TOYOTA MOTOR CORP/
Form F-4/A
April 28, 2016
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As filed with the Securities and Exchange Commission on April 28, 2016.

Registration No. 333-209402

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO.3

TO

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TOYOTA JIDOSHA KABUSHIKI KAISHA

(Exact name of Registrant as specified in its charter)

TOYOTA MOTOR CORPORATION

(Translation of Registrant s name into English)

Japan	**3711**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

1 Toyota-cho, Toyota City

Aichi Prefecture, 471-8571

Japan

+81-565-28-2121

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Toyota Motor Sales, U.S.A., Inc.

19001 South Western Avenue

Torrance, CA 90501

U.S.A.

(310) 468-4000

Attention: Sandra L. Phillips

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Masahisa Ikeda

Shearman & Sterling LLP

Fukoku Seimei Building, 5th Floor

2-2-2, Uchisaiwaicho

Chiyoda-ku, Tokyo 100-0011

Japan

+81-3-5251-1601

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ ______

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ ______

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered (1)	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Shares of Common Stock of Toyota Motor Corporation	2,781,319(1)	Not applicable	$329,000,679.27(2)	$33,130.37(3)

(1)

Based upon the estimated number of shares of the Registrant s common stock that may be allocated to U.S. holders of common stock of Daihatsu Motor Co., Ltd., or Daihatsu, in connection with the statutory share exchange. Such estimate has been calculated by multiplying 54,035,654, which is the maximum number of shares of the Registrant s common stock that may be allocated in the share exchange, by a fraction, of which the numerator is 21,984,837, which is the number of shares of Daihatsu common stock held of record by U.S. holders on September 30, 2015 (the most recent date for which information with respect to such record holders can be determined), and the denominator is 427,122,966, which is the total number of issued shares of Daihatsu common stock as of such date.

(2) Estimated solely for the purposes of calculating the registration fee pursuant to Rule 457(f) and Rule 457(c) under the Securities Act of 1933, as amended, based on the market value of the securities of Daihatsu to be exchanged in the share exchange for securities of the Registrant, by taking ¥1,811.5, which is the average of the high and low prices per share of Daihatsu common stock as reported on the Tokyo Stock Exchange on January 29, 2016 (converted into dollars based on ¥121.05 = U.S.$1.00, which is the noon buying rate for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York as in effect on such date), multiplied by 21,984,837, which is the total number of shares of Daihatsu common stock held of record by U.S. holders on September 30, 2015 (the most recent date for which information with respect to Daihatsu U.S. record holders can be determined).

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated April 28, 2016

Prospectus

Toyota Motor Corporation

Exchange of Shares of Common Stock of Daihatsu Motor Co., Ltd. for Shares of Common Stock of Toyota Motor Corporation

The boards of directors of Toyota Motor Corporation, or Toyota, and Daihatsu Motor Co., Ltd., or Daihatsu, have agreed to a statutory share exchange (*kabushiki kokan*) between the two companies under the Companies Act of Japan. On January 29, 2016, Toyota and Daihatsu entered into a share exchange agreement that sets forth the share exchange ratio and the other terms of the share exchange. In the share exchange, each shareholder of Daihatsu will receive 0.26 shares of Toyota common stock for each share of Daihatsu common stock that such shareholder holds.

Based on the number of shares of Daihatsu common stock issued as of March 31, 2016, Toyota expects to allocate shares of its common stock in connection with the share exchange. Approximately % of those shares will be offered to holders of Daihatsu common stock who are resident in the United States. Shares of Toyota common stock that will be used in the share exchange are currently expected to consist of treasury stock of Toyota.

The share exchange is subject to the approval of the share exchange agreement by the shareholders of Daihatsu. See The Share Exchange for a further discussion of the terms and conditions of the share exchange. Under the current schedule, if the shareholders of Daihatsu approve the share exchange agreement, unless the share exchange agreement otherwise ceases to have effect, which is expected only under certain specified circumstances, the share exchange is expected to become effective on August 1, 2016.

This document has been prepared for the holders of Daihatsu common stock who are resident in the United States to provide them with detailed information of the share exchange and the shares of Toyota common stock to be delivered in connection with the share exchange. You are encouraged to read this prospectus in its entirety.

The annual general meeting of shareholders of Daihatsu, at which holders of Daihatsu common stock will vote on the share exchange agreement, is currently scheduled to be held on , 2016 at , in . Holders of Daihatsu common stock of record as of the close of business on March 31, 2016 will be entitled to vote at this meeting. To attend and vote at the annual general meeting of shareholders, Daihatsu shareholders must follow the procedures outlined in the convocation notice and the mail-in voting card and other voting and reference materials that will be distributed by Daihatsu.

Shares of Toyota common stock are traded on the Tokyo Stock Exchange, the Nagoya Stock Exchange and two other regional stock exchanges in Japan and on the London Stock Exchange. Toyota s American Depositary Shares, or ADSs, each representing two shares of Toyota common stock, are listed on the New York Stock Exchange, or NYSE, under the ticker symbol TM. On April 27, 2016, the last reported sale price of shares of Toyota common stock on the Tokyo Stock Exchange was ¥5,845 per share, and the last reported sale price of the ADSs on the NYSE was $106.37 per ADS.

You may have dissenters rights in connection with the share exchange under Japanese law. See page 27 for a discussion of your dissenters rights, if any.

You should consider carefully the risk factors beginning on page 6 of this prospectus.

Daihatsu is not asking for a proxy and you are not required to send a proxy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2016.

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REFERENCES TO ADDITIONAL INFORMATION

This prospectus is part of a registration statement on Form F-4, which includes additional important business and financial information about Toyota that is not included in or delivered with this prospectus. This information is available to you without charge upon written or oral request. If you would like to receive any of the additional information, please contact:

Masayoshi Hachisuka Accounting Division Toyota Motor Corporation 1 Toyota-cho, Toyota City Aichi, 471-8571 Japan Telephone: +81-565-23-2005	Hironobu Sano Finance, Accounting & Cost Management Office Support Center Daihatsu Motor Co., Ltd. 1-1 Daihatsu-cho, Ikeda City, Osaka, 563-8651 Japan Telephone: +81-72-754-3063

Please note that copies of documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this prospectus.

IN ORDER TO OBTAIN TIMELY DELIVERY, YOU SHOULD MAKE YOUR REQUEST NO LATER THAN , 2016, WHICH IS FIVE BUSINESS DAYS BEFORE YOU MUST MAKE A DECISION REGARDING THE SHARE EXCHANGE.

For additional information about Toyota, see Where You Can Find More Information.

ABOUT THIS PROSPECTUS

As used in this prospectus, references to Toyota are to Toyota Motor Corporation, and references to Daihatsu are to Daihatsu Motor Co., Ltd., in each case on a consolidated basis except where the context otherwise requires. References to the Toyota group are to the group of companies centered around Toyota and includes Toyota s subsidiaries and affiliates involved in the development and manufacture of Toyota vehicles. References to the share exchange are to the proposed share exchange between Toyota and Daihatsu.

As used in this prospectus, except where the context otherwise requires, references to the shareholders meeting of Daihatsu or to the meeting of Daihatsu shareholders are to the annual general meeting of shareholders of Daihatsu that is scheduled to take place on , 2016, at which Daihatsu s shareholders will vote on the share exchange agreement and certain related matters. See Annual General Meeting of Daihatsu Shareholders for a more detailed discussion of the shareholders meeting of Daihatsu.

In this prospectus, references to dollars and $ mean U.S. dollars unless otherwise indicated, references to euro, Euro and mean the currency of those member states of the European Union which are participating in the European Economic and Monetary Union pursuant to the Treaty on European Union, and references to yen and ¥ mean Japanese yen. This prospectus contains a translation of some Japanese yen amounts into U.S. dollars solely for your convenience.

Unless otherwise specified, the financial information presented in this prospectus and the consolidated financial statements of Toyota, which are included in or incorporated by reference into this prospectus, are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. References to fiscal 2015 are to the fiscal year ended March 31, 2015 and references to other fiscal years have the corresponding meanings.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus and documents incorporated by reference contain forward-looking statements. The U.S. Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation so long as the information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information.

Forward-looking statements appear in a number of places in this prospectus and include statements regarding the current intent, belief, targets or expectations of Toyota and Daihatsu or those of their respective management. In many, but not all, cases, words such as aim, anticipate, believe, estimate, expect, hope, intend, may, p probability, risk, should, will, would, and similar expressions, are used as they relate to Toyota and Daihatsu or respective management, to identify forward-looking statements. These statements reflect the current views of Toyota and Daihatsu or their respective management with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those which are anticipated, aimed at, believed, estimated, expected, intended or planned.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ from those in forward-looking statements as a result of various factors. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements are identified in Risk Factors and elsewhere in this prospectus, and include, among others:

(i) changes in economic conditions, market demand, and the competitive environment affecting the automotive markets in Japan, North America, Europe, Asia and other markets in which Toyota operates;

(ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, the euro, the Australian dollar, the Russian ruble, the Canadian dollar and the British pound, and interest rates fluctuations;

(iii) changes in funding environment in financial markets and increased competition in the financial services industry;

(iv) Toyota s ability to market and distribute effectively;

(v) Toyota s ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management;

(vi) changes in the laws, regulations and government policies in the markets in which Toyota operates that affect Toyota s automotive operations, particularly laws, regulations and government policies relating to vehicle safety including remedial measures such as recalls, trade, environmental protection, vehicle emissions and vehicle fuel economy, as well as changes in laws, regulations and government policies that affect Toyota s other operations, including the outcome of current and future litigation and other legal proceedings, government proceedings and investigations;

(xii) the parties being unable to complete the proposed share exchange due to failure to obtain the necessary shareholder approval or any governmental approval for the proposed transactions or for other reasons; and

(xiii) difficulties in realizing the anticipated benefits of the share exchange.

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QUESTIONS AND ANSWERS ABOUT THE SHARE EXCHANGE

Q. What are Toyota and Daihatsu proposing?

A. Toyota and Daihatsu are proposing to conduct a statutory share exchange (*kabushiki kokan*) under the Companies Act of Japan, or the Companies Act, pursuant to which shareholders of Daihatsu will become shareholders of Toyota, and Daihatsu will become a wholly-owned subsidiary of Toyota.

Q. Why are Toyota and Daihatsu proposing the share exchange?

A. The boards of directors of Toyota and Daihatsu have agreed to the share exchange in order to promote Daihatsu to a more active and substantial role in the development and manufacturing of light and compact vehicles within the Toyota group and to streamline certain decision-making within the Toyota group. If the share exchange is approved by Daihatsu s shareholders, Daihatsu would become a wholly-owned subsidiary of Toyota.
Following the share exchange, Daihatsu s role within the Toyota group will change substantially from the one in which it mainly operates its own business while also supporting Toyota s compact car business to a leading role in which it will play a principal part in the light vehicle and compact car business of the entire Toyota group. The share exchange is expected to enable Daihatsu to become the core of the Toyota group s management strategy for compact vehicles and will enable the Toyota group to streamline its business structure. As a result, even as Toyota and Daihatsu will continue to maintain their management independence in order to maximize their own strength, the share exchange will strengthen the alliance of shared values, visions and strategies between the two companies, which will result in the increase in corporate values of both companies.

Specifically, the share exchange will enable the Toyota group to clearly demarcate the Toyota brand and the Daihatsu brand. Currently, product, technology and business strategies are being developed separately for the Toyota brand and the Daihatsu brand, which has raised issues in the compact vehicle business within the Toyota group in areas such as offering product lineups that satisfy diversified customer needs, speedy business development and brand management. Following the share exchange, Toyota and Daihatsu will be able to mutually utilize the two companies strengths and drastically reduce cost as a group, as well as to plan and implement comprehensive strategies to facilitate the two companies technological combination and joint development of next-generation technologies in the areas of compact car technology, electrified units, weight reduction, automated driving, infrastructures for EVs (Electronic Vehicles) and FCVs (Fuel Cell Vehicle), connected car technology and integrated control. The share exchange will enable Toyota and Daihatsu to globally enhance product lineups under a global brand strategy, but they will differentiate their own brand by making the most of the distinctiveness of both the Toyota brand and the Daihatsu brand in order to offer attractive and globally-competitive products that satisfy diverse customer needs.

Q. What will Daihatsu shareholders receive in the share exchange?

A. Daihatsu shareholders as of the time immediately preceding the share exchange will receive 0.26 shares of Toyota common stock for each share of Daihatsu common stock which they hold. Holders of Daihatsu common stock who have duly exercised their dissenters appraisal rights will not receive shares of Toyota common stock for shares of Daihatsu common stock.

Q. How did Toyota and Daihatsu determine the share exchange ratio?

A. Toyota and Daihatsu conducted thorough negotiations and discussions on the share exchange ratio, each taking into account the results of its due diligence on the other, the analyses of its financial advisor, the financial position, assets and future prospects of each party and other factors. As a result of these negotiations and discussions concerning the share exchange ratio, on January 29, 2016, the board of directors of Daihatsu determined that the share exchange ratio is fair to the non-controlling shareholders of Daihatsu, and Toyota and Daihatsu agreed upon the share exchange ratio on the same day.

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Q. Does the board of directors of Daihatsu recommend the share exchange?

A. Yes. The board of directors of Daihatsu (except for three members who did not attend the meeting in order to avoid possible conflicts of interest) unanimously recommends that shareholders vote for the share exchange.

Q. What are the interests of Toyota and directors and executive officers of Daihatsu in the share exchange?

A. As of March 31, 2016, Toyota held % of the outstanding shares of Daihatsu common stock. Toyota and Daihatsu have a long standing relationship that began in 1967 when Toyota and Daihatsu entered into a business alliance, and Daihatsu has been a consolidated subsidiary of Toyota under U.S. GAAP since 1998. As of March 31, 2016, the directors, executive officers and audit & supervisory board members of Daihatsu owned approximately % of the outstanding shares of Daihatsu common stock. One current director of Daihatsu concurrently serves as a member of the board of directors of Toyota, and a number of other directors and executive officers of Daihatsu have been previously employed by Toyota.

In proposing the share exchange, in order to ensure that the share exchange ratio was determined appropriately and to avoid possible conflicts of interest, Daihatsu retained SMBC Nikko Securities Inc., or SMBC Nikko Securities, as its financial advisor and a third-party valuation institution to provide analyses of the share exchange ratio. SMBC Nikko Securities also delivered a valuation report. Daihatsu also established a third-party committee in order to prevent circumstances in which the share exchange is consummated under terms and conditions that are disadvantageous to the minority shareholders of Daihatsu and referred to the third-party committee the questions of whether: (a) the purpose of the share exchange was reasonable (including whether the share exchange will contribute to the improvement of the corporate value of Daihatsu), (b) the fairness of the terms and conditions (including the share exchange ratio) of the share exchange was ensured, (c) the interests of the minority shareholders of Daihatsu were fully considered in the share exchange through fair procedures, and (d) based on (a), (b) and (c) above, the resolution by the board of directors of Daihatsu to consummate the share exchange would not be disadvantageous to the minority shareholders of Daihatsu. The third-party committee submitted a response to referrals (*toshinsho*) on January 28, 2016 to the board of directors of Daihatsu to the effect that it can be said that the resolution by the board of directors of Daihatsu to consummate the share exchange is not disadvantageous to the minority shareholders of Daihatsu, on the basis of the explanations, valuation results and other materials it reviewed. Finally, certain of Daihatsu s directors and audit & supervisory members did not participate in the board meeting to approve the share exchange to avoid possible conflicts of interest.

Toyota retained Nomura Securities Co., Ltd., or Nomura, as its financial advisor and a third-party valuation institution to provide analyses of the share exchange ratio which were used in negotiating the share exchange ratio.

Toyota and Daihatsu believe that adequate measures were taken to ensure the fairness and appropriateness of the share exchange. Nonetheless, when you consider the recommendation of the board of directors of Daihatsu, you should keep in mind that Toyota, as the controlling shareholder, and the directors and executive officers of Daihatsu may have interests in the share exchange that are in addition to, or different from, the interests of the non-controlling shareholders of Daihatsu.

See The Share Exchange for a more detailed discussion of the process of determining the share exchange.

Q. What vote of Daihatsu s shareholders is required to approve the share exchange agreement?

A. The affirmative vote of the holders of at least two-thirds of the voting rights of Daihatsu present or represented at its annual general meeting of shareholders, at which shareholders holding at least a majority of the total voting rights of Daihatsu are present or represented, is required to approve the share exchange agreement. One hundred (100) shares of Daihatsu common stock constitute one voting right, or unit.

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Q. How will fractional shares be treated in the share exchange?

A. Daihatsu shareholders will not receive any fractional shares of Toyota common stock in the share exchange. Instead, the shares representing the aggregate of all such fractions (in cases where such aggregated shares include any fractional shares, such fraction will be rounded down) will be sold to Toyota at the market price and the net cash proceeds from the sale will be distributed to the former holders of Daihatsu shares on a proportionate basis in accordance with their respective fractions.

