed in federal district courts were consolidated in Maine and actions filed in the state courts of California and New Jersey were also consolidated, respectively. The nearly identical complaints allege that the defendants violated the Sherman Antitrust Act by conspiring among themselves and with their dealers to prevent the sale to United States citizens of vehicles produced for the Canadian market. The complaints allege that new vehicle prices in Canada are 10% to 30% lower than those in the United States and that preventing the sale of these vehicles to United States citizens resulted in United States consumers paying excessive prices for the same type of vehicles. The complaints seek permanent injunctions against the alleged antitrust violations and treble damages in an unspecified amount. In March 2004, the federal district court of Maine (i) dismissed claims against certain Canadian sales and marketing subsidiaries, including Toyota Canada, Inc., for lack of personal jurisdiction but denied or deferred to dismiss claims against certain other Canadian companies, and (ii) dismissed the claim for damages based on the Sherman Antitrust Act but did not bar the plaintiffs from seeking injunctive relief against the alleged antitrust violations. The plaintiffs have submitted an amended complaint adding a claim for damages based on state antitrust laws and Toyota is now responding to the plaintiff's discovery requests. Toyota believes that its actions have been lawful and intends to vigorously defend these cases.

Toyota has various other legal actions, governmental proceedings and other claims pending against it, including product liability claims in the United States. Although the claimants in some of these actions seek potentially substantial damages, Toyota cannot currently determine its potential liability or the damages, if any, with respect to these claims. However, based upon information currently available to Toyota, Toyota believes that its losses from these matters, if any, would not have a material adverse effect on Toyota's financial position, operating results or cash flows.

## SELECTED FINANCIAL INFORMATION OF THE PARENT

The tables below have been extracted without material change from the audited financial statements prepared in accordance with US GAAP of the Parent.

	Year Ended 31st March,	
	2004	2005
	(in millions, except share and per share data)	
<b>Consolidated Statement of Income Data:</b>		
Automotive		
Revenues	¥15,973,826	¥17,113,535
Operating income	1,518,954	1,452,535
Financial Services:		
Revenues	736,852	781,261
Operating income	145,998	200,853
All Other:		
Revenues	896,244	1,030,320
Operating income (loss)	15,247	33,743
Elimination of intersegment:		
Revenues	(312,162)	(373,590)
Operating income (loss)	(13,309)	(14,944)
Total Company:		
Revenues	17,294,760	18,551,526
Operating income	1,666,890	1,672,187
Income before income taxes, minority interest and equity in earnings of affiliated companies	1,765,793	1,754,637
Net income	1,162,098	1,171,260
Net income per share:		
Basic	342.90	355.35
Diluted	342.86	355.28
Shares used in computing net income per share, basic (in thousands)	3,389,074	3,296,092
Shares used in computing net income per share, diluted (in thousands)	3,389,377	3,296,754

	31st March,	
	2004	2005
	(in millions)	

### Consolidated Balance Sheet Data:

Total Assets:		
Automotive	¥10,207,395	¥11,141,197
Financial Services	8,138,297	9,487,248
All other	941,925	1,025,517
Intersegment Elimination/Unallocated	2,752,611	2,681,049
Total Company	22,040,228	24,335,011
Short-term debt, including current portion of long-term debt	3,314,219	3,532,747
Long-term debt, less current portion	4,247,266	5,014,925
Shareholders' equity	8,178,567	9,044,950

### Other Data:

Capital Expenditures	1,488,541	1,923,240
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The following selected financial data have been extracted without material change from the Parent's unaudited financial statements prepared in accordance with US GAAP.

	<b>3 Months Ended 30th June,</b>	
	<b>2004</b>	<b>2005</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>(in millions, except per share data)</b>	
<b>Consolidated Statement of Income Data:</b>		
Automotive:		
Revenues	¥4,199,822	¥4,620,641
Operating income	403,802	366,891
Financial Services:		
Revenues	180,893	217,464
Operating income	46,176	39,759
All Other:		
Revenue	205,645	234,412
Operating income	1,450	1,459
Elimination of intersegment:		
Revenues	(76,044)	(90,732)
Operating income	(2,808)	(2,981)
Total Company:		
Revenues	4,510,316	4,981,785
Operating income	448,620	405,128
Income before income taxes, minority interest and equity in earnings of affiliated companies	470,429	421,860
Net income	286,617	266,899
Net income per share:		
Basic	86.24	81.80
Diluted	86.22	81.79

	<b>31st March,</b>	<b>30th June,</b>
	<b>2005</b>	<b>2005</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>(in millions)</b>	
<b>Consolidated Balance Sheet Data:</b>		
Total Assets:	¥24,335,011	¥25,103,627
Short-term debt, including current portion of long-term debt	3,532,747	3,982,706
Long-term debt, less current portion	5,014,925	5,195,039
Shareholders' equity	9,044,950	9,167,600

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## **Use of Proceeds**

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The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.

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## Settlement, Clearing and Transfer of Notes while in Global Form

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### GLOBAL CERTIFICATES

Notes in Registered Form (“**Registered Notes**”) and listed on the Bond Exchange of South Africa, a licensed financial exchange in terms of the Securities Services Act, 2004 (“**BESA**”) will initially be issued in the form of a single Global Certificate (the “**Global Certificate**”) which will be lodged and immobilised in STRATE Limited, a company registered as a central securities depository in terms of the Securities Services Act, 2004, or its nominee (the “**Central Depository**”), which forms part of the settlement system of BESA. The Central Depository will be the sole Noteholder in respect of the Global Certificate.

The Central Depository holds Registered Notes subject to the Securities Services Act, 2004 and the Rules of the Central Depository. The Rules of the Central Depository as at the date of this Programme Memorandum are as published by the Registrar of Securities in Government Gazette No. 27758 of 8 July 2005.

While the Registered Notes are held in the Central Depository under the Global Certificate, the Central Depository will be reflected as the Noteholder in the register maintained by the Transfer Secretary (the “**Register**”). Accordingly, in terms of the Terms and Conditions of the Notes, all amounts to be paid and all rights to be exercised in respect of the Registered Notes held in the Central Depository, will be paid to and may be exercised only by the Central Depository, for the holders of beneficial interests in the Registered Notes held by the Central Depository under the Global Certificate (“**Beneficial Interests**”).

The Central Depository maintains accounts only for the members of the Central Depository (“**Participants**”). The Participants are also approved settlement agents of BESA (“**BESA Settlement Agents**”). As at the date of this Programme Memorandum, the BESA Settlement Agents are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Registered Notes or their custodians. The clients of Participants, as the holders of the Beneficial Interests in the Registered Notes or as custodians for such holders, may exercise their rights in respect of the Registered Notes held by them in the Central Depository only through the Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (“**Clearstream**”) may hold Registered Notes through their Participant.

Transfers of Beneficial Interests in Registered Notes in the Central Depository to and from clients of Participants, who are also BESA Settlement Agents, occur by electronic book entry in the securities accounts of the clients with the Participants. Transfers among Participants of Registered Notes held in the Central Depository occur through electronic book entry in the Participant’s central security accounts with the Central Depository.

Transfers between Participants in the Central Depository will be effected in the ordinary way in accordance with the applicable rules and operating procedures of the Central Depository, the Participants and BESA, as the case may be (the “**Applicable Procedures**”).

A Beneficial Interest will be exchangeable for an Individual Certificate if: (i) a written request for Registered Notes in definitive form is submitted by the holder of the Beneficial Interest to the relevant Participant not later than 10 days or, in the event that the Books Closed Period is less than 10 days, such number of days, prior to the requested date of such exchange; (ii) the Applicable Procedures for obtaining such a Certificate from the Transfer Secretary are followed and (iii) an equivalent number of Registered Notes are transferred in accordance with the provisions of Condition 15 from the Central Depository or its nominee to the holder of such Beneficial Interest.

### INDIVIDUAL CERTIFICATES

All Notes not represented by a Global Certificate, including Registered Notes which are unlisted, Bearer Notes and Order Notes (each as defined below), shall be issued in definitive form (“**Individual Certificates**”). Notes issued in bearer form (“**Bearer Notes**”) or order form (“**Order Notes**”), and which are interest bearing, have interest coupons (“**Coupons**”) and, if indicated in the Applicable Pricing Supplement, talons attached on issue. Notes repayable in instalments have receipts (“**Receipts**”) for the payment of the instalments of principal (other than the final instalment) attached on issue.

Title to Bearer Notes and/or Receipts, Coupons and Talons attached on issue to the Certificate in respect of such Bearer Note will pass by delivery of such Certificate, Receipt, Coupon or Talon (as the case may be). Title to Order Notes and/or any Receipts, Coupons and Talons attached on issue to the Certificate in respect of such Order Note, are transferable by way of endorsement and delivery of such Certificate, Receipt, Coupon or Talon (as the case may be).