Q. How will shareholders with less than one unit of Toyota shares be treated after the share exchange?

A. The articles of incorporation of Toyota provide that 100 shares of its common stock constitute one unit, which will have one voting right. If the share exchange is approved, 385 shares of Daihatsu common stock will be exchanged for 100 shares of Toyota common stock, which constitute one unit, as well as cash in lieu of fractional shares. Holders of Daihatsu common stock who hold less than 385 shares will receive less than one unit of Toyota common stock in the share exchange. Holders of less than one unit of shares will be registered in Toyota s register of shareholders, but shares held by a holder constituting less than one unit will not carry voting rights. A holder of shares constituting less than one unit of Toyota shares may request Toyota to purchase those shares at their market value in accordance with the Companies Act, Toyota s articles of incorporation and its share handling regulations.

Q. How do the legal rights of Toyota shares differ from those of Daihatsu shares?

A. There are no material differences between the legal rights of shareholders of Toyota common stock and Daihatsu common stock.

Q. When is the share exchange expected to be completed?

A. The share exchange is expected to be completed on August 1, 2016.

Q. How will trading in Daihatsu shares be affected in connection with the completion of the share exchange?

A. Daihatsu expects that the last day of trading in its shares on the Tokyo Stock Exchange will be July 26, 2016, four trading days prior to the effective date of the share exchange, and that its shares will be delisted the following day.

Q. Can the number of shares of Toyota common stock for which the shares of Daihatsu common stock are exchanged change between the time of the shareholders meeting and when the share exchange is completed?

A. No. The exchange ratio is fixed, and unless the share exchange agreement is amended, it will not change even if the trading prices of either Toyota common stock or Daihatsu common stock change between the time of the shareholders meeting and when the share exchange is completed, which is currently expected on August 1, 2016. See Risk Factors beginning on page 6.

Q. What is the record date for voting at the annual general shareholders meeting of Daihatsu?

A. Holders of Daihatsu shares as of March 31, 2016 will be eligible to vote at the annual general shareholders meeting expected to be held on , 2016.

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Q. How do I vote at the annual general shareholders meeting of Daihatsu?

A. You may exercise voting rights by submitting a mail-in voting card, attending the meeting in person or through another shareholder with voting rights whom you have appointed as your attorney-in-fact or through a standing proxy in the case of shareholders who are non-residents of Japan. Daihatsu will distribute a mail-in voting card and other voting and reference materials to shareholders eligible to vote who are residents of Japan that will enable them to exercise their voting rights. Completed mail-in voting cards must be received by Daihatsu by p.m. (Japan time) one business day prior to the annual general shareholders meeting.

For shareholders eligible to vote who are non-residents of Japan and who have appointed a standing proxy in Japan, Daihatsu will distribute voting and reference materials to their standing proxy in Japan, who may then transmit those materials to the shareholders according to the terms of the respective proxy agreements. For shareholders eligible to vote who are non-residents of Japan and who have purchased shares of Daihatsu through a securities broker located outside of Japan, Daihatsu will distribute voting and reference materials to the broker s standing proxy in Japan, who is expected to transmit those materials according to the terms of the arrangement with the broker. Daihatsu shareholders who are non-residents of Japan are encouraged to contact their standing proxy in Japan, or broker, to obtain the voting and reference materials and confirm the necessary procedures to exercise their voting rights. For shareholders eligible to vote who are non-residents of Japan and who have designated a mailing address in Japan, Daihatsu will send voting and reference materials to that mailing address.

In addition to the exercise of voting rights as described above, institutional investors may use the Electronic Voting Platform for Institutional Investors which is operated by ICJ, Inc. to exercise their voting rights at the annual general meeting of shareholders.

Q. How will shares represented at the annual general shareholders meeting by mail-in voting cards be treated?

A. The mail-in voting cards used for the annual general shareholders meeting of Daihatsu will describe the proposals to be voted on by shareholders at the meeting, including the approval of the share exchange agreement. The mail-in voting cards will allow shareholders to indicate his or her approval or disapproval with respect to each proposal. In accordance with Japanese law and practice, Daihatsu intends to count toward the quorum for its shareholders meeting any shares represented by mail-in voting cards that are returned without indicating the approval or disapproval of any of the proposals, and count these mail-in voting cards as votes in favor of the share exchange agreement and other proposals referred to in the mail-in voting cards. Any mail-in voting cards will become void if the shareholder who voted by mail attends the meeting in person or through another shareholder with voting rights whom the shareholder appointed as his or her attorney-in-fact.

Q. May I change my vote after I submit a mail-in voting card?

A. Yes. To change your vote after submitting a mail-in voting card, you must attend the meeting in person, or through another shareholder with voting rights whom you have appointed as your attorney-in-fact or through a standing proxy in the case of shareholders who are non-residents of Japan, or send another mail-in voting card dated a later date than the previous mail-in voting card if Daihatsu redistributes mail-in voting cards. By attending the meeting in person, you automatically revoke your mail-in voting card.

Q. If my shares are held in street name by my broker, will my broker vote them for me without instructions?

A. Whether your broker will vote your shares without your instructions depends on the terms of the agreement entered into by you and your broker. Therefore, you are encouraged to contact your broker directly to confirm the applicable voting procedure.

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Q. Do I have dissenters appraisal rights in connection with the share exchange?

A. Under the Companies Act, you are entitled to dissenters appraisal rights in connection with the share exchange if you comply with the procedures set forth in the Companies Act and related laws and regulations and share handling regulations of Daihatsu. Any Daihatsu shareholder (i) who notifies Daihatsu prior to the annual general meeting of shareholders of his or her intention to oppose the share exchange, and who votes against the approval of the share exchange agreement at the shareholders meeting; or (ii) who is not entitled to vote at such annual general meeting of shareholders; and complies with the other relevant procedures set forth in the Companies Act and related laws and regulations and share handling regulations of Daihatsu, may demand that Daihatsu purchase his or her shares of Daihatsu common stock at the fair value. If you vote against the share exchange by submitting a mail-in voting card, such submission will satisfy all requirements mentioned in (i) above. Such demand must be made within the period from the day 20 days prior to the effective date of the share exchange to the day immediately preceding the effective date of the share exchange.

The failure of a Daihatsu shareholder who is entitled to vote at such annual general meeting of shareholders to provide such notice prior to the shareholders meeting or to vote against the approval of the share exchange agreement at the shareholders meeting will in effect constitute a waiver of the shareholder s right to demand that Daihatsu purchase his or her shares of Daihatsu common stock at the fair value.

There are other procedural issues that you may wish to consider when deciding whether to exercise your dissenters appraisal rights. See The Share Exchange Dissenters Appraisal Rights for a more detailed discussion of dissenters appraisal rights. In addition, dissenters appraisal rights for shareholders of a company becoming a wholly-owned subsidiary through a share exchange are set forth in Articles 785 and 786 of the Companies Act. An English translation of these articles is included in this prospectus as Appendix D.

Q. What are the Japanese tax consequences of the share exchange to non-resident holders of Daihatsu shares?

A. Non-resident holders of shares of Daihatsu common stock will generally not be subject to Japanese taxation with respect to the share exchange, except with respect to cash payments of the sale price from Daihatsu as a result of their exercise of dissenters appraisal rights. See Taxation Japanese Tax Consequences, which is the opinion of TMI Associates, Japanese counsel to Toyota, for further discussion regarding the anticipated Japanese tax consequences to non-resident holders of the share exchange.

Q. What are the U.S. federal income tax consequences of the share exchange to U.S. Holders of Daihatsu shares?

A. The share exchange has not been structured to achieve a particular treatment for U.S. federal income tax purposes, and Toyota and Daihatsu have no obligation to structure the share exchange in a manner that is tax-free to U.S. Holders. It is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, that as the share exchange is structured, it is more likely than not that the share exchange will qualify as a tax-deferred reorganization under the provisions of Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended, or the Code. However, qualification of the share exchange as a reorganization depends on the resolution of issues and facts that will not be known until or after the date of the share exchange. If the share exchange qualifies as a reorganization, no gain or loss generally will be recognized by a U.S. Holder on the exchange of shares of Daihatsu common stock for shares of Toyota common stock pursuant to the share exchange, except with respect to any cash received in lieu of fractional shares of Toyota common stock and unless Daihatsu has been a passive foreign investment company, or PFIC, at any time during the holding period of the U.S. Holder. If the share exchange does not qualify as a reorganization, a U.S. Holder that exchanges its shares of Daihatsu common stock for shares of Toyota common stock will recognize gain or loss equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common

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stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder s adjusted tax basis in the shares of Daihatsu common stock exchanged. See Taxation U.S. Federal Income Tax Consequences, which is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, for further discussion regarding the anticipated U.S. federal income tax consequences to U.S. Holders of the share exchange.

Q. Whom can I call with questions?

A. If you have more questions about the share exchange, you should contact:

Masayoshi Hachisuka

Accounting Division

Toyota Motor Corporation

1 Toyota-cho, Toyota City

Aichi, 471-8571

Japan

Telephone: +81-565-23-2005

Hironobu Sano

Finance, Accounting & Cost Management

Office Support Center

Daihatsu Motor Co., Ltd.

1-1 Daihatsu-cho, Ikeda City,

Osaka, 563-8651

Japan

Telephone: +81-72-754-3063

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SUMMARY

This summary highlights selected information from this document. It does not contain all the information that may be important to you. You should carefully read this entire prospectus, documents incorporated by reference and the other documents to which this prospectus refers for a more complete understanding of the share exchange.

The Companies

Toyota

Toyota is one of the leading companies in the worldwide automotive market in terms of vehicle production and sales. Toyota also conducts business in finance and other industries. Toyota sold 8,971,864 vehicles worldwide in fiscal 2015 on a consolidated basis. Toyota had net revenues of ¥27,234.5 billion and net income of ¥2,173.3 billion in fiscal 2015.

Toyota s business segments are automotive operations, financial services operations and other operations. 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 other operations include the design and manufacture of prefabricated housing and information technology-related businesses.

Toyota sells its vehicles in approximately 170 countries and regions. The primary markets for Toyota s automobiles are Japan, North America, Europe and Asia. During fiscal 2015, approximately 24.0% of Toyota s automobile unit sales were in Japan, 30.3% were in North America, 9.6% were in Europe and 16.6% were in Asia.

Toyota s principal executive offices are located at 1 Toyota-cho, Toyota City, Aichi 471-8571, Japan and its telephone number is +81-565-28-2121.

Daihatsu

Daihatsu is one of Japan s leading manufacturer of mini-vehicles and low-priced subcompact vehicles. Since its establishment in March 1907, Daihatsu has devoted its efforts to the mission of creating small cars that are loved by people. Daihatsu manufactures mini-vehicles, passenger vehicles, commercial vehicles and auto parts. Daihatsu sold 1,084,619 vehicles worldwide during fiscal 2015. Daihatsu s largest market is Japan, which accounted for approximately 63% of its unit sales during fiscal 2015

Daihatsu and its subsidiaries have five manufacturing locations in Japan as well as two manufacturing locations overseas, in Malaysia and Indonesia. As a majority-owned subsidiary of Toyota, Daihatsu collaborates with Toyota in various areas, mainly focusing on small cars, as it is its specialized field.

Daihatsu s principal executive offices are located at 1-1 Daihatsu-cho, Ikeda City, Osaka 563-8651, Japan and its telephone number is +81-72-751-8811.

The Share Exchange

The boards of directors of Toyota and Daihatsu have agreed to a statutory share exchange (*kabushiki kokan*) under the Companies Act, pursuant to which shares of Daihatsu will be exchanged for shares of Toyota, and Daihatsu will become a wholly-owned subsidiary of Toyota. On January 29, 2016, Toyota and Daihatsu entered into a share exchange agreement setting forth the terms of the share exchange.

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As of March 31, 2016, Toyota held % of the outstanding shares of Daihatsu common stock. Upon the share exchange, each shareholder of Daihatsu (excluding Toyota) as of the time immediately preceding the share exchange will receive 0.26 shares of Toyota common stock in exchange for each share of Daihatsu common stock that such shareholder holds. The resulting number of shares of Toyota common stock to which Daihatsu shareholders are entitled will be recorded in Toyota s register of shareholders. The shares representing the aggregate of all fractional shares (in cases where such aggregated shares include any fractional shares, such fraction will be rounded down) will be sold to Toyota at the market price and the net cash proceeds from the sale will be distributed to the former holders of Daihatsu shares on a proportionate basis in accordance with their respective fractions.

The share exchange is subject to the approval of the share exchange agreement by the shareholders of Daihatsu. If the share exchange agreement is approved by the shareholders of Daihatsu, unless the share exchange agreement otherwise ceases to have effect, which is expected only under certain specified circumstances, the share exchange is expected to become effective on August 1, 2016. For a further discussion of the termination of the share exchange agreement, see The Share Exchange Material Terms of the Share Exchange Agreement Modification, Termination and Effectiveness of the Share Exchange Agreement.

The Annual General Shareholders Meeting of Daihatsu

Shareholders approval of the share exchange agreement and certain related matters will be sought at an annual general meeting of shareholders of Daihatsu. Under Japanese law and the articles of incorporation of Daihatsu, the notice of an annual general meeting of shareholders must be dispatched at least two weeks in advance to all shareholders of record who have voting rights.

The date, time and place of the meeting is expected to be , 2016, at (Japan Time), at , Japan.

Shareholders may exercise voting rights by submitting a mail-in voting card, attending the meeting in person or through another shareholder with voting rights whom you have appointed as your attorney-in-fact or through a standing proxy in the case of shareholders who are non-residents of Japan. Daihatsu will distribute a mail-in voting card and other voting and reference materials to shareholders eligible to vote who are residents of Japan that will enable them to exercise their voting rights. For shareholders eligible to vote who are non-residents of Japan and who have appointed a standing proxy in Japan, Daihatsu will distribute voting and reference materials to their standing proxy in Japan, who may then transmit those materials to the shareholders according to the terms of the respective proxy agreements. For shareholders eligible to vote who are non-residents of Japan and who have purchased shares of Daihatsu through a securities broker located outside of Japan, Daihatsu will distribute voting and reference materials to the broker s standing proxy in Japan, who is expected to transmit those materials according to the terms of the arrangement with the broker. Daihatsu shareholders who are non-residents of Japan are encouraged to contact their standing proxy in Japan, or broker, to obtain the voting and reference materials and confirm the necessary procedures to exercise their voting rights. For shareholders eligible to vote who are non-residents of Japan and who have designated a mailing address in Japan, Daihatsu will send voting and reference materials to that mailing address. In addition to the exercise of voting rights as described above, institutional investors may use the Electronic Voting Platform for Institutional Investors which is operated by ICJ, Inc. to exercise their voting rights at the annual general meeting of shareholders.

The affirmative vote of the holders of at least two-thirds of the voting rights of Daihatsu present or represented at its annual general meeting of shareholders, at which shareholders holding at least a majority of the total voting rights of Daihatsu shareholders who are entitled to exercise their voting rights are present or represented, is required to approve the share exchange agreement. One hundred (100) shares of Daihatsu common stock constitute one voting right, or unit.

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As of March 31, 2016, of the shares of Daihatsu common stock outstanding, the directors, executive officers and audit & supervisory board members of Daihatsu owned an aggregate of shares, representing approximately % of the outstanding shares of Daihatsu common stock. As of March 31, 2016, directors, executive officers and audit & supervisory board members of Toyota owned approximately % of the outstanding shares of Daihatsu common stock.

Reasons for the Share Exchange

The boards of directors of Toyota and Daihatsu have agreed to the share exchange in order to promote Daihatsu to a more active and substantial role in the development and manufacturing of light and compact vehicles within the Toyota group and to streamline certain decision-making within the Toyota group. If the share exchange is approved by Daihatsu s shareholders, Daihatsu would become a wholly-owned subsidiary of Toyota.

Following the share exchange, Daihatsu s role within the Toyota group will change substantially from the one in which it mainly operates its own business while also supporting Toyota s compact car business to a leading role in which it will play a principal part in the light vehicle and compact car business of the entire Toyota group. The share exchange is expected to enable Daihatsu to become the core of the Toyota group s management strategy for compact vehicles and will enable the Toyota group to streamline its business structure. As a result, even as Toyota and Daihatsu will continue to maintain their management independence in order to maximize their own strength, the share exchange will strengthen the alliance of shared values, visions and strategies between the two companies, which will result in the increase in corporate values of both companies.

Specifically, the share exchange will enable the Toyota group to clearly demarcate the Toyota brand and the Daihatsu brand. Currently, product, technology and business strategies are being developed separately for the Toyota brand and the Daihatsu brand, which has raised issues in the compact vehicle business within the Toyota group in areas such as offering product lineups that satisfy diversified customer needs, speedy business development and brand management. Following the share exchange, Toyota and Daihatsu will be able to mutually utilize the two companies strengths and drastically reduce cost as a group, as well as to plan and implement comprehensive strategies to facilitate the two companies technological combination and joint development of next-generation technologies in the areas of compact car technology, electrified units, weight reduction, automated driving, infrastructures for EVs (Electronic Vehicles) and FCVs (Fuel Cell Vehicle), connected car technology and integrated control. The share exchange will enable Toyota and Daihatsu to globally enhance product lineups under a global brand strategy, but they will differentiate their own brand by making the most of the distinctiveness of both the Toyota brand and the Daihatsu brand in order to offer attractive and globally-competitive products that satisfy diverse customer needs.

No Solicitation of Proxies, Consents or Authorizations

Daihatsu s management is not soliciting proxies, consents or authorizations with respect to the share exchange prior to the annual general meeting of shareholders.