Payments of interest and principal in respect of Individual Certificates will be made to Noteholders in accordance with Condition 9 of the Terms and Conditions.

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## Subscription and Sale

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The Dealers have in terms of a Programme Agreement, as may be amended, supplemented or restated from time to time (the “**Programme Agreement**”) dated 1 December 2005, agreed with the Issuer a basis upon which they may from time to time agree to subscribe for Notes or procure the subscription of Notes.

### Republic of South Africa

The Dealers have represented and agreed and each additional Dealer will be required to represent and agree that the offer of Notes for sale pursuant to the Programme shall comply with the provisions of the Companies Act, 1973 and the Banks Act, 1990 and regulations issued thereunder.

### United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, (as amended) (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index-Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the Applicable Pricing Supplement.

### United Kingdom

The Dealers have represented and agreed and each additional Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2001 (the “**FSMA**”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### The Netherlands

- (A) Each Dealer represents and agrees in respect of any Notes (including rights representing an interest in a Global Note) which have a maturity of less than 12 months and are money market instruments as referred to in art. 1a(d) of the Decree on the Dutch Securities Markets Supervision Act 1995 (*Besluit toezicht effectenverkeer 1995*) (“**Non-PD Notes**”) that it has not offered and that it will not offer, directly or indirectly, any Non-PD Notes *in or from The Netherlands* and that such an offer may not be announced (whether electronically or otherwise), unless it is made in accordance with one or more of the following restrictions (as specified in the Applicable Pricing Supplement):
- (i) such Non-PD Notes have a denomination of at least €50,000 (or its equivalent in any other currency) per Note, provided that if any such Non-PD Notes are issued:
    - (i) at a discount, they may only be offered if their issue price is no less than €50,000 (or its equivalent in any other currency);
    - (ii) on a partly-paid basis, they may only be offered if paid-up by their initial holders to at least such amount;
    - (iii) with denomination of precisely €50,000 (or its equivalent in any other currency), they may only be offered on a fully-paid basis and at par or at a premium; or
  - (ii) such Non-PD Notes are offered exclusively to individuals and legal entities *in The Netherlands* who or which trade or invest in securities in the conduct of a business or profession (which includes, without limitation, banks, securities firms, insurance companies, pension funds, investment institutions, central governments, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly trade or invest in securities, hereinafter; “**Non-PD Professional Investors**”), provided that in the offer, in the Applicable Pricing Supplement and in any documents or advertisements in which a forthcoming offering of such Non-PD Notes is publicly announced (whether electronically or otherwise) *in The Netherlands* it is stated that such offer is and will be exclusively made to such Non-PD Professional Investors; or

- (iii) if, regardless of their denomination, such Non-PD Notes can only be acquired in units comprising several Non-PD Notes (each a “Unit”) for a consideration with a value of at least €50,000 (or its equivalent in any other currency), provided that:
    - (i) the offer, the Applicable Pricing Supplement and each document or advertisement containing an announcement of the offer *in The Netherlands* state that the Non-PD Notes can only be obtained in Units for a consideration with a value of at least €50,000 (or its equivalent in any other currency) per Unit; and
    - (ii) a copy of the Programme Memorandum, the Applicable Pricing Supplement and each announcement of the offer is submitted to the Dutch Authority for the financial Markets (*Stichting Autoriteit Financiële Markten*) before the offer is made; or
  - (iv) such Non-PD Notes are offered to less than 100 individuals or legal persons, not being Non-PD Professional Investors, *in The Netherlands*; or
  - (v) such Non-PD Notes are otherwise offered in accordance with the Dutch Securities Markets Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*; the “SMSA”).
- (B) Each Dealer represents and agrees in respect of any Notes (including rights representing an interest in a Global Note) other than Non-PD Notes, that it has not offered and that it will not offer, directly or indirectly, any such Notes *in The Netherlands* and that such an offer may not be announced (whether electronically or otherwise), unless it is made in accordance with one or more of the following restrictions:
- (i) such Notes have a denomination of at least €50,000 (or its equivalent in any other currency) per Note, provided that if any such Notes are issued:
    - (i) at a discount, they may only be offered if their issue price is no less than €50,000 (or its equivalent in any other currency);
    - (ii) on a partly-paid basis, they may only be offered if paid-up by their initial holders to at least such amount;
    - (iii) with denomination of precisely €50,000 (or its equivalent in any other currency), they may only be offered on a fully-paid basis and at par or at a premium; or
  - (ii) such Notes are offered exclusively to individuals and legal entities which qualify as professional market parties (hereinafter; “**Professional Investors**”) within the meaning of article 1a paragraph 3 of the Exemption Regulation to the SMSA (*Vrystellingsregeling Wet toezicht effectenverkeer 1995*); or
  - (iii) if, regardless of their denomination, Notes can only be acquired in units comprising several Notes for a consideration with a value of at least €50,000 (or its equivalent in any other currency); or
  - (iv) such Notes are offered to less than 100 individuals or legal persons, not being Professional Investors, *in The Netherlands*; or
  - (v) such Notes are otherwise offered in accordance with the SMSA.
- (C) In addition and without prejudice to the relevant restrictions set out under (A) and (B) above, Zero Coupon Notes may not, directly or indirectly, as part of their initial distribution (or immediately thereafter) or as part of any re-offering be offered, sold, transferred or delivered in The Netherlands. As used herein “**Zero Coupon Notes**” are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## General