Termination of the Share Exchange Agreement

The share exchange agreement shall cease to have effect if, among other things, (i) the share exchange agreement is not approved at the annual general meeting of shareholders of Daihatsu, (ii) any of the approvals from the relevant regulatory authorities are not obtained or (iii) due to an act of god or other events, a material change occurs or a material impediment arises in the implementation of the share exchange and the share

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exchange is canceled or the share exchange agreement is terminated by Toyota and Daihatsu, upon their mutual consultation. See The Share Exchange Material Terms of the Share Exchange Agreement Modification, Termination and Effectiveness of the Share Exchange Agreement for a more detailed discussion of the terms of the share exchange.

Under the Companies Act, the share exchange is not subject to approval at a shareholders meeting of Toyota, except under limited circumstances.

Toyota and Daihatsu currently do not expect any regulatory requirements, other than the U.S. federal securities laws, that must be complied with or approvals that must be obtained in connection with the share exchange.

Dissenters Appraisal Rights

Under Japanese law, you may have dissenters appraisal rights in connection with the share exchange. See The Share Exchange Dissenters Appraisal Rights for a more detailed discussion of dissenters appraisal rights.

Material Tax Consequences

Japanese Taxation

Non-resident holders of shares of Daihatsu common stock will generally not be subject to Japanese taxation with respect to the share exchange, except with respect to cash payments of the sale price from Daihatsu as a result of their exercise of dissenters appraisal rights. See Taxation Japanese Tax Consequences, which is the opinion of TMI Associates, Japanese counsel to Toyota, for further discussion regarding the anticipated Japanese tax consequences to non-resident holders of the share exchange.

U.S. Federal Income Tax Consequences

The share exchange has not been structured to achieve a particular treatment for U.S. federal income tax purposes, and Toyota and Daihatsu have no obligation to structure the share exchange in a manner that is tax-free to U.S. Holders. It is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, that as the share exchange is structured, it is more likely than not that the share exchange will qualify as a tax-deferred reorganization under the provisions of Section 368(a) of the Code. However, qualification of the share exchange as a reorganization depends on the resolution of issues and facts that will not be known until or after the date of the share exchange. If the share exchange qualifies as a reorganization, no gain or loss generally will be recognized by a U.S. Holder on the exchange of shares of Daihatsu common stock for shares of Toyota common stock pursuant to the share exchange, except with respect to any cash received in lieu of fractional shares of Toyota common stock and unless Daihatsu has been a PFIC at any time during the holding period of the U.S. Holder. If the share exchange does not qualify as a reorganization, a U.S. Holder that exchanges its shares of Daihatsu common stock for shares of Toyota common stock will recognize gain or loss equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder s adjusted tax basis in the shares of Daihatsu common stock exchanged. See Taxation U.S. Federal Income Tax Consequences, which is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, for further discussion regarding the anticipated U.S. federal income tax consequences to U.S. Holders of the share exchange.

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Accounting Treatment of the Share Exchange

The share exchange will be accounted for by Toyota as an equity transaction in accordance with U.S. GAAP. See The Share Exchange Accounting Treatment.

Risk Factors

In determining whether to vote to approve the share exchange, you should consider carefully the risk factors beginning on page 6 of this prospectus.

Market Price Information

The shares of Toyota common stock are listed on the Tokyo Stock Exchange, the Nagoya Stock Exchange and two other regional stock exchanges in Japan and on the London Stock Exchange. Toyota s ADSs, each representing two Toyota shares, are listed on the NYSE under the ticker symbol TM. The shares of Daihatsu common stock are listed on the Tokyo Stock Exchange. The following table sets forth the closing prices of Toyota common stock and Daihatsu common stock on January 28, 2016, the last full trading day prior to the public announcement date on which the two companies announced the share exchange, and , 2016, the last practicable trading day prior to the distribution of this prospectus. The table also sets forth the implied equivalent value of Daihatsu common stock on these dates, as determined by multiplying the applicable closing price of Toyota common stock by the exchange ratio of 0.26 Toyota shares per Daihatsu share. Toyota urges you to obtain current market quotations for each of the two companies common stock.

	Toyota Common Stock	Daihatsu Common Stock	
	Historical	Historical	Equivalent
January 28, 2016	¥ 6,883	¥ 1,797	¥ 467.2
, 2016			

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RISK FACTORS

Prior to making a decision on the share exchange, you should carefully consider the risks described below and the risk factors included in Toyota s annual report on Form 20-F for the year ended March 31, 2015, along with other information presented, or incorporated by reference, in this prospectus. This prospectus also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and the risk factors included in Toyota s annual report on Form 20-F for the year ended March 31, 2015, incorporated herein by reference. See Cautionary Statement Concerning Forward-Looking Statements.

Risks Relating to the Share Exchange

The exchange ratio for the share exchange is fixed and will not be adjusted to reflect changes in the market values of Toyota and Daihatsu common stock. As a result, the value of Toyota common stock you receive in the share exchange may be less than the value of your shares when you vote on the share exchange

Upon the effectiveness of the share exchange, currently expected to take place on August 1, 2016, each share of Daihatsu common stock will be exchanged for 0.26 shares of Toyota common stock. The ratio at which Daihatsu common stock will be exchanged for Toyota common stock is fixed, and will not be adjusted for changes in the market prices of either company s common stock. Therefore, even if the relative market values of Toyota common stock and Daihatsu common stock change, there will be no change in the number of shares of Toyota common stock which shareholders of Daihatsu will receive in the share exchange.

Any change in the prices of either company s common stock occurring prior to the effective date of the share exchange will affect the value that holders of Daihatsu common stock receive in the share exchange. The value of Toyota common stock to be received in the share exchange may be higher or lower than the indicative value as of the date of this prospectus and/or as of the date of the annual general meeting of Daihatsu shareholders, depending on the prevailing market prices of Toyota common stock and Daihatsu common stock.

The share prices of Toyota common stock and Daihatsu common stock are subject to the general price fluctuations in the market for publicly traded equity securities and have experienced volatility in the past. Stock price changes may result from a variety of factors that are beyond the control of Toyota and Daihatsu, including actual changes in, or investor perception of, Toyota s and Daihatsu s businesses, operations and prospects. Regulatory developments, as well as current or potential legal proceedings, and changes in general market and economic conditions may also affect the stock price of Toyota or Daihatsu.

You should obtain and review recent market quotations for Toyota common stock and Daihatsu common stock before voting on the share exchange agreement. There can be no assurances as to the future market prices of Toyota common stock and Daihatsu common stock before the effectiveness of the share exchange, nor as to the market price of Toyota common stock at any time after the effectiveness of the share exchange.

Significant expenses have been and are being incurred in the course of the share exchange

Significant transaction-related expenses have been and are being incurred related to the share exchange in making Daihatsu a wholly-owned subsidiary of Toyota, which are estimated to be approximately ¥ million. These transaction-related expenses include financial advisory, legal fees and expenses, filing fees, printing expenses and other related charges. In addition, there may be significant costs in compensating dissenting shareholders who exercise their appraisal rights. See The Share Exchange for a more detailed discussion of the share exchange.

Making Daihatsu a wholly-owned subsidiary may not produce the benefits anticipated by Toyota

By making Daihatsu a wholly-owned subsidiary through the share exchange, Toyota aims to promote Daihatsu to a more active and substantial role within the Toyota group in the development and manufacturing of

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light and compact vehicles and to streamline certain decision-making within the Toyota group. Toyota s ability to realize these anticipated benefits will depend in part on the extent to which the planned share exchange can be successfully implemented. The Toyota group may not be able to fully realize, or it may take longer than expected to realize, the anticipated benefits of the share exchange.

The U.S. federal income tax consequences to U.S. Holders of the share exchange are not certain.

The share exchange has not been structured to achieve a particular treatment for U.S. federal income tax purposes, and Toyota and Daihatsu have no obligation to structure the share exchange in a manner that is tax-free to U.S. Holders. It is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, that as the share exchange is structured, it is more likely than not that the share exchange will qualify as a tax-deferred reorganization under the provisions of Section 368(a) of the U.S. Internal Revenue Code, as amended, or the Code. However, qualification of the share exchange as a reorganization depends on the resolution of issues and facts that will not be known until or after the date of the share exchange. If the share exchange does not qualify as a tax-deferred reorganization for U.S. federal income tax purposes, the exchange by U.S. Holders of shares of Daihatsu common stock for shares of Toyota common stock will be treated as a taxable exchange for U.S. federal income tax purposes. See Taxation U.S. Federal Income Tax Consequences, which is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, for further discussion regarding the anticipated U.S. federal income tax consequences to U.S. Holders of the share exchange.

Risks Relating to Owning Toyota Common Stock or ADSs

Investors holding less than a unit of shares will have limited rights as shareholders

Pursuant to the Companies Act and other related legislation, Toyota s articles of incorporation provide that 100 shares of common stock constitute one unit. If the share exchange is approved, 385 shares of Daihatsu common stock will be exchanged for 100 shares of Toyota common stock, which constitute one unit, as well as cash in lieu of fractional shares. The Companies Act imposes significant restrictions and limitations on holdings of shares that do not constitute whole units. In general, holders of shares constituting less than one unit do not have the right to vote or to examine Toyota s accounting books and records. The transferability of shares of Toyota common stock constituting less than one unit is significantly limited. For a more complete description of the unit share system and its effect on the rights of holders of Toyota shares, see Memorandum and Articles of Association Japanese Unit Share System of Toyota s annual report on Form 20-F for the year ended March 31, 2015 incorporated herein by reference.

Because of daily price range limitations under Japanese stock exchange rules, you may not be able to sell your shares at a particular price on any particular trading day, or at all

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, Japanese stock exchanges set daily upward and downward price range limitations for each stock, based on the previous day s closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside the limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to effect a sale at such price on a particular trading day, or at all.

Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

Toyota s corporate affairs are governed in accordance with its articles of incorporation, regulations of board of directors, share handling regulations and the Companies Act. Legal principles relating to Toyota s corporate affairs, including legality of corporate procedures, directors and officers fiduciary duties and shareholders rights may be different from, or less clearly defined than, those that would apply if Toyota were incorporated in another jurisdiction. For example, under the Companies Act, only holders of 3% or more of the total voting rights or total issued shares (excluding treasury stock) are entitled to examine Toyota s accounting books and records. Shareholders rights under Japanese law may not be as extensive as shareholders rights under the laws of other countries.

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It may not be possible for investors to effect service of process within the United States upon Toyota or its directors, executive officers or audit & supervisory board members, or to enforce against Toyota or those persons judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States

Toyota is a joint-stock corporation with limited liability incorporated under the laws of Japan. Almost all of Toyota s directors and audit & supervisory board members reside in Japan. Many of Toyota s assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon Toyota or these persons or to enforce against it or these persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. Toyota believes that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated solely upon the federal securities laws of the United States.

If you become a holder of ADSs, you will have fewer rights than a shareholder has, and you must act through the depositary to exercise those rights

The rights of shareholders under Japanese law to take actions, including voting their shares, receiving dividends, bringing derivative actions, examining Toyota s accounting books and records, and exercising appraisal rights, are available only to shareholders of record. Because the depositary, through its custodian agents, is the registered holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares. The depositary will make efforts to vote the shares underlying a holder s ADSs as instructed by the holder and will pay to the holder the dividends collected from Toyota. However, if you become an ADS holder, in such capacity, you will not be able to bring a derivative action, examine Toyota s accounting books and records, or exercise appraisal rights except through the depositary.

There are restrictions on the withdrawal of shares from Toyota s depositary receipt facility

Toyota s articles of incorporation provide that 100 shares constitute one unit. Under Toyota s ADS program, each ADS represents the right to receive two shares. As a result of the unit share system, American Depositary Receipt, or ADR, holders will only be permitted to surrender ADRs and withdraw underlying shares constituting whole units. If a holder surrenders an ADR representing shares that do not constitute an integral number of whole units, the depositary will deliver to that holder only those shares which constitute a whole unit. The depositary will then issue to the holder a new ADR representing the remaining shares. Holders of an ADR that represents less than a whole unit of underlying shares will be unable to withdraw the underlying shares. As a result, while holders of common stock whose shares constitute less than one whole unit may require Toyota to purchase such shares under its articles of incorporation, those ADR holders will be unable to require Toyota to purchase their underlying shares to the extent those shares constitute less than one whole unit.

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SELECTED FINANCIAL DATA OF TOYOTA

Selected consolidated statement of income data for the fiscal years ended March 31, 2011 and 2012 and selected consolidated balance sheet data as of March 31, 2011, 2012 and 2013 set forth below have been derived from Toyota s audited consolidated financial statements not included in this prospectus. Selected consolidated statement of income data for the fiscal years ended March 31, 2013, 2014 and 2015 and selected consolidated balance sheet data as of March 31, 2014 and 2015 set forth below have been derived from Toyota s audited consolidated financial statements incorporated by reference in this prospectus.

Data set forth below are derived from Toyota s consolidated financial statements prepared in accordance with U.S. GAAP. You should read the selected financial data set forth below in conjunction with Toyota s consolidated financial statements and related notes and other financial data included, or incorporated by reference, in this prospectus. The following data are qualified in their entirety by reference to all of that information.

	Year Ended March 31,					Nine Months Ended December 31,	
	2011	2012	2013	2014	2015	2014	2015
						(Unaudited)	
	(Yen in millions, except share and per share data)						
Consolidated Statement of Income Data:							
Automotive:							
Revenues	¥ 17,337,320	¥ 16,994,546	¥ 20,419,100	¥ 23,781,404	¥ 25,062,129	¥ 18,556,951	¥ 19,597,953
Operating income	85,973	21,683	944,704	1,938,778	2,325,310	1,791,595	1,999,014
Financial Services:							
Revenues	1,192,205	1,100,324	1,170,670	1,421,047	1,661,149	1,215,113	1,433,954
Operating income	358,280	306,438	315,820	294,891	361,833	285,043	265,070
All Other:							
Revenues	972,252	1,048,915	1,066,461	1,151,280	1,255,791	856,306	834,612
Operating income	35,242	42,062	53,616	64,270	65,650	43,228	45,125
Elimination of intersegment:							
Revenues	(508,089)	(560,132)	(592,039)	(661,820)	(744,548)	(512,756)	(435,149)
Operating income	(11,216)	(14,556)	6,748	(5,827)	(2,229)	(5,040)	(3,538)
Total Company:							
Revenues	18,993,688	18,583,653	22,064,192	25,691,911	27,234,521	20,115,614	21,431,370
	468,279	355,627	1,320,888	2,292,112	2,750,564	2,114,826	2,305,671

Operating income							
Income before income taxes and equity in earnings of affiliated companies	563,290	432,873	1,403,649	2,441,080	2,892,828	2,355,635	2,452,912
Net income attributable to Toyota Motor Corporation	408,183	283,559	962,163	1,823,119	2,173,338	1,726,863	1,886,077
Net income attributable to Toyota Motor Corporation per share:							
Basic	130.17	90.21	303.82	575.30	688.02	545.94	601.44
Diluted	130.16	90.20	303.78	574.92	687.66	545.68	597.29
Shares used in computing net income attributable to Toyota Motor Corporation per share, basic (in thousands)	3,135,881	3,143,470	3,166,909	3,168,989	3,158,851	3,163,079	3,128,810
Shares used in computing net income attributable to Toyota Motor Corporation per share, diluted (in thousands)	3,135,915	3,143,470	3,167,155	3,170,911	3,160,429	3,164,535	3,157,695

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	Year Ended March 31,					Nine Months Ended December 31,	
	2011	2012	2013	2014	2015	2014	2015
						(Unaudited)	
	(Yen in millions, except per share and numbers of vehicles sold data)						
Consolidated Balance Sheet Data (end of period):							
Total Assets:	¥29,818,166	¥30,650,965	¥35,483,317	¥41,437,473	¥47,729,830	¥46,722,224	¥48,922,991
Short-term debt, including current portion of long-term debt	5,951,836	5,963,269	6,793,956	7,780,483	8,963,492	9,267,143	9,432,634
Long-term debt, less current portion	6,449,220	6,042,277	7,337,824	8,546,910	10,014,395	9,983,032	10,150,642
Toyota Motor Corporation shareholders equity	10,332,371	10,550,261	12,148,035	14,469,148	16,788,131	16,316,058	17,287,409
Common stock	397,050	397,050	397,050	397,050	397,050	397,050	397,050
Other Data:							
Dividends per share	¥ 50.0	¥ 50.0	¥ 90.0	¥ 165.0	¥ 200.0	¥ 75.0	¥ 100.0
Number of vehicles sold							
Japan	1,913,117	2,070,799	2,278,796	2,365,410	2,153,694	1,528,162	1,476,655
North America	2,031,249	1,872,423	2,468,804	2,529,398	2,715,173	2,107,623	2,140,655
Europe	795,534	797,993	799,085	844,003	859,038	633,578	617,684
Asia	1,255,016	1,326,829	1,683,578	1,608,355	1,488,922	1,128,713	1,016,235
Other*	1,313,123	1,283,885	1,640,401	1,768,867	1,755,037	1,341,082	1,241,555
Worldwide total	7,308,039	7,351,929	8,870,664	9,116,033	8,971,864	6,739,158	6,492,784

* Other consists of Central and South America, Oceania, Africa and the Middle East, etc.

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MARKET PRICE AND DIVIDEND INFORMATION

The shares of Toyota common stock are listed on the Tokyo Stock Exchange, the Nagoya Stock Exchange and two other regional stock exchanges in Japan and on the London Stock Exchange. Toyota s ADSs, each representing two Toyota shares, are listed on the NYSE under the ticker symbol TM.

The shares of Daihatsu common stock are listed on the Tokyo Stock Exchange.

The following table sets forth, for the periods indicated, the reported high and low prices per share of Toyota common stock on the Tokyo Stock Exchange and ADSs on the NYSE:

	Tokyo Stock Exchange Price per Share		New York Stock Exchange Price per ADS	
Fiscal Year Ended March 31,	**High**	**Low**	**High**	**Low**
2012	¥ 3,635	¥ 2,330	$ 87.15	$ 60.37
2013	5,050	2,795	106.00	72.04
2014	6,760	4,610	134.94	99.70
2015	8,783	5,205	145.80	103.38
2016	8,700	5,703	142.84	102.54
Financial Quarter Ended:				
March 31, 2014	6,400	5,415	121.74	106.31
June 30, 2014	6,090	5,205	119.88	103.38
September 30, 2014	6,550	5,850	122.35	113.92
December 31, 2014	7,873	5,710	129.30	108.40
March 31, 2015	8,783	7,255	145.80	121.21
June 30, 2015	8,700	8,095	142.84	131.92
September 30, 2015	8,444	6,650	136.39	105.00
December 31, 2015	7,862	6,961	127.28	117.23
March 31, 2016	7,495	5,703	122.26	102.54
Month Ended:				
November 30, 2015	7,717	7,331	125.19	120.99
December 31, 2015	7,862	7,324	127.28	121.67
January 31, 2016	7,495	6,392	122.26	108.94
February 28, 2016	7,355	5,703	120.77	102.54
March 31, 2016	6,244	5,824	110.29	104.89
April 30, 2016				

On April 27, 2016, the last reported sale price of Toyota shares on the Tokyo Stock Exchange was ¥5,845 per share.

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The following table sets forth, for the periods indicated, the reported high and low prices per share of Daihatsu common stock on the Tokyo Stock Exchange:

	Tokyo Stock Exchange Price per Share	
Fiscal Year Ended March 31,	**High**	**Low**
2012	¥ 1,622	¥ 1,101
2013	2,012	1,217
2014	2,300	1,514
2015	1,890	1,472
2016	1,977	1,346
Financial Quarter Ended:		
March 31, 2014	1,854	1,514
June 30, 2014	1,859	1,663
September 30, 2014	1,890	1,722
December 31, 2014	1,735	1,497
March 31, 2015	1,853	1,472
June 30, 2015	1,849	1,665
September 30, 2015	1,819	1,346
December 31, 2015	1,688	1,361
March 31, 2016	1,977	1,399
Month Ended:		
November 30, 2015	1,608	1,458
December 31, 2015	1,688	1,566
January 31, 2016	1,863	1,399
February 28, 2016	1,977	1,514
March 31, 2016	1,674	1,544
April 30, 2016		

On April 27, 2016, the last reported sale price of Daihatsu shares on the Tokyo Stock Exchange was ¥1,540 per share.

The following table sets forth the closing prices of Toyota common stock and Daihatsu common stock on January 28, 2016, the last full trading day prior to the public announcement date on which the two companies announced the share exchange, and , 2016, the last practicable trading day prior to the distribution of this prospectus. The table also sets forth the implied equivalent value of Daihatsu common stock on these dates, as determined by multiplying the applicable closing price of Toyota common stock by the exchange ratio of 0.26 Toyota shares per Daihatsu share. Toyota urges you to obtain current market quotations for each of the two companies common stock.

	Toyota Common Stock	Daihatsu Common Stock	
	Historical	**Historical**	**Equivalent**
January 28, 2016	¥ 6,883	¥ 1,797	¥ 467.2
, 2016			

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The following table sets forth the dividends per share of common stock declared by Toyota and Daihatsu for each of the periods shown. The periods shown are the six months ended on that date. The U.S. dollar equivalents for the cash dividends shown are based on the noon buying rate for Japanese yen on the last date of each period set forth below.

	Toyota		Daihatsu	
Period Ended	**Yen**	**Dollars**	**Yen**	**Dollars**
September 30, 2011	¥ 20.0	$ 0.25	¥ 13.00	$ 0.16
March 31, 2012	30.0	0.36	32.00	0.38
September 30, 2012	30.0	0.38	22.00	0.28
March 31, 2013	60.0	0.63	34.00	0.36
September 30, 2013	65.0	0.66	22.00	0.22
March 31, 2014	100.0	0.97	34.00	0.33
September 30, 2014	75.0	0.68	22.00	0.20
March 31, 2015	125.0	1.04	26.00	0.21
September 30, 2015	100.0	0.83	16.00	0.13
March 31, 2016				

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EXCHANGE RATES

The following table sets forth information regarding the noon buying rates for cable transfers in Japanese yen as certified for customs purposes by the Federal Reserve Bank of New York expressed in Japanese yen per $1.00 during the periods shown. On April 22, 2016, the noon buying rate was ¥111.50 = $1.00. The average exchange rate for the periods shown is the average of the month-end rates during the period.

Fiscal Year Ended or Ending March 31,	At End of Period	Average (of month-end rates)	High	Low
		(¥ per $1.00)		
2012	82.41	78.86	85.26	75.72
2013	94.16	83.26	96.16	77.41
2014	102.98	100.46	105.25	92.96
2015	119.96	110.78	121.50	101.26
2016	112.42	120.13	125.58	111.30
2017 (through , 2016)				

Month Ended	High	Low
	(¥ per $1.00)	
November 30, 2015	123.51	120.70
December 31, 2015	123.52	120.27
January 31, 2016	121.05	116.38
February 28, 2016	121.06	111.36
March 31, 2016	113.94	111.30
April 30, 2016		

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ANNUAL GENERAL MEETING OF DAIHATSU SHAREHOLDERS

General

Daihatsu is distributing mail-in voting cards to its shareholders who are entitled to exercise their voting rights (or their or their broker s standing proxies in Japan, as appropriate) for use at the annual general meeting of shareholders of Daihatsu, expected to be held on , 2016, at . Daihatsu will distribute the mail-in voting cards, together with the notice of convocation of the meeting and reference documents concerning the shareholders meeting, by mail to its shareholders (or their or their broker s standing proxies in Japan, as appropriate) who have voting rights as of the record date.

Non-resident shareholders are required to appoint a standing proxy in Japan or designate a mailing address in Japan, directly or indirectly through their securities broker. For shareholders eligible to vote who are non-residents of Japan and who have appointed a standing proxy in Japan, Daihatsu will distribute voting and reference materials to their standing proxy in Japan, who may then transmit those materials to the shareholders according to the terms of the respective proxy agreements. For shareholders eligible to vote who are non-residents of Japan and who have purchased shares of Daihatsu through a securities broker located outside of Japan, Daihatsu will distribute voting and reference materials to the broker s standing proxy in Japan, who is expected to transmit those materials according to the terms of the arrangement with the broker. Daihatsu shareholders who are non-residents of Japan are encouraged to contact their standing proxy in Japan, or broker, to obtain the voting and reference materials and confirm the necessary procedures to exercise their voting rights. For shareholders eligible to vote who are non-residents of Japan and who have designated a mailing address in Japan, Daihatsu will send voting and reference materials to that mailing address.

At the annual general shareholders meeting of Daihatsu, the approval of the share exchange agreement will be considered and voted upon by the shareholders of Daihatsu.

Voting

Voting Rights

Daihatsu currently uses the unit share system, where one unit consists of 100 shares of common stock of Daihatsu. Daihatsu s shareholders may vote at the annual general meeting of shareholders of Daihatsu only if they are registered as a holder of one unit or more shares of Daihatsu common stock in Daihatsu s register of shareholders on the record date. Each unit of shares of Daihatsu common stock outstanding on the Daihatsu record date is entitled to one vote on each matter properly submitted at the annual general shareholders meeting of Daihatsu. Shares constituting less than one unit are not entitled to vote.

The following shares are not entitled to vote at, and are not counted in determining the quorum for, the annual general meeting of shareholders:

- treasury shares held by Daihatsu;

- shares held by entities in which Daihatsu (together with its subsidiaries) holds 25% or more of the voting rights; and shares issued after the applicable record date and shares that have come to constitute one or more unit after the record date.

Record Date

Pursuant to Daihatsu s articles of incorporation, the close of business on March 31, 2016 is the Daihatsu record date for the determination of the holders of Daihatsu common stock entitled to exercise the shareholders rights at the annual general meeting of shareholders of Daihatsu.

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How to Vote; Use of Mail-in Voting Cards

Shareholders who are entitled to exercise voting rights at the annual general meeting of shareholders of Daihatsu may exercise their voting rights by attending the meeting in person or by having another shareholder who has voting rights attend the meeting as their attorney-in-fact or by returning the mail-in voting cards that will be mailed to those shareholders or, in case of shareholders who are non-residents of Japan and who have appointed a standing proxy, through their standing proxy in Japan.

Holders of Daihatsu common stock entitled to vote at the annual general shareholders meeting of Daihatsu may vote their shares by returning a mail-in voting card, using the form in Japanese which Daihatsu is distributing together with the notice of convocation of such meeting by mail to those holders. Mail-in voting cards will allow a shareholder with a right to vote at the shareholders meeting to indicate his or her approval or disapproval with respect to each proposal at the meeting, including the share exchange agreement. Completed mail-in voting cards must be received by Daihatsu by p.m. (Japan time) one business day prior to the shareholders meeting.

In accordance with applicable Japanese law and practice, Daihatsu intends to:

- count toward the quorum for its shareholders meeting any shares represented by mail-in voting cards that are returned without indicating the approval or disapproval of any of the proposals; and

- count the shares represented by mail-in voting cards returned in this manner as votes in favor of the share exchange agreement and other proposals referred to in the mail-in voting cards.

In addition to the exercise of voting rights as described above, institutional investors may use the Electronic Voting Platform for Institutional Investors which is operated by ICJ, Inc. to exercise their voting rights at the annual general meeting of shareholders.

Vote Required

Approval of the share exchange agreement requires the affirmative vote of at least two-thirds of voting rights of Daihatsu shareholders present or represented at the annual general meeting of shareholders of Daihatsu, at which shareholders holding at least a majority of the total voting rights of Daihatsu shareholders who are entitled to exercise their voting rights are present or represented.

As of March 31, 2016, of the shares of Daihatsu common stock outstanding, the directors, executive officers and audit & supervisory board members of Daihatsu owned an aggregate of shares, representing approximately % of the outstanding shares of Daihatsu common stock, and shares were held by entities that did not have voting rights as set forth in the second bullet of Voting Rights above. As of March 31, 2016, directors, executive officers and audit & supervisory board members of Toyota owned approximately % of the outstanding shares of Daihatsu common stock.

Revocation

Any person who submits a mail-in voting card by mail may revoke it any time before it is voted:

by sending another mail-in voting card dated a later date than the previous mail-in voting card to Daihatsu if Daihatsu redistributes mail-in voting cards; or

by voting in person, or through another shareholder entitled to vote and appointed as such person s attorney-in-fact or through a standing proxy in the case of shareholders who are non-residents of Japan, at the annual general meeting of shareholders of Daihatsu.

Daihatsu shareholders who have instructed a broker to vote their shares must follow directions received from their broker to change and revoke their vote.

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THE SHARE EXCHANGE

This section of the prospectus describes material aspects of the share exchange, including the material provisions of the share exchange agreement. The full text of an English translation of the share exchange agreement, the original of which is written in Japanese, is incorporated herein by reference in its entirety and is included in this prospectus as Appendix A.

General

The boards of directors of Toyota and Daihatsu have agreed to the share exchange, to be approved by Daihatsu s shareholders at the shareholders meeting of Daihatsu. Pursuant to the share exchange, each shareholder of Daihatsu will receive 0.26 shares of Toyota common stock for each share of Daihatsu common stock that such shareholder holds. If the share exchange agreement is approved by the shareholders of Daihatsu, unless the share exchange agreement otherwise ceases to have effect, which is expected only under certain specified circumstances, the share exchange is expected to become effective on August 1, 2016. For a further discussion of the termination of the share exchange agreement, see Material Terms of the Share Exchange Agreement Modification, Termination and Effectiveness of the Share Exchange Agreement.

Background to the Share Exchange

Daihatsu was incorporated as Hatsudoki Seizo Co., Ltd. in 1907 and is the oldest mass vehicle manufacturer in Japan. Daihatsu formed a business alliance with Toyota in 1967, since which time the two companies have broadened cooperation in the development and production of vehicles such as the Consorte, the first vehicle launched under the alliance in 1969, as well as deepening their cooperation in the global market. Since becoming a subsidiary of Toyota in 1998, Daihatsu has been focusing on the development and manufacturing of light and compact vehicles.

Daihatsu has developed its business under its own brand, mostly in Japan, Indonesia and Malaysia, through the development of low-cost and fuel-efficient technologies. It has also supported Toyota s compact vehicle business by jointly developing vehicles, including the Avanza and Passo, with Toyota, and supplementing Toyota s product lineups by supplying vehicles such as AGYA, Wigo and the light vehicle PIXIS series in Asia.

Daihatsu faces two challenges to realize sustainable growth going forward. One is to swiftly adopt the increasingly advanced and complex automobile technologies such as those related to the environment, safety and information. The other is business expansion into emerging countries which are expected to grow significantly.

To overcome these issues, Daihatsu must invest a considerable amount of resources quickly, but there is a limit to Daihatsu s doing this independently as before. Accordingly, Daihatsu believes it is essential for the future development of the Daihatsu brand as well as for the company s growth and higher corporate value to further collaborate with Toyota so that it can quickly utilize Toyota s advanced technology and global business foundation.

In addition, the growing market of compact vehicles is becoming increasingly important because the entry-level car market is expanding in emerging countries due to economic development and vehicles are being made smaller due to environmental concerns in advanced countries. Furthermore, due to the drastic changes in the environment surrounding the automobile industry in recent years such as the global popularization of environmentally-friendly vehicles, initiatives for increased safety performance and information technology, and a global trend toward smaller cars technologies required for automobile development are becoming more advanced, complicated and diversified. Moreover, although in emerging countries entry-level cars in particular are becoming more popular, even where Japanese automobile manufacturers have high market share such as ASEAN countries, competition is expected to intensify due to the liberalization of the market, full-fledged entry of overseas automobile manufacturers and the rise of new manufacturers.

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In order for the Toyota group to address these challenges with greater speed, and not only to maintain and expand its market share but also to contribute to realizing sustainable growth of the automobile industry through the production of ever better cars, the Toyota group needs to work to implement integrated global strategies. More specifically, even while improving the products and services under their own brand, Toyota and Daihatsu must go beyond the existing frameworks and utilize the technology and knowhow in the production of quality and affordable cars in which Daihatsu specializes, as well as further strengthen their mutually complementary relationship.

In order to realize Daihatsu s expanded role within the Toyota group, it became necessary for Daihatsu to become closely integrated with Toyota, such as in combining their technology, knowhow and business infrastructure and carrying out a common strategy as well as clarifying responsibilities and streamlining decision-making between the two companies business strategies, including marketing, product planning, and overseas and supply strategies. Under these circumstances, Toyota and Daihatsu have been discussing and examining the framework of their collaboration.

On October 2, 2015, Mr. Koichi Ina and Mr. Masanori Mitsui, the chairman and the president of Daihatsu, respectively, visited Mr. Takeshi Uchiyamada, Mr. Akio Toyoda and Mr. Shigeki Terashi, the chairman, the president and an executive vice president of Toyota, respectively, at Toyota s offices. They discussed how the two companies might further strengthen their collaboration in areas such as brand strategy, compact car strategy and addressing next-generation technologies. The executives from Toyota expressed their desire to advance the companies cooperative relationship and have Daihatsu play a more significant role within the Toyota group, and they proposed the possiblity of making Daihatsu a wholly-owned subsidiary of Toyota. On the same day, both parties formed internal working groups to handle this manner.

On November 10, 2015, Mr. Ina, Mr. Mitsui and Mr. Hiroyuki Yokoyama, the executive vice president of Daihatsu, visited Mr. Uchiyamada, Mr. Toyoda and Mr. Terashi at Toyota s offices in order to provide Daihatsu s response to Toyota s proposal described above. After giving consideration to how Toyota and Daihatsu would separate their responsibilities for compact cars particularly in emerging markets, to how they would each address next-generation technologies such as information technology and compliance with fuel emission standards, and to the business environment such as the Japanese domestic market that is expected to become increasingly challenging and the need for a stronger alliance in emerging markets, the parties agreed that it was necessary to eliminate redundancies within the Toyota group and for the companies to make contributions in an integrated manner. Because it was necessary for the interests of the parties to be aligned and for the strategy and resources of the companies to be unified in order to achieve these goals, the parties agreed to proceed with the consideration of making Daihatsu a wholly-owned subsidiary.

On the same day, Daihatsu retained SMBC Nikko Securities as its financial advisor and a third-party valuation institution to provide analyses of the share exchange ratio and retained Mori Hamada & Matsumoto as its Japanese legal counsel. Daihatsu selected SMBC Nikko Securities as its financial advisor on the basis of SMBC Nikko Securities familiarity with Daihatsu and its experience in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

On November 11, 2015, Toyota retained Nomura as its financial advisor and a third-party valuation institution to provide analyses of the share exchange ratio.