The Dealers have agreed and each additional Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it subscribes or procures the subscription of Notes, offers or sells Notes or possesses or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other or additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the Applicable Pricing Supplement.

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## South African Taxation

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*The information contained below is intended to be a general guide to the relevant tax laws of the Republic of South Africa as at the date of this Programme Memorandum and is not intended as comprehensive advice and does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Notes. Prospective purchasers of Notes should consult their own professional advisers in regard to the purchase of Notes and the tax implications thereof. Accordingly, the Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this paragraph. The information contained below sets out guidelines on the current position regarding South African taxation for taxpayers who hold the Notes as capital assets. Traders in these Notes should consult their own advisers.*

Words used in this section shall have the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.

### **Stamp Duty and Uncertificated Securities Tax on Creation and Transfer of Notes**

No stamp duty or uncertificated securities tax is payable on the issue or transfer of Notes qualifying as instruments as contemplated in section 24J of the Income Tax Act, 1962, as amended (the “**Act**”) under current law.

#### **General**

In general interest received on the Notes will be subject to income tax in the Republic of South Africa (the “**Republic**”). Certain entities may be exempt from the tax. Purchasers are advised to consult their own professional advisers as to whether the interest will be exempt or not. The amount of interest to be included in income, the position of non-residents and the capital gains tax consequences are examined below.

#### **Interest for Purposes of Section 24J of the Income Tax Act**

In terms of section 24J of the Act, any discount or premium to the nominal value at which a Note is issued or acquired is treated as part of the interest income on the Note by the Revenue authorities. The Noteholder will be deemed to have accrued such interest income on a day-to-day basis until the Noteholder disposes of the Note or until maturity. This day-to-day basis is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. In practice the premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the Act.

#### **Noteholders who are not Residents of the Common Monetary Area**

In terms of section 10(1)(h) of the Act, interest received by or accruing to the Noteholder shall be exempt from tax if such interest is received by or accrued to a person who is not a resident, unless that person:

- (a) is a natural person who was physically present in the Republic for a period exceeding 183 days in aggregate during the year of assessment; or
- (b) at any time during that year of assessment carried on business through a permanent establishment in the Republic.

Capital Gains Tax in terms of the Eighth Schedule to the Act does not apply to assets such as Notes disposed of by a person who is not a resident unless the Note disposed of constitutes the asset of a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

#### **Capital Gains Tax**

Capital gains and losses of residents on the disposal of Notes are subject to Capital Gains Tax. Any discount or premium on acquisition which has already been treated as interest will have been taxed or allowed as a deduction for income tax and it is anticipated that it will therefore not be taken into account when determining any capital gain or loss. In terms of section 24J(4A) of the Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest) be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

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## General Information

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### Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Republic of South Africa have been given for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Agreement and the Notes.

### Listing

The Programme has been approved by BESA. Registered Notes to be issued under the Programme may be listed on BESA or its successor or such other or further exchanges as may be agreed between the Issuer and the relevant Dealer(s). Unlisted Notes may be issued under the Programme.

### Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified office of the Transfer Secretary for the time being in Johannesburg:

- (a) the most recently published annual report containing of the Issuer and the Parent, incorporating the audited annual financial statements, and notes thereto;
- (b) a copy of this Programme Memorandum;
- (c) any future prospectuses, Programme Memoranda, supplementary listing particulars, information memoranda and supplements (including the Applicable Pricing Supplements in respect of listed Notes) to this Programme Memorandum and any other documents incorporated herein or therein by reference;
- (d) the Guarantee, the Credit Support Agreement and the English translation of the Basic Agreement.