On November 18, 2015, Daihatsu established a third-party committee in order to prevent circumstances in which the share exchange is consummated under terms and conditions that are disadvantageous to the minority shareholders of Daihatsu, and referred to it the questions of whether (a) the purpose of the share exchange was reasonable (including whether the share exchange will contribute to the improvement of the corporate value of Daihatsu), (b) the fairness of the terms and conditions of the share exchange (including the share exchange ratio) was ensured, (c) the interests of the minority shareholders of Daihatsu were fully considered in the share exchange through fair procedures, and (d) based on (a), (b) and (c) above, the resolution by the board of directors of Daihatsu to consummate the share exchange would not be disadvantageous to the minority shareholders of Daihatsu. From November 18, 2015 to January 28, 2016, the third-party committee carefully reviewed the matters referred to it by holding eight meetings in total, as well as by gathering information and consulting with each other as necessary.

On November 27, 2015, Toyota retained TMI Associates as its Japanese legal counsel, and on November 30, 2015, it retained Shearman & Sterling LLP as its U.S. legal counsel.

On December 2, 2015, Mr. Ina and Mr. Mitsui again visited Mr. Uchiyamada, Mr. Toyoda and Mr. Terashi at Toyota s offices to discuss the status of deliberations and next steps.

On December 4, 2015, Toyota retained PricewaterhouseCoopers Aarata as its accounting advisor.

On December 7, 2015, Daihatsu retained KPMG AZSA LLC as its accounting advisor.

From mid-December 2015 through mid-January 2016, the parties conducted legal and financial due diligence with the assistance of its advisors.

On December 21, 2015, the working groups of Toyota and Daihatsu met to discuss the share exchange ratio. Toyota expressed its thoughts on the share exchange ratio, including the past market prices of the companies stock and the range of premium derived from past similar share exchange transactions. Specifically, Toyota noted that past transactions involving making a listed subsidiary into a wholly-owned subsidiary generally reflected a premium of around 15% to the market price of the subsidiary s common stock. On this basis, Toyota indicated that the parties should consider a share exchange ratio to reflect a premium between 0% and 15%. In response, Daihatsu expressed the need to consider the interests of minority shareholders and the need to explain the transaction to the third-party committee.

On December 25, 2015, the working group of the parties met again to discuss the share exchange ratio, during which Daihatsu requested that Toyota consider a higher range of premium based on past similar share exchange transactions and give due weight to the corporate value of Daihatsu, including the brand and the compact car technology that Daihatsu has cultivated and developed over the years. Based upon such considerations, Daihatsu suggested that it would be more appropriate to consider a share exchange ratio of 0.27 shares of Toyota common stock for each share of Daihatsu common stock, which ratio would reflect a premium in a range between approximately 27% and 32% based on the companies average market prices over the prior 1-, 3- and 6-month periods at that time.

On January 7, 2016, the working groups of the parties met for the third time to discuss the share exchange ratio, during which Toyota offered a share exchange ratio of 0.24 shares of Toyota common stock for each share of Daihatsu common stock.

On January 14, 2016, the working groups of the parties met for the fourth time to discuss the share exchange ratio, during which Toyota indicated a willingness to increase the share exchange ratio to 0.26 shares of Toyota common stock for each share of Daihatsu common stock.

On January 19, 2016, Mr. Ina and Mr. Mitsui visited Mr. Uchiyamada, Mr. Toyoda and Mr. Terashi at Toyota s offices and agreed to present to their respective boards the general terms of the share exchange at a ratio of 0.26 shares of Toyota common stock for each share of Daihatsu common stock, subject to receipt of the final response to the referral of the third-party committee supporting the transaction.

On January 29, 2016, Toyota and Daihatsu executed the share exchange agreement and announced the details of the share exchange, including the share exchange ratio. If the share exchange agreement is approved by the shareholders of Daihatsu, unless the share exchange agreement otherwise ceases to have effect, which is expected only under certain specified circumstances, the share exchange is expected to become effective on

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August 1, 2016. For a further discussion of the termination of the share exchange agreement, see Material Terms of the Share Exchange Agreement Modification, Termination and Effectiveness of the Share Exchange Agreement.

Reasons for the Share Exchange

The boards of directors of Toyota and Daihatsu have agreed to the share exchange in order to promote Daihatsu to a more active and substantial role in the development and manufacturing of light and compact vehicles within the Toyota group and to streamline certain decision-making within the Toyota group. If the share exchange is approved by Daihatsu s shareholders, Daihatsu would become a wholly-owned subsidiary of Toyota.

Following the share exchange, Daihatsu s role within the Toyota group will change substantially from the one in which it mainly operates its own business while also supporting Toyota s compact car business to a leading role in which it will play a principal part in the light vehicle and compact car business of the entire Toyota group. The share exchange is expected to enable Daihatsu to become the core of the Toyota group s management strategy for compact vehicles and will enable the Toyota group to streamline its business structure. As a result, even as Toyota and Daihatsu will continue to maintain their management independence in order to maximize their own strength, the share exchange will strengthen the alliance of shared values, visions and strategies between the two companies, which will result in the increase in corporate values of both companies.

Specifically, the share exchange will enable the Toyota group to clearly demarcate the Toyota brand and the Daihatsu brand. Currently, product, technology and business strategies are being developed separately for the Toyota brand and the Daihatsu brand, which has raised issues in the compact vehicle business within the Toyota group in areas such as offering product lineups that satisfy diversified customer needs, speedy business development and brand management. Following the share exchange, Toyota and Daihatsu will be able to mutually utilize the two companies strengths and drastically reduce cost as a group, as well as to plan and implement comprehensive strategies to facilitate the two companies technological combination and joint development of next-generation technologies in the areas of compact car technology, electrified units, weight reduction, automated driving, infrastructures for EVs (Electronic Vehicles) and FCVs (Fuel Cell Vehicle), connected car technology and integrated control. The share exchange will enable Toyota and Daihatsu to globally enhance product lineups under a global brand strategy, but they will differentiate their own brand by making the most of the distinctiveness of both the Toyota brand and the Daihatsu brand in order to offer attractive and globally-competitive products that satisfy diverse customer needs.

Toyota and Daihatsu will focus on the following strategies going forward to further strengthen their ties in order to achieve sustainable global growth for the light and compact vehicle business of the Toyota group:

1) Compact car strategy: Providing globally competitive compact cars based on technology Daihatsu accumulated with light vehicles

The Toyota group will work to expand customers who patronize the Lexus brand, the Toyota brand and the Daihatsu brand by improving the value of each brand and optimizing brand portfolios that will endure. Daihatsu intends to evolve the Daihatsu brand into a global brand with a unique value that draws on Daihatsu s strength in providing customer-desired products and services quickly and at an affordable price.

To this end, Daihatsu will take the initiative in product development under both the Toyota brand and the Daihatsu brand in the compact car field by further evolving its product planning and technological development knowhow and processes that were cultivated from light vehicles. It will also enhance its ability to manufacture cars from the perspective of local customers that Daihatsu has developed. With these efforts, the Toyota group will aim to enhance both cost competitiveness, based on economies of scale, and product competitiveness, based on a broad product lineup range.

2) Technological strategy: Combining Toyota s cutting-edge technology and Daihatsu s low-cost technology

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Going forward, Toyota and Daihatsu will share their strategies regarding technology from initial conception and create a corporate group structure that simultaneously realizes the development of cutting-edge technology and cost reduction. More specifically, Toyota will develop technologies such as electrified powertrain technology and information technology that will enhance cars in the areas of environment, safety, security, and comfort technology while Daihatsu will further explore its current advantages such as space-efficient packaging ability, low-cost technology and fuel-efficient technology such as weight reduction and conventional technologies. Daihatsu will also seek to realize cost reduction and miniaturization of Toyota s advanced technologies and incorporate such technologies into the compact cars that it offers. Furthermore, Daihatsu will share its unique car manufacturing knowhow within the Toyota group in order to contribute to increased cost competitiveness for upper class models.

3) Business strategy: Daihatsu to play a central role in car production in emerging markets

In the emerging markets where the entry-level car market is expected to expand due to increasing population, economic growth and urbanization, Daihatsu will play the main role in manufacturing activities, including development, procurement and production. This will allow Toyota to supplement products with competitiveness and effectively shift resources while allowing Daihatsu to enter and operate more expeditiously and efficiently in new regions where it had been difficult for Daihatsu to enter due to the business risks involved. In the regions where both companies operate, they will seek to further collaborate in ways such that Daihatsu will eventually lead the car manufacturing activities, including production and procurement.

Determination of Daihatsu s Board of Directors

On January 29, 2016, the meeting of the board of directors of Daihatsu was convened to resolve the share exchange agreement. Of the eleven members of the board, eight members were in attendance and unanimously resolved that the share exchange ratio is fair to the non-controlling shareholders of Daihatsu and approved the share exchange. Of the three remaining directors, Mr. Mitsuhisa Kato, who also serves as a director of Toyota, did not attend the board meeting nor participate in the discussions and negotiations with Toyota regarding the share exchange on behalf of Daihatsu in order to avoid possible conflicts of interest. In addition, Mr. Hiroyuki Yokoyama, who was Senior Managing Officer of Toyota until March 2015, and Mr. Ichiro Yoshitake, who was an employee of Toyota until March 2013, also did not attend the board meeting nor participate in the discussions and negotiations with Toyota regarding the share exchange on behalf of Daihatsu in order to avoid possible conflicts of interest. Of the four audit & supervisory board members of Daihatsu, three audit & supervisory board members (including two outside audit & supervisory board members) participated in the deliberation of the board meeting and opined that they had no objections to the consummation of the share exchange. The remaining audit & supervisory board member of Daihatsu, Mr. Kosuke Ikebuchi, who serves as Senior Advisor to the Board and Senior Technical Executive of Toyota, did not attend the board meeting in order to avoid conflicts of interest.

In making its determination to approve the share exchange agreement with advice from Daihatsu s financial and legal advisors, the board of directors of Daihatsu considered a number of factors, including the following:

- the board s knowledge of the businesses, operations, financial condition, earnings and future prospects of both Daihatsu and Toyota;

the board s knowledge of the current and prospective economic, market and industry environment in which Daihatsu and Toyota operate;

the results of the legal and financial due diligence of Toyota s operations conducted by Daihatsu and its legal and accounting advisor;

the results of analyses of the share exchange ratio, prepared by SMBC Nikko Securities, which included market price analysis and discounted cash flow analysis;

the original signed version of the valuation report of SMBC Nikko Securities dated January 28, 2016, which was delivered to the board of directors of Daihatsu;

- the original response to the referrals of the third-party committee dated January 28, 2016, which was delivered to Daihatsu s board of directors;

- the fact that the outside audit & supervisory board members who did not have conflicts of interest expressed no objections to Daihatsu s execution of the share exchange agreement; and

- the terms of the share exchange agreement and its effects, including, without limitation, the fact that Toyota would become the sole shareholder of Daihatsu upon consummation of the share exchange.

The foregoing discussion of the information considered by the board of directors of Daihatsu is not exhaustive, but includes the material factors that the board of directors of Daihatsu considered in approving the share exchange. In view of the wide variety of factors considered in connection with its evaluation of the share exchange and the complexity of these matters, the board of directors of Daihatsu did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. The board of directors of Daihatsu conducted an overall analysis of the factors described above, including discussions with Daihatsu s financial and legal advisors, and considered the factors overall to be favorable to, and to support, its determination.

The above description contains forward-looking statements and, therefore, should be read in light of the factors discussed under Cautionary Statement Concerning Forward-Looking Statements.

Advice and Reports from Daihatsu s Advisors

Daihatsu s Financial Advisor

Valuation report of Daihatsu s Financial Advisor

SMBC Nikko Securities delivered its valuation report, or the valuation report, in Japanese to Daihatsu s board of directors on January 29, 2016. The English translation of the valuation report of SMBC Nikko Securities is attached as Appendix B. The valuation report was prepared for the sole use of the board of directors of Daihatsu to provide it with useful information in relation to the share exchange ratio. As such, no opinion or evaluation was provided in the valuation report, nor is such opinion or evaluation indirectly suggested or implied, in relation to the fairness of the share exchange ratio to any parties, entities or individuals, including Daihatsu and its shareholders. In addition, the valuation report is not intended for the shareholders of Daihatsu nor does it intend to provide them with any assistance or recommendations on voting at the annual general meeting of shareholders where Daihatsu shareholders will decide upon the approval of the share exchange.

SMBC Nikko Securities has consented to the inclusion of its valuation report as Appendix B to this prospectus. By giving such consent, SMBC Nikko Securities does not thereby admit that it comes within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor does it thereby admit that it is an expert with respect to any part of this Registration Statement on Form F-4 of which this prospectus forms a part within the meaning of the term experts as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

In connection with preparing the valuation report, SMBC Nikko Securities used the following materials and information sources:

financial disclosures such as securities reports (*yukashoken hokokusyo*), quarterly reports (*shihanki hokokusyo*) and financial reports summaries (*kessan tanshin*) of Daihatsu and Toyota;

documents and information provided by Daihatsu and Toyota related to their respective business policies, business plans and financial information;

due diligence reports on Toyota from the viewpoint of finance, taxation and legal matters provided by Daihatsu;

information obtained through interviews with representatives of Daihatsu and Toyota;

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stock price information and stock trading information of Daihatsu and Toyota; and

other disclosed or public information.

SMBC Nikko Securities did not take into consideration any synergy effect resulting from the share exchange, as Daihatsu and Toyota had prepared their current business plans separately, on a stand-alone basis. Since the business plan provided by Toyota contained only limited information, SMBC Nikko Securities referred to public information and made partial adjustments based on certain assumptions to conduct the analysis.

SMBC Nikko Securities assumed that the materials, information and data used for the valuation report were accurate and complete in all respects. SMBC Nikko Securities did not conduct any verification or validation concerning the accuracy or completeness of such information or data. Furthermore, SMBC Nikko Securities did not undertake any examination of the assets and liabilities belonging to Daihatsu, Toyota or their subsidiaries and affiliates, whether independently or by outsourcing to external professional contractors. The result of such valuation may be affected considerably should any deficiencies be found in the accuracy, completeness or integrity of such information.

SMBC Nikko Securities assumed that Daihatsu, Toyota and their subsidiaries and affiliates did not have any undisclosed off-the-book liabilities or undisclosed contingent liabilities that may result from lawsuits, conflicts, environmental issues, taxation or otherwise, which may significantly influence the result of the valuation report.

The valuation report was prepared on the assumption that the data and the information contained in the business plans and other materials used in the business plans and other materials used for the valuation report are correct and complete, based on the most accurate estimation and prudent judgment possible of the providers, by following proper procedures.

In addition, SMBC Nikko Securities may have conducted analyses in the process of preparing the valuation report pursuant to certain prepositions or hypotheses based upon such data and information provided by external parties, assuming that they were accurate and reasonable. SMBC Nikko Securities did not conduct, nor shall assume any responsibility or obligation for not having conducted, any verification or validation regarding the accuracy, validity and the feasibility of such prepositions and hypotheses.

Financial Analyses of Daihatsu s Financial Advisor

The following is a summary of the material financial analyses contained in the valuation report. The following summary, however, does not purport to be a complete description of the financial analyses performed by SMBC Nikko Securities, and is qualified in its entirety by Appendix B. In addition, the order of analyses described below does not purport to represent the relative importance or weight given to those analyses by SMBC Nikko Securities. The financial analyses summarized below include information presented in tabular format, which must be read together with the full text of the summary. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before January 26, 2016 and is not necessarily indicative of current market conditions. With Daihatsu s consent, SMBC Nikko Securities used the market price analysis and the discounted cash flow analysis to evaluate Toyota shares and Daihatsu shares.

Market Price Analysis

In conducting the market price analysis, SMBC Nikko Securities set January 26, 2016, which was the business day immediately prior to the date of the first media coverage regarding the share exchange, as the reference date in order to eliminate from the stock price the impact of such media coverage and used the closing share price of Daihatsu and Toyota on the reference date and the simple average closing share prices of Daihatsu and Toyota during the following three periods, in each case ending with the reference date: (i) the most recent one month, (ii) the most recent three months and (iii) the most recent six months.

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The results of the analysis were as follows:

	Exchange ratio per Daihatsu share
Closing Share Price as of Reference Date	0.22
1 Month	0.22
3 Months	0.21
6 Months	0.21

As a result of this analysis, the range of implied exchange ratios per share of Daihatsu was calculated to be 0.21 to 0.22.

Discounted Cash Flow Analysis

In conducting the discounted cash flow analysis, SMBC Nikko Securities evaluated the Daihatsu shares and the Toyota shares by discounting cash flows based on each company s financial forecasts for the fiscal years ending March 31, 2016 and March 31, 2021, which SMBC Nikko Securities received from each company, to their present value at the discount rates ranging from 7.40% to 7.90% for Daihatsu shares and from 4.45% to 4.95% for Toyota shares. SMBC Nikko Securities adopted the perpetual growth rate method to calculate the terminal value. The perpetual growth rate method is based on the assumption that the income or cash in-flow in the final year of the projection period will be sustained in perpetuity. For the perpetual growth rate method, SMBC Nikko Securities applied perpetual growth rates ranging from -0.25% to 0.25% for each company.

The results of the analysis were as follows:

	Exchange ratio per Daihatsu share
Perpetual Growth Rate Method	0.20-0.28

The discounted cash flow analysis resulted in a range of implied exchange ratios per Daihatsu share of 0.20 to 0.28.

Although the financial forecast of Toyota that SMBC Nikko Securities used in performing the discount cash flow analysis did not reflect a substantial increase or decrease in earnings, the financial forecast of Daihatsu reflected a substantial increase in earnings for the fiscal year ending March 31, 2017, mainly as a result of taking into account, to the maximum extent possible, a temporary last-minute increase in demand expected before the consumption tax increase that may take effect in April 2017, in addition to the introduction of new products. Such financial forecast of Daihatsu also assumed that the operating income of Daihatsu will recover in the fiscal year ending March 31, 2017 to a level that is higher than the operating income of 110.6 billion yen in the fiscal year ended March 31, 2015. The financial forecasts of both companies did not assume the consummation of the share exchange.

Miscellaneous

As a part of its investment banking business, SMBC Nikko Securities is engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. SMBC Nikko Securities was selected to act as Daihatsu s financial advisor with respect to the share exchange on the basis of such experience and its familiarity with Daihatsu.

For services rendered in connection with the share exchange, Daihatsu has agreed to pay SMBC Nikko Securities a fee of ¥150 million in respect thereof, a substantial portion of which will become payable only if the share exchange is consummated. In addition, Daihatsu has agreed to reimburse SMBC Nikko Securities for

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certain of its expenses incurred in connection with its services, and will indemnify SMBC Nikko Securities against certain liabilities, including liabilities arising under the U.S. federal securities laws.

SMBC Nikko Securities is a member of the Sumitomo Mitsui Financial Group, or SMFG, and SMBC Nikko Securities and other group companies of SMFG may provide various financial services such as banking services, securities trading or brokerage services, corporate and investment banking services to Daihatsu and to other parties/entities that may be involved in the share exchange, as well as their shareholders, subsidiaries and affiliates, for which SMBC Nikko Securities and other group companies of SMFG may receive fees.

Response to Referral to the Third-party Committee

On November 18, 2015, Daihatsu established a third-party committee consisting of three members Mr. Kenji Yamamoto, an outside board member and an independent director of Daihatsu, as well as Mr. Nobumichi Hattori (a Visiting Professor at Graduate School of Finance, Accounting and Law, Waseda University) and Mr. Takeshi Nakao (a certified public accountant and licensed tax accountant at Partners Inc.) in order to prevent circumstances in which the share exchange is consummated under terms and conditions that are disadvantageous to the minority shareholders of Daihatsu. All of the members of the third-party committee were selected due to their independence from Toyota. Furthermore, Mr. Yamamoto was selected given his role as an independent outside director of Daihatsu in addition to his professional expertise and experience as an attorney. The two non-director members, Mr. Hattori and Mr. Nakao, were selected based on their professional expertise as well as ample experience serving as a member of a third-party committee or a financial adviser or appraiser in other similar transactions.

In considering the share exchange, Daihatsu referred to the third-party committee the questions of whether (a) the purpose of the share exchange was reasonable (including whether the share exchange will contribute to the improvement of the corporate value of Daihatsu), (b) the fairness of the terms and conditions of the share exchange (including the share exchange ratio) was ensured, (c) the interests of the minority shareholders of Daihatsu were fully considered in the share exchange through fair procedures, and (d) based on (a), (b) and (c) above, the resolution by the board of directors of Daihatsu to consummate the share exchange would not be disadvantageous to the minority shareholders of Daihatsu.

From November 18, 2015 to January 28, 2016, the third-party committee carefully reviewed the matters referred to it by holding eight meetings in total, as well as by gathering information and consulting with each other as necessary.

In conducting the examination, the third-party committee received an explanation from Daihatsu concerning the purpose of the share exchange, background leading to the share exchange, views of Daihatsu and Toyota on the share exchange, terms and conditions of the share exchange and the decision-making process thereof, and other related matters.

The third-party committee also received explanations from SMBC Nikko Securities on the background of the transaction, such as the structure of the transaction, shareholder base and management of Daihatsu, measures to be adopted at Daihatsu for avoiding conflicts of interest in connection with the transaction, and the due diligence to be conducted on Toyota. It also received from SMBC Nikko Securities explanations on the valuation of the share exchange ratio, including valuations based on then-market prices of the shares of Daihatsu and Toyota s common stock. SMBC Nikko Securities also provided updates to the third-party committee regarding the status of the negotiations between Daihatsu and Toyota on the share exchange ratio.

In addition, the third-party committee received an explanation from Mori Hamada & Matsumoto, legal advisor to Daihatsu, concerning the details of the measures to ensure fairness of the procedures of the share exchange and the measures to avoid conflicts of interest, such as the decision-making method and procedures of the board of directors of Daihatsu with respect to the share exchange.

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Subsequently, the third-party committee submitted a response to referrals (*toshinsho*) on January 28, 2016 to the board of directors of Daihatsu to the effect that it can be said that the resolution by the board of directors of Daihatsu to consummate the share exchange is not disadvantageous to the minority shareholders of Daihatsu on the basis of the explanations, valuation results and other materials it reviewed.

The English Translation of the Response to the Referral to the Third-Party Committee is attached as Appendix C.

Material Terms of the Share Exchange Agreement

On January 29, 2016, Toyota and Daihatsu entered into a share exchange agreement setting forth the terms of the share exchange. The following is a summary of material provisions of the share exchange agreement. This summary is qualified in its entirety by reference to the share exchange agreement, an English translation of which is incorporated by reference in its entirety and attached to this prospectus as Appendix A.

Structure of the Share Exchange

Upon the effectiveness of the share exchange, the following events will occur:

Toyota will deliver to shareholders of Daihatsu common stock, excluding Toyota and Daihatsu, in exchange for Daihatsu common stock, the number of shares of Toyota common stock calculated by multiplying the total number of shares of Daihatsu common stock held by shareholders of Daihatsu common stock as of the time immediately preceding the share exchange by 0.26.

shareholders of Daihatsu common stock (other than Daihatsu, with respect to its treasury shares, which will be cancelled, and Toyota, with respect to shares of Daihatsu owned by it) as of the time immediately preceding the share exchange will be allotted a number of shares of Toyota common stock based on the ratio of 0.26 Toyota shares for one Daihatsu share, such amount (excluding any fractional shares) to be reflected in Toyota s register of shareholders; and

in lieu of any fractional shares of Toyota common stock that would otherwise be allotted to former shareholders of Daihatsu, the former shareholders of Daihatsu will receive cash as described in more detail in Holders of Fractional Shares.

Effect of the Share Exchange

As a result of the share exchange, Toyota will acquire all outstanding shares of Daihatsu common stock (excluding shares of Daihatsu common stock already owned by Toyota). Toyota will become the sole shareholder of Daihatsu, and Daihatsu will become a wholly-owned subsidiary of Toyota.

Toyota s Stated Capital and Reserves

The stated capital and retained earnings reserves of Toyota will not increase as a result of the share exchange. The amount of increase in Toyota s capital reserves will be the minimum amount required to be increased pursuant to applicable laws and regulations.

Effective Date of the Share Exchange

The share exchange will become effective on August 1, 2016, subject to changes in certain circumstances.

Annual General Meeting of Shareholders of Daihatsu

Daihatsu will seek the approval of its shareholders for the terms of the share exchange agreement at the annual general meeting of shareholders of Daihatsu scheduled to be held on , 2016.

Modification, Termination and Effectiveness of the Share Exchange Agreement

Toyota and Daihatsu may, upon mutual consultation, modify the share exchange agreement, including terms and conditions of the share exchange, cancel the share exchange or terminate the share exchange agreement, if, during the period commencing from the execution date of the share exchange agreement until the effective date of the share exchange, due to an act of god or other events, (i) a material change occurs to the assets or results of operations of Toyota or Daihatsu, (ii) a material impediment arises in the implementation of the share exchange or (iii) it otherwise becomes difficult to achieve the purpose of the share exchange agreement.

The share exchange agreement shall cease to have effect if (i) shareholders of Toyota holding more than one-ninth of shares with votes entitled to be exercised at the shareholders meeting submit a notification to Toyota to the effect that such shareholders dissent to the share exchange within two weeks after the day of the individual notification or the public notification to shareholders under Article 797 (3) and (4) of Companies Act, and the share exchange agreement is not approved at a shareholders meeting of Toyota, (ii) the share exchange agreement is not approved at the annual general meeting of shareholders of Daihatsu, (iii) any of the approvals from the relevant regulatory authorities are not obtained or (iv) the share exchange has been canceled or the share exchange agreement has been terminated pursuant to the preceding paragraph.

Holders of Fractional Shares

In accordance with the Companies Act, Daihatsu shareholders will not receive any fractional shares of Toyota common stock in the share exchange. Instead, the shares representing the aggregate of all such fractions (in case where such aggregated shares include any fractional shares, such fraction will be rounded down) will be sold to Toyota at the market price and the net cash proceeds from the sale will be distributed to the former holders of Daihatsu shares on a proportionate basis in accordance with their respective fractions.

Daihatsu Voting Matters

The close of business on March 31, 2016 is the record date for determination of the holders of Daihatsu common stock entitled to exercise shareholders rights at Daihatsu s shareholders meeting. As of March 31, 2016, there were shares of Daihatsu common stock issued and outstanding. See Annual General Meeting of Daihatsu Shareholders for a more detailed description of the vote required, and the use and revocation of mail-in voting cards, at the annual general meeting of shareholders.

Dissenters Appraisal Rights

Any Daihatsu shareholder (i) who notifies Daihatsu prior to the annual general meeting of shareholders of his or her intention to oppose the share exchange, and who votes against approval of the share exchange at the annual general meeting of shareholders, or (ii) who is not entitled to vote at such annual general meeting of shareholders; and complies with the other relevant procedures set forth in the Companies Act and related laws and regulations and share handling regulations of Daihatsu (a dissenting shareholder) may demand that Daihatsu purchase his or her shares of Daihatsu common stock at the fair value. If a shareholder votes against the share exchange by submitting a mail-in voting card, such submission will satisfy all requirements mentioned in (i) above. The failure of a shareholder who is entitled to vote at such annual general meeting of shareholders to provide such notice prior to the annual general meeting or to vote against approval of the share exchange agreement at the annual general meeting will in effect constitute a waiver of the shareholder s right to demand that Daihatsu purchase his or her shares of common stock at the fair value. The dissenting shareholder who has made such demand may withdraw such demand only if Daihatsu approves such withdrawal.

Daihatsu will give public notice to its shareholders announcing that Daihatsu intends to execute the share exchange and provide the name and address of Toyota, no later than 20 days prior to the effective date of the share exchange (such public notice may be made prior to the date of the annual general meeting of shareholders).

The demand referred to in the preceding paragraph must be made within the period from the day 20 days prior to the effective date of the share exchange to the date immediately preceding the effective date of the share exchange.

The demand must state the number of shares relating to such demand. The Companies Act does not require any other statement in the demand. Accordingly, the demand is legally valid regardless of whether the demand includes the dissenting holder s estimate of the fair value of shares. The dissenting shareholder must also request an individual shareholder notification (*kobetsu kabunushi tsuchi*) through its standing proxy in Japan from Japan Securities Depository Center, Inc., or JASDEC, and submit a receipt of the individual shareholder notification and identity verification documents to Daihatsu upon the request from Daihatsu.

If the value of such shares is agreed upon between the dissenting shareholder and Daihatsu, then Daihatsu is required to make payment to such dissenting shareholder of the agreed value within 60 days of the effective date of the share exchange. If the dissenting shareholder and Daihatsu do not agree on the value of such shares within 30 days from the effective date of the share exchange, the shareholder or Daihatsu may, within 30 days after the expiration of such period, file a petition with the Osaka District Court for a determination of the value of his or her shares. Daihatsu is also required to make payment of statutory interest on such share value as determined by the court accruing from the expiration of the 60-day period referred to in the second preceding sentence. The transfer of shares from dissenters to Daihatsu becomes effective on the effective date of the share exchange.

Dissenter s appraisal rights for shareholders of a company becoming a wholly-owned subsidiary through a share exchange are set forth in Articles 785 and 786 of the Companies Act. An English translation of these articles is included in this prospectus as Appendix D.

Status of Toyota Common Stock under the Federal Securities Laws

The exchange of shares of Daihatsu common stock held by U.S. shareholders for shares of Toyota common stock pursuant to the share exchange has been registered under the Securities Act of 1933, as amended, or the Securities Act. Accordingly, there will be no restrictions under the Securities Act on the resale or transfer of such shares by U.S. shareholders of Daihatsu except for those shareholders, if any, who become affiliates of Toyota as such term is used in Rule 144 under the Securities Act. Persons who may be deemed to be affiliates of Toyota generally include individuals or entities that, directly or indirectly, control, are controlled by, or are under common control with Toyota. With respect to those shareholders who may be deemed to be affiliates of Toyota after the share exchange, Rule 144 places certain restrictions on the offer and sale within the United States or to U.S. persons of shares of Toyota common stock that may be received by them pursuant to the share exchange. This prospectus does not cover resales of shares of Toyota common stock received by any person who may be deemed to be an affiliate of Toyota after the share exchange.

Accounting Treatment

Daihatsu was a consolidated subsidiary of Toyota prior to the share exchange as Toyota had a controlling financial interest. As the share exchange does not result in a change of control of Daihatsu, the share exchange will be accounted for by Toyota in accordance with ASC 810 Consolidation. Increases or decreases in Toyota s ownership interest in Daihatsu, while Toyota retains its controlling financial interest, will be accounted for as equity transactions. No gain or loss will be recognized in the consolidated statements of income of Toyota and the carrying amount of the noncontrolling interest will be adjusted to reflect the change in Toyota s ownership interest in Daihatsu. Any difference between the fair value of the consideration paid by Toyota and the amount by which the noncontrolling interest is adjusted will be recognized within Toyota s shareholders equity in Toyota s consolidated balance sheet.

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Differences in Shareholders Rights

There are no material differences between the rights of shareholders of Toyota common stock and Daihatsu common stock from a legal perspective.

Tax Consequences of the Share Exchange

Non-resident holders of shares of Daihatsu common stock will generally not be subject to Japanese taxation with respect to the share exchange, except with respect to cash payments of the sale price from Daihatsu as a result of their exercise of dissenters appraisal rights. See Taxation Japanese Tax Consequences, which is the opinion of TMI Associates, Japanese counsel to Toyota, for further discussion regarding the anticipated Japanese tax consequences to non-resident holders of the share exchange.

The share exchange has not been structured to achieve a particular treatment for U.S. federal income tax purposes, and Toyota and Daihatsu have no obligation to structure the share exchange in a manner that is tax-free to U.S. Holders. It is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, that as the share exchange is structured, it is more likely than not that the share exchange will qualify as a tax-deferred reorganization under the provisions of Section 368(a) of the Code. However, qualification of the share exchange as a reorganization depends on the resolution of issues and facts that will not be known until or after the date of the share exchange. If the share exchange qualifies as a reorganization, no gain or loss generally will be recognized by a U.S. Holder on the exchange of shares of Daihatsu common stock for shares of Toyota common stock pursuant to the share exchange, except with respect to any cash received in lieu of fractional shares of Toyota common stock and unless Daihatsu has been a PFIC at any time during the holding period of the U.S. Holder. If the share exchange does not qualify as a reorganization, a U.S. Holder that exchanges its shares of Daihatsu common stock for shares of Toyota common stock will recognize gain or loss equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder s adjusted tax basis in the shares of Daihatsu common stock exchanged. See Taxation U.S. Federal Income Tax Consequences, which is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, for further discussion regarding the anticipated U.S. federal income tax consequences to U.S. Holders of the share exchange.

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REGULATION

Japanese Foreign Exchange Controls

The Foreign Exchange and Foreign Trade Law and the cabinet orders and ministerial ordinances thereunder (collectively, the Foreign Exchange Regulations), govern the acquisition and holding of shares of capital stock of Toyota by exchange non-residents and by foreign investors. The Foreign Exchange Regulations currently in effect do not, however, affect transactions between exchange non-residents to purchase or sell shares outside Japan using currencies other than Japanese yen.

Exchange non-residents are:

- individuals who do not reside in Japan; and
- corporations whose principal offices are located outside Japan.

Generally, branches and other offices of non-resident corporations that are located within Japan are regarded as residents of Japan. Conversely, branches and other offices of Japanese corporations located outside Japan are regarded as exchange non-residents.

Foreign investors are:

- individuals who are exchange non-residents;
- corporations or other organizations that are organized under the laws of foreign countries or whose principal offices are located outside of Japan; and
- corporations (1) of which 50% or more of their voting rights are held directly or indirectly by individuals who are exchange non-residents and/or corporations or other organizations (a) that are organized under the laws of foreign countries or (b) whose principal offices are located outside of Japan or (2) a majority of whose officers, or officers having the power of representation, are individuals who are exchange non-residents.

Acquisition of Equity Securities

In general, the acquisition of shares of a Japanese company (such as the shares of capital stock of Toyota) by an exchange non-resident from a resident of Japan is not subject to any prior filing requirements. In certain limited circumstances, however, the Minister of Finance may require prior approval of an acquisition of this type. While prior approval, as described above, is not required, in the case where a resident of Japan transfers shares of a Japanese company (such as the shares of capital stock of Toyota) for consideration exceeding ¥100 million to an exchange non-resident, the resident of Japan who transfers the shares is required to report the transfer to the Minister of Finance within 20 days from the date of the transfer, unless the transfer was made through a bank, securities company or financial futures trader licensed under Japanese law.