### Clearing Systems

The Notes have been accepted for clearance through the Central Depository, which forms part of the BESA clearing system that is managed by STRATE Limited and may be accepted for clearance through any additional clearing system as may be agreed between BESA and the Issuer.

### Settlement Agents

As at the date of this Programme Memorandum, the Participants who are recognised BESA Settlement Agents are ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme (Clearstream Luxembourg) (“**Clearstream**”), may settle offshore transfers in the Notes through their appointed Participants.

### Settlement, Transfer and Clearing

Notes will be issued, cleared and transferred in accordance with the procedures and rules set out by BESA and the Central Depository. Notes will be settled through Participants who will comply with the electronic settlement procedures. The Central Depository, or its nominee, will be the registered holder of a Global Certificate and will maintain securities accounts for the members of the Central Depository (“**Participants**”) who, in turn, will maintain securities accounts for investors in the Notes.

The Participants will be responsible for the settlement of scrip and payment transfers through the Central Depository and the South African Reserve Bank. Individual Certificates will only be issued to Noteholders in terms of the procedures set out in Condition 13. Transfer of Notes shall be undertaken in accordance with the rules of the Central Depository as well as the Terms and Conditions, save for the transfer of Individual Certificates which shall take place in accordance with the procedures set out in Condition 15. The Central Depository, its nominee, and any individual Noteholder of Individual Certificate(s) shall be the registered holders of Notes.

The Participants and the Transfer Secretary shall not be required to recognise any notice of any trust nor recognise the right of any other person other than the beneficial holder of Notes.

No transfer of Notes will be made in the Register unless the prescribed transfer form and the Individual Certificate (if any) has been properly lodged with the Transfer Secretary.

### **Material Change**

Save as disclosed in this Programme Memorandum, there has been no material adverse change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer since March 31, 2005.

### **Litigation**

Save as disclosed under the section entitled "*Toyota Motor Corporation ("TMC") – Description of TMC – Legal Proceedings*", none of the Issuer, TMF, TFS or the Parent or their respective consolidated subsidiaries is or has been involved in any governmental legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any of the Issuer, TMF, TFS or the Parent are aware) which may have or have had during the past twelve months a significant effect on the financial position of any of the Issuer, TMF, TFS or the Parent or their respective consolidated subsidiaries. The Parent cannot currently determine the potential liability or the damages, if any, with respect to the claims disclosed under the section entitled "*Toyota Motor Corporation ("TMC") – Description of TMC – Legal Proceedings*".

### **Auditors**

Deloitte & Touche have acted as the auditors of the financial statements of Toyota Financial Services (South Africa) (Proprietary) Limited for the financial years ended March 31, 2003, 2004 and 2005 and, in respect of these years, issued unqualified audit reports.

### **Non-South African Resident Noteholders and Emigrants from the Common Monetary Area**

The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Notes. Prospective purchasers of Notes that are non-South African residents or emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the purchase of Notes under the Programme, and, to the extent necessary, obtain Exchange Control Approval for the subscription or purchase of Notes.

Blocked Rand may be used for the purchase of Notes. Any amounts payable by the Issuer in respect of the Notes purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, 1961, be remitted out of South Africa or paid into any non-South African bank account. For the purposes of this clause, Blocked Rand is defined as funds which may not be remitted out of South Africa or paid into a non-South African resident's bank account.

### **Emigrants from the Common Monetary Area**

Any Individual Certificates issued to emigrant Noteholders, or where the emigrant holds Notes through the Central Depository, the securities accounts maintained for such emigrants by the Settlement Agents, will be restrictively endorsed and shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets. Any payments of interest or principal due to an emigrant Noteholder will be deposited into such emigrant's Blocked Rand account, as maintained by an authorised foreign exchange dealer.

### **Non-residents of the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "*non-resident*". In the event that Notes are held by a non-resident of the Common Monetary Area through the Central Depository and its relevant Settlement Agents, the securities account of such Noteholder will be designated as a "*non-resident*" account.

For the purposes of these paragraphs, the Common Monetary Area includes the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland.

## ISSUER

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### **Nedbank Limited, acting through its division, Nedbank Capital**

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**The Standard Bank of South Africa Limited**

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