If a foreign investor acquires shares of a Japanese company that is listed on a Japanese stock exchange (such as the shares of capital stock of Toyota) and, as a result of the acquisition, the foreign investor, in combination with any existing holdings, directly or indirectly holds 10% or more of the issued shares of the relevant company, the foreign investor, with certain exceptions, must file a report of the acquisition with the Minister of Finance and any other competent Ministers having jurisdiction over that Japanese company by the 15th day of the month following the month in which the date of the acquisition falls. In limited circumstances, such as where the foreign investor is in a country that is not listed on an exemption schedule in the Foreign Exchange Regulations, a prior notification of the acquisition must be filed with the Minister of Finance and any other competent Ministers, who may then modify or prohibit the proposed acquisition.

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Distributions and Proceeds of Sale

Under the Foreign Exchange Regulations, dividends paid on, and the proceeds of sales in Japan of, shares held by non-residents of Japan may in general be converted into any foreign currency and repatriated abroad. Under the terms of the deposit agreement pursuant to which Toyota s ADSs are issued, the Depositary is required, to the extent that in its judgment it can convert yen on a reasonable basis into dollars and transfer the resulting dollars to the United States, to convert all cash dividends that it receives in respect of deposited shares into dollars and to distribute the amount received (after deduction of applicable withholding taxes) to the holders of ADSs.

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MAJOR SHAREHOLDERS

Toyota

As of March 31, 2016, 3,337,997,492 shares of Toyota common stock were issued, out of which 300,321,622 shares were treasury stock and 3,037,675,870 shares were outstanding, and 47,100,000 shares of First Series Model AA Class Shares were issued and outstanding.

Under the Financial Instruments and Exchange Law, any person who becomes, beneficially and solely or jointly, a holder, including, but not limited to, a deemed holder who manages shares for another holder pursuant to a discretionary investment agreement, of more than 5% of the total issued shares of a company listed on a Japanese stock exchange (including ADSs representing such shares) must file a report concerning the shareholding with the director of the relevant local finance bureau. A similar report must be filed, with certain exceptions, if the percentage of shares held by a holder, solely or jointly, of more than 5% of the total issued shares of a company increases or decreases by 1% or more, or if any change to a material matter set forth in any previously filed reports occurs.

Based on information known to Toyota or that can be ascertained from public filings, including filings made by Toyota s shareholders regarding their ownership of Toyota common stock under the Financial Instruments and Exchange Law of Japan, the following table sets forth the beneficial ownership of holders of more than 5% of Toyota common stock as of March 31, 2016.

Name of Beneficial Owner	Number of Shares of Common Stock (in thousands)	Percentage of Voting Shares Issued*
Toyota Industries Corporation	224,515	6.63

* Percentage of Voting Shares Issued is calculated by dividing the Number of Shares of Common Stock by the sum of the number of issued shares of Toyota common stock and the number of issued shares of First Series Model AA Class Shares, holders of which have voting rights exercisable at a general shareholders meeting.

According to The Bank of New York Mellon, depositary for Toyota s ADSs, as of March 31, 2016, 66,933,270 shares of Toyota common stock were held in the form of ADRs and there were ADR holders of record in the United States. According to Toyota s register of shareholders, as of March 31, 2016, there were holders of common stock of record worldwide. As of March 31, 2016, there were record holders of Toyota common stock with addresses in the United States, whose shareholdings represented approximately % of the issued common stock on that date. Because some of these shares were held by brokers or other nominees, the number of record holders with addresses in the United States might not fully show the number of beneficial owners in the United States.

None of Toyota s shares of common stock entitles the holder to any preferential voting rights.

To the extent known to Toyota, Toyota is not owned or controlled, directly or indirectly, by another corporation, any foreign government or any natural or legal person.

Toyota knows of no arrangements the operation of which may at a later time result in a change of control.

Daihatsu

As of March 31, 2016, shares of Daihatsu common stock were issued, out of which shares were treasury stock and shares were outstanding.

Based on information known to Daihatsu or that can be ascertained from public filings, including filings made by Daihatsu s shareholders regarding their ownership of Daihatsu common stock under the Financial Instruments and Exchange Law of Japan, the following table sets forth the beneficial ownership of holders of more than 5% of Daihatsu common stock as of March 31, 2016.

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Name of Beneficial Owner	Number of Shares (in thousands)	Percentage of Shares Issued
Toyota Motor Corporation		

* Including % owned through subsidiaries of Toyota

As of March 31, 2016, shares, representing % of Daihatsu s outstanding common stock, were owned by holders of record with addresses in the United States.

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TAXATION

You are urged to consult your own tax advisor with respect to the United States federal, state and local and the Japanese and other tax consequences of the share exchange and of owning and disposing of Toyota s shares or ADSs in your particular circumstances.

For the purposes of discussion of Japanese and U.S. tax consequences of the share exchange below, the term Treaty shall refer to the current income tax convention between the United States and Japan, as amended; a U.S. Holder shall refer to any beneficial owner of shares of Daihatsu common stock that either receives shares of Toyota common stock pursuant to the share exchange or properly exercises dissenters rights and that is (i) a citizen or individual resident of the United States, as determined for U.S. federal income tax purposes; (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source; or (iv) a trust that is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons, or that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; and an Eligible U.S. Holder shall refer to a U.S. Holder that: (i) is a resident of the United States for purposes of the Treaty; (ii) does not maintain a permanent establishment in Japan (a) with which shares of Toyota common stock or ADSs are effectively connected or (b) of which shares of Toyota common stock or ADSs form part of the business property; and (iii) is eligible for benefits under the Treaty, with respect to income and gain derived in connection with the shares of Toyota common stock or ADSs.

Japanese Tax Consequences

The following is a discussion of the principal Japanese tax consequences (limited to national taxes) of the share exchange and the ownership of shares of Toyota common stock and ADSs to non-resident holders who hold shares of Daihatsu common stock and ultimately of Toyota common stock or ADSs. The discussion is the opinion of TMI Associates, Japanese counsel to Toyota. A non-resident holder means a holder of shares of Daihatsu s or Toyota common stock or ADSs, as the case may be, who holds such shares or ADSs as portfolio investments, and who is a non-resident individual of Japan or a non-Japanese corporation without a permanent establishment in Japan. For purposes of this discussion, a holder of shares or ADSs is considered to own such shares or ADSs, as applicable, as a portfolio investment if the holder owns less than 25% of the total number of the relevant corporation s issued shares.

The statements regarding Japanese tax laws set forth below are based on the laws in force and double taxation conventions applicable as of the date hereof which are subject to change, possibly on a retroactive basis, including changes due to the forthcoming 2016 Annual Tax Reform. This discussion is not exhaustive of all possible tax considerations which may apply to a particular non-resident holder and potential non-resident holders are advised to satisfy themselves as to the overall tax consequences of the share exchange and of the acquisition, ownership and disposition of Toyota s shares or ADSs, including specifically the tax consequences under Japanese law, the laws of the jurisdiction of which they are residents, and any tax treaty between Japan and their country of residence, by consulting their own tax advisors.

Consequences of the Share Exchange

Under the terms of the share exchange, shares of Daihatsu common stock will be exchanged solely for shares of Toyota common stock, and no cash or other property other than shares of Toyota common stock will be distributed to holders of shares of Daihatsu common stock, except that some holders of shares of Daihatsu common stock may receive cash (i) in lieu of fractional shares of Toyota common stock where such fractional shares arise due to the exchange ratio in the share exchange or (ii) as a result of their exercise of dissenters appraisal rights under the

Companies Act.

Except as described in the following paragraph, non-resident holders holding Daihatsu shares as a portfolio investor will not be subject to Japanese taxation with respect to the share exchange.

If holders of shares of Daihatsu common stock receive cash payments of the sale price from Daihatsu as a result of their exercise of dissenters appraisal rights under the Companies Act, the portion of such sale price in excess of the amount corresponding to a pro rata portion of return of capital as determined under Japanese tax laws will be deemed dividends for Japanese tax purposes, and such deemed dividend portion, if any, will generally be subject to Japanese withholding tax. Non-resident holders who wish to exercise dissenters appraisal rights are urged to consult their own tax advisors with respect to the exact tax consequences of their exercise of dissenters appraisal rights. See The Share Exchange Dissenters Appraisal Rights for a further discussion of dissenters appraisal rights of shareholders of Daihatsu common stock.

Ownership and Disposition of Toyota Shares

Generally, a non-resident holder will be subject to Japanese withholding tax on dividends paid by Toyota. Such taxes are withheld prior to payment of dividends as required by Japanese law. Stock splits in themselves generally are not subject to Japanese income tax.

For the purpose of Japanese taxation, a non-resident holder of ADSs of Toyota is generally treated as a beneficial owner of the shares of Toyota common stock underlying the ADSs evidenced by the ADRs. Deposits or withdrawals of shares of Toyota common stock by a non-resident holder in exchange for ADSs are generally not subject to Japanese income or corporation tax.

In the absence of any applicable tax treaty, convention or agreement reducing the maximum rate of Japanese withholding tax, or allowing exemption from Japanese withholding tax, the rate of Japanese withholding tax applicable to dividends paid by a Japanese corporation to non-resident holders is generally 20.42%. However, with respect to dividends paid on listed shares issued by a Japanese corporation (such as shares of Toyota common stock or ADSs) to non-resident holders, except for any individual shareholder who holds 3% or more of the total number of shares issued by the relevant Japanese corporation, the aforementioned 20.42% withholding tax rate is reduced to 15.315% for dividends to be paid on or after January 1, 2014.

At the date of this prospectus, Japan has income tax treaties, conventions or agreements in force, whereby the above-mentioned withholding tax rate is reduced, in most cases to 15% or 10% for portfolio investors (15% under the income tax treaties with, among other countries, Belgium, Canada, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, New Zealand, Norway, Singapore and Spain, and 10% under the income tax treaties with Australia, France, the Netherlands, Sweden, Switzerland, the U.K. and the United States.)

Under the Treaty, the maximum rate of Japanese withholding tax which may be imposed on dividends paid by a Japanese corporation to an Eligible U.S. Holder that is a portfolio investor is generally limited to 10% of the gross amount actually distributed, and dividends paid by a Japanese corporation to an Eligible U.S. Holder that is a pension fund are exempt from Japanese income taxation by way of withholding or otherwise unless such dividends are derived from the carrying on of a business, directly or indirectly, by such pension fund.

If the maximum tax rate provided for in the income tax treaty applicable to dividends paid by Toyota to any particular non-resident holder is lower than the withholding tax rate otherwise applicable under Japanese tax law, or if any particular non-resident holder is exempt from Japanese income tax with respect to such dividends under the income tax treaty applicable to such particular non-resident holder, such non-resident holder of shares of Toyota common stock who is entitled to a reduced rate of or exemption from Japanese withholding tax on payment of dividends is required to submit an Application Form for Income Tax Convention Regarding Relief from Japanese Income Tax on Dividends in advance through the withholding agent to the relevant tax authority before such payment of dividends. A standing proxy for non-resident holders may provide this application service. With respect to ADSs, this reduced rate or exemption is applicable if the Depositary or its agent submits two Application Forms (one before payment of dividends, the other within eight months after the record date concerning such payment of dividends) together with certain other documents to the Japanese tax authority. To claim this reduced rate or exemption, any relevant non-resident holder of ADSs will be required to file a proof of

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taxpayer status, residence and beneficial ownership (as applicable) and to provide other information or documents as may be required by the Depositary. A non-resident holder who is entitled, under an applicable income tax treaty, to a reduced treaty rate lower than the withholding tax rate otherwise applicable under Japanese tax law or an exemption from the withholding tax, but failed to submit the required application in advance will be entitled to claim the refund of withholding taxes withheld in excess of the rate under an applicable tax treaty (if such non-resident holder is entitled to a reduced treaty rate under the applicable income tax treaty) or the whole of the withholding tax withheld (if such non-resident holder is entitled to an exemption under the applicable income tax treaty) from the relevant Japanese tax authority, by complying with a certain subsequent filing procedure. Toyota does not assume any responsibility to ensure withholding at the reduced treaty rate or not withholding for shareholders who would be so eligible under an applicable tax treaty but where the required procedures as stated above are not followed.

Gains derived from the sale or other disposition of shares of Toyota common stock or ADSs outside Japan by a non-resident holder holding such shares or ADSs as a portfolio investor are, in general, not subject to Japanese income or corporation tax under Japanese tax law. Eligible U.S. Holders are not subject to Japanese income or corporation tax with respect to such gains under the Treaty, subject to a certain filing requirement under Japanese law.

Japanese inheritance tax or gift tax at progressive rates may be payable by an individual who has acquired from an individual shares of Toyota common stock or ADSs as legatee, heir or donee even if neither the acquiring individual nor the decedent nor the donor is a Japanese resident.

Holders of Toyota s shares of common stock or ADSs should consult their tax advisors regarding the effect of these taxes and, in the case of U.S. Holders, the possible application of the Estate and Gift Tax Treaty between the U.S. and Japan.

U.S. Federal Income Tax Consequences

The following discussion describes the anticipated U.S. federal income tax consequences to U.S. Holders of the share exchange and of owning Toyota common stock following the share exchange. The discussion is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota. The discussion is applicable to a U.S. Holder that has held shares of Daihatsu common stock as capital assets within the meaning of Section 1221 of the Code, and will hold shares of Toyota common stock as capital assets following the share exchange.

Except where noted, this discussion does not deal with holders that are subject to special rules, such as the following:

- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons liable for the alternative minimum tax;
- banks, financial institutions, insurance companies or mutual funds;

tax-exempt entities;

former citizens or long-term residents of the United States;

persons holding shares of Daihatsu common stock or Toyota common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;

persons owning (directly, indirectly or constructively) 10% or more of the voting shares of Daihatsu;

holders of Daihatsu stock acquisition rights;

- persons who received their shares of Daihatsu common stock upon the exercise of stock acquisition rights or otherwise as compensation for services;

- except as specifically described below, U.S. Holders of shares of Daihatsu common stock that will own (directly, indirectly or constructively) 5% or more of either the total voting power or the total value of the shares of Toyota immediately after the share exchange (5% Transferee Shareholders); or

- persons whose functional currency is not the U.S. dollar.

In addition, the following discussion is based on the provisions of the Code, U.S. Treasury regulations, rulings and judicial decisions issued under the Code as of the date of this registration statement. These authorities may be repealed, revoked or modified, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below. Neither Toyota nor Daihatsu has requested a ruling from the IRS with respect to any of the U.S. federal income tax consequences of the share exchange or any of the other matters discussed herein and, as a result, there can be no assurance that the IRS will not disagree with or challenge any of the conclusions described below, or that such conclusions, if challenged, will be upheld by a court.

This discussion does not contain a detailed description of all the U.S. federal income tax consequences to U.S. Holders in light of their particular circumstances and does not address the effects of any state, local or non-U.S. tax laws (other than Japanese withholding taxes, as specifically described under Ownership and Disposition of Toyota Common Stock Distributions), or other U.S. federal tax consequences, such as U.S. federal estate or gift tax consequences. U.S. Holders are urged to consult their own tax advisors concerning the U.S. federal income tax consequences of the share exchange and the ownership or disposition of shares of Toyota common stock in light of their particular circumstances, as well as any consequences arising under the laws of any other taxing jurisdiction.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds shares of Daihatsu common stock and will hold shares of Toyota common stock after the share exchange, the tax treatment of a partner will depend upon the status of the partner and the activities of the partnership. Partners of a partnership holding such stock should consult their own tax advisors with respect to the U.S. federal tax treatment of the share exchange and of holding shares of Toyota common stock.

For U.S. federal income tax purposes, owners of ADRs evidencing ADSs will be treated as the owners of the shares of Toyota common stock represented by those ADSs, and exchanges of shares of Toyota common stock for ADSs, and exchanges of ADSs for shares of Toyota common stock, will not be subject to U.S. federal income tax. Unless otherwise noted, references in this section to shares of Toyota common stock include shares represented by ADSs.

The Share Exchange

Treatment of the Share Exchange

The share exchange has not been structured to achieve a particular treatment for U.S. federal income tax purposes, and Toyota and Daihatsu have no obligation to structure the share exchange in a manner that is tax-free to U.S. Holders. It is the opinion of Shearman & Sterling LLP, U.S. tax counsel to Toyota, that as the share exchange is structured, it is more likely than not that the share exchange will qualify as a tax-deferred reorganization under the provisions of Section 368(a) of the Code. However, qualification of the share exchange as a reorganization depends on the resolution of issues and facts that will not be known until or after the date of the share exchange. As a result, U.S. tax counsel to Toyota is not able to provide a higher degree of certainty regarding the qualification of the share exchange as a reorganization for U.S. federal income tax purposes. The following sections describe the U.S. federal income tax consequences that will be applicable to a U.S. Holder (i) if the share exchange qualifies as a reorganization and (ii) if the share exchange does not qualify as a reorganization.

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Share Exchange Qualifies as a Reorganization

If the share exchange qualifies as a reorganization, and subject to the discussion under Ownership and Disposition of Shares of Toyota Common Stock Passive Foreign Investment Company Considerations below, no gain or loss will be recognized by a U.S. Holder on the exchange of shares of Daihatsu common stock for shares of Toyota common stock pursuant to the share exchange, except with respect to any cash received in lieu of fractional shares of Toyota common stock. Cash received in lieu of fractional shares of Toyota common stock will be treated as a payment in exchange for the fractional shares of Toyota common stock, resulting in gain or loss equal to the difference between the amount of cash received for the fractional shares of Toyota common stock and the U.S. Holder s adjusted tax basis attributable to the fractional shares of Toyota common stock.

The aggregate tax basis of the shares of Toyota common stock received by the U.S. Holder in exchange for shares of Daihatsu common stock will equal the aggregate tax basis of the U.S. Holder s shares of Daihatsu common stock exchanged in the share exchange, reduced by any tax basis attributable to fractional shares of Toyota common stock treated as exchanged for cash and increased by the amount of gain recognized in the share exchange. The holding period of the shares of Toyota common stock received in the share exchange will include the holding period of the shares of Daihatsu common stock exchanged for the shares of Toyota common stock. If the U.S. Holder acquired different blocks of shares of Daihatsu common stock at different times and at different prices, the tax basis and holding period of the shares of Toyota common stock the U.S. Holder received in the share exchange will be determined separately with respect to each block of the shares of Daihatsu common stock exchanged for shares of Toyota common stock and the shares of Toyota common stock received by the U.S. Holder will be allocated pro rata to each such block of shares.

Any gain or loss recognized by a U.S. Holder upon the share exchange will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder s holding period for the shares of Daihatsu common stock exceeds one year at the time of the share exchange. Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are subject to reduced rates of taxation. Any gain recognized by a U.S. Holder will be treated as U.S. source income for U.S. foreign tax credit purposes. The deductibility of capital losses is subject to complex limitations under the Code.

5% Transferee Shareholders

Additional, special rules will apply to a U.S. Holder that is a 5% Transferee Shareholder following the share exchange if the share exchange qualifies as a reorganization. To avoid the recognition of gain in the share exchange, a 5% Transferee Shareholder will need to enter into a gain recognition agreement in accordance with applicable U.S. Treasury regulations. In addition, the 5% Transferee Shareholder will be required to file certain annual information statements with its U.S. federal income tax returns for each of the first five full taxable years following the taxable year of the share exchange. U.S. Holders that may be 5% Transferee Shareholders following the share exchange should consult their own tax advisors regarding the requirements that may apply to them.

Share Exchange Does Not Qualify as a Reorganization

If the share exchange does not qualify as a reorganization, and subject to the discussion under Ownership and Disposition of Shares of Toyota Common Stock Passive Foreign Investment Company Considerations below, a U.S. Holder that exchanges its shares of Daihatsu common stock for shares of Toyota common stock will recognize gain or loss equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder s adjusted tax basis in the shares of Daihatsu common stock exchanged.

Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder s holding period for the shares of Daihatsu common stock exceeds one year at the time of the share exchange.

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Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are subject to reduced rates of taxation. Any gain recognized by a U.S. Holder will be treated as U.S. source income for U.S. foreign tax credit purposes. The deductibility of capital losses is subject to complex limitations under the Code.

A U.S. Holder s aggregate tax basis in the shares of Toyota common stock received will be the fair market value of those shares on the date the U.S. Holder receives them. The U.S. Holder s holding period for shares of Toyota common stock received in the share exchange will begin on the day after the date the U.S. Holder receives those shares.

Dissenters Rights

Regardless of whether the share exchange qualifies as a reorganization, a U.S. Holder that properly exercises dissenters appraisal rights with respect to shares of Daihatsu common stock will recognize taxable capital gain or loss based upon the difference between the amount of cash received by such U.S. Holder (including any Japanese taxes withheld, as described under Japanese Tax Consequences Consequences of the Share Exchange) and the U.S. Holder s tax basis in the shares of Daihatsu common stock exchanged. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder s holding period for the shares of Daihatsu common stock exceeds one year. Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are subject to reduced rates of taxation. Any gain realized by a U.S. Holder will be treated as U.S. source income for U.S. foreign tax credit purposes. The deductibility of capital losses is subject to complex limitations under the Code.

Records and Reporting Requirements

If the share exchange qualifies as a reorganization, U.S. Holder that is a significant holder within the meaning of U.S. Treasury regulations Section 1.368-3(c)(1) will be required to attach a statement to its U.S. federal income tax return for the year in which the share exchange occurs that contains the information listed in U.S. Treasury regulations Section 1.368-3(b), including the U.S. Holder s tax basis in its shares of Daihatsu common stock and the fair market value of the U.S. Holder s shares of Daihatsu common stock immediately before they were exchanged for shares of Toyota common stock. A significant holder includes a holder of at least 5% (by vote or value) of the stock of a corporation if the stock is publicly traded within the meaning of U.S. Treasury regulations Section 1.368-3(c)(2) or a holder of securities of a corporation with a basis of $1 million or more.

All U.S. Holders should keep records regarding the number, basis and fair market value of their shares of Daihatsu common stock exchanged for shares of Toyota common stock. All U.S. Holders, including any potential 5% Transferee Shareholders, should consult their own tax advisors regarding any record-keeping and reporting requirements applicable to them in respect of the share exchange.

Ownership and Disposition of Shares of Toyota Common Stock

Distributions

Subject to the discussion under Passive Foreign Investment Company Considerations below, the gross amount of distributions paid to a U.S. Holder with respect to shares of Toyota common stock, including any Japanese tax withheld, will be treated as dividend income to the extent paid out of Toyota s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Dividend income will be includible in gross income on the day it is actually or constructively received by the U.S. Holder, in the case of shares of Toyota common stock, or by the depositary, in the case of ADSs. These dividends will not be eligible for the dividends received deduction allowed to corporations under the Code in respect of dividends received from other U.S. corporations. To the extent amounts paid with respect to shares of Toyota common stock exceed Toyota s current and accumulated earnings and profits, those amounts will instead be treated first as a tax-free return of capital to the extent of the U.S. Holder s basis in the shares of Toyota common stock, and thereafter as capital gain.

Subject to the discussion under Passive Foreign Investment Company Considerations below, dividends paid by a qualified foreign corporation to non-corporate U.S. Holders, including individuals, are subject to reduced rates of taxation, provided certain holding period requirements are satisfied. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of an income tax treaty with the United States that meets certain requirements. The U.S. Treasury Department has determined that the Treaty meets these requirements, and it is expected that Toyota will be eligible for the benefits of the Treaty. U.S. Holders should consult their own tax advisors regarding the availability of the reduced tax rate on dividends in their particular circumstances.

The amount of any dividend paid in Japanese yen will equal the U.S. dollar value of the Japanese yen received calculated by reference to the exchange rate in effect on the date the dividend is received by the U.S. Holder, regardless of whether the Japanese yen are converted into U.S. dollars on such date. If the Japanese yen received as a dividend are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Japanese yen equal to their U.S. dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the Japanese yen will be treated as U.S. source ordinary income or loss.

Subject to certain limitations, Japanese tax withheld on dividends will be treated as a foreign tax eligible for credit or deduction against a U.S. Holder s U.S. federal income tax. See Japanese Tax Consequences Ownership and Disposition of Toyota Shares for a discussion of the Japanese withholding tax and, if applicable, how to obtain the reduced withholding tax rate. Special rules apply in determining the U.S. foreign tax credit limitation with respect to dividends received by non-corporate U.S. Holders that are subject to the reduced rates of taxation described above. The decision to claim either a credit or a deduction must be made each year, and will apply to all foreign taxes paid by a U.S. Holder to any foreign country with respect to that year. Dividends paid on shares of Toyota common stock will be treated as income from sources outside the United States and will constitute passive income or, in the case of certain U.S. Holders, general category income for U.S. foreign tax credit purposes. The rules relating to the determination of the U.S. foreign tax credit are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available in their particular circumstances.

Sale or Other Disposition of Shares of Toyota Common Stock

Subject to the discussion under Passive Foreign Investment Company Considerations below, a U.S. Holder will recognize taxable gain or loss on any sale or other taxable disposition of shares of Toyota common stock in an amount equal to the difference between the amount realized for the shares of Toyota common stock and such U.S. Holder s tax basis in the shares of Toyota common stock. The gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder s holding period for the shares of Toyota common stock exceeds one year at the time of sale or other disposition. Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are subject to reduced rates of taxation. The deductibility of capital losses is subject to limitations. Capital gain or loss recognized by a U.S. Holder on the shares of Toyota common stock will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes.

Passive Foreign Investment Company Considerations

Special, unfavorable, U.S. federal income tax rules will apply to U.S. Holders that have held shares of Daihatsu common stock or will hold shares of Toyota common stock if Daihatsu or Toyota has been or is a PFIC at any time during which the U.S. Holder has held or holds shares of Daihatsu common stock or Toyota common stock, and may change the treatment of distributions on and dispositions of shares of Toyota common stock described above and the treatment of the exchange of shares of Daihatsu common stock pursuant to the share exchange. A non-U.S. corporation is classified as a PFIC for U.S. federal income tax purposes in any taxable year if (i) at least 75% of its gross income is passive income or (ii) at least 50% of the gross value of its assets (based on an average of the quarterly values of the assets) is attributable to assets that produce passive income or are held for the production of passive income.

Toyota does not believe that Daihatsu was a PFIC for the fiscal year ended March 31, 2016, and does not expect Daihatsu to be a PFIC for Daihatsu s current fiscal year, based on the expected composition of its income and assets. Neither Toyota nor Daihatsu has made a determination whether Daihatsu was a PFIC for any taxable year ending prior to March 31, 2016. Toyota does not believe that it was a PFIC for U.S. federal income tax purposes for its taxable year ended March 31, 2016, and intends to continue its operations in such a manner that it will not become a PFIC in the future. Because the PFIC determination is made annually after the end of the taxable year and the application of the PFIC rules to a corporation such as Toyota (which among other things is engaged in leasing and financing through several subsidiaries) is not entirely clear, no assurances can be made regarding determination of the PFIC status of either Daihatsu or Toyota in the current or any future taxable year. U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax consequences applicable to their own tax situation.

If the share exchange qualifies as a reorganization and Daihatsu has been a PFIC at any time during the holding period of a U.S. Holder, assuming that Toyota is not a PFIC in the taxable year of the share exchange, as expected, and a U.S. Holder of Daihatsu common stock has not made certain elections with respect to Daihatsu, such a U.S. Holder would likely recognize gain (but not loss) upon the exchange of its shares of Daihatsu common stock for shares of Toyota common stock pursuant to the share exchange. The gain will be equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder s adjusted tax basis in the shares of Daihatsu common stock exchanged. If the share exchange does not qualify as a reorganization and Daihatsu has been a PFIC at any time during the holding period of a U.S. Holder, a U.S. Holder will recognize gain or loss equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder s adjusted tax basis in the shares of Daihatsu common stock exchanged. Further, if Toyota was a PFIC at any time during the holding period of a U.S. Holder, gain on disposition of shares of Toyota common stock and any distribution in excess of 125% of the average of the annual distributions on shares of Toyota common stock received by the U.S. Holder during the preceding three years or the U.S. Holder s holding period (whichever is shorter) would be subject to the PFIC rules. Finally, if Toyota was a PFIC for the taxable year in which a dividend was paid or the preceding year, such dividends would not be eligible for reduced rates of taxation as described above under Distributions.

In each case described in the preceding paragraph, in the absence of certain elections, the gain and any excess distributions will be allocated ratably to each day that the U.S. Holder held the shares of Daihatsu common stock or Toyota common stock (as applicable). Amounts allocated to the current taxable year and to any taxable years before Daihatsu or Toyota (as applicable) became a PFIC will be treated as ordinary income in the U.S. Holder s current taxable year. In addition, amounts allocated to each other taxable year beginning with the taxable year that Daihatsu or Toyota (as applicable) became a PFIC will be taxed at the highest rate in effect for that taxable year on ordinary income. The tax will be subject to an interest charge at the rate applicable to underpayments of income tax. If a U.S. Holder owns shares of Daihatsu common stock or Toyota common stock in any year in which Daihatsu or Toyota is a PFIC, the U.S. Holder will be required to file IRS Form 8621 (or any other form subsequently specified by the U.S. Department of the Treasury) with the U.S. Holder s U.S. federal income tax return.

U.S. Holders should consult their own tax advisors with respect to the U.S. federal income tax consequences applicable to their own tax situation.

Information Reporting and Backup Withholding

Information reporting requirements will apply to (i) cash payments received, if any, in the share exchange, (ii) dividends in respect of shares of Toyota common stock, and (iii) the proceeds received on the sale or other disposition of shares of Toyota common stock within the United States, and, in some cases, outside of the United

States by a U.S. Holder unless such U.S. Holder is an exempt recipient. In addition, backup withholding may

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apply to such amounts if a U.S. Holder fails to provide an accurate taxpayer identification number or fails either to report dividends required to be shown on U.S. federal income tax returns or to make certain certifications. The amount of any backup withholding from a payment may be allowed as a credit against a U.S. Holder s U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

Certain U.S. Holders who are individuals that hold certain foreign financial assets (which may include shares of Toyota common stock) are required to report information relating to such assets, subject to certain exceptions. U.S. Holders should consult their tax advisors regarding the effect, if any, of this reporting requirement on their ownership and disposition of shares of common stock or ADSs.

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COMPARISON OF SHAREHOLDERS RIGHTS

Upon the effectiveness of the share exchange, the shareholders of Daihatsu will become shareholders of Toyota common stock. Both Toyota and Daihatsu are joint stock corporations organized under the laws of Japan. Toyota common stock is traded on the Tokyo Stock Exchange, the Nagoya Stock Exchange and two other regional stock exchanges in Japan and on the London Stock Exchange. Toyota s ADSs, each representing two shares of Toyota common stock, are listed on the NYSE under the ticker symbol TM. Daihatsu common stock is listed on the Tokyo Stock Exchange. In addition, the description of the attributes of shares of common stock in the share capital provisions of the articles of incorporation of Toyota and Daihatsu are substantially similar. As a result, there are no material differences between the rights of holders of Toyota common stock and of Daihatsu common stock from a legal perspective.

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EXPERTS

The consolidated financial statements of Toyota Motor Corporation at March 31, 2014 and 2015 and for each of the three years in the period ended March 31, 2015 and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Annual Report on Internal Control over Financial Reporting) incorporated in this Registration Statement have been so incorporated in reliance on the audit report of PricewaterhouseCoopers Aarata, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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VALIDITY OF TOYOTA SHARES

TMI Associates, Japanese counsel for Toyota, will render an opinion with respect to the validity of the shares of its common stock to be transferred in the share exchange.

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WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form F-4 that Toyota filed with the Securities and Exchange Commission, or the SEC. The registration statement, including the attached exhibits, contains additional relevant information about Toyota. The rules and regulations of the SEC allow Toyota to omit from this prospectus some of the information included in the registration statement.

In addition, as required by the U.S. securities laws, Toyota files annual reports, current reports and other information with the SEC. You may read and copy any document filed with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-(800)-SEC-0330 for further information on the Public Reference Room. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC (http://www.sec.gov). You may also inspect the information Toyota files with the SEC at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. You may also access the SEC filings and obtain other information about Toyota through the website it maintains, which is www.toyota-global.com/investors/ir_library/. The information contained in that website is not incorporated by reference into this prospectus.

Toyota is currently exempt from the rules under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that prescribe the furnishing and content of proxy statements, and Toyota s officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. Toyota is not required under the Exchange Act to publish financial statements as frequently or as promptly as are U.S. companies subject to the Exchange Act. Toyota will, however, continue to furnish its shareholders with annual reports containing audited financial statements and will publish unaudited interim results of operations as well as such other reports as may from time to time be authorized by Toyota s board of directors or as may be otherwise required.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows Toyota to incorporate by reference in this prospectus some or all of the documents Toyota files with the SEC. This means that Toyota can disclose important information to you by referring you to those documents. The information in a document that is incorporated by reference is considered to be a part of this prospectus. Toyota incorporates by reference the following documents or information it has filed with the SEC:

- the annual report on Form 20-F for the fiscal year ended March 31, 2015, filed with the SEC on June 24, 2015;

- the current report on Form 6-K relating to the financial review and results for the interim financial periods ended December 31, 2015 and 2014, filed on February 5, 2016;

- the current report on Form 6-K relating to the financial review and results for the fiscal years ended March 31, 2016 and 2015, filed on May , 2016.

In addition, all documents that Toyota files with the SEC in the future pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, and any future reports on Form 6-K that indicate they are incorporated into this prospectus shall be deemed to be incorporated by reference in this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained in this prospectus or in any subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted

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a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Toyota will provide you without charge upon written or oral request a copy of any of the documents that are incorporated by reference in this prospectus. If you would like Toyota to provide you with any of these documents, please contact Toyota at the following address or telephone number: 1 Toyota-cho, Toyota City, Aichi, 471-8571, Japan, Attention: Financial Reporting Department, Accounting Division, telephone: +81-565-28-2121.

Except as described above, no other information is incorporated by reference in this prospectus (including, without limitation, information on Toyota s website).

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ENFORCEABILITY OF CIVIL LIABILITIES

Toyota is a joint-stock corporation with limited liability incorporated under the laws of Japan. Almost all of Toyota s directors and audit & supervisory board members reside in Japan. Many of Toyota s assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon Toyota or these persons or to enforce against it or these persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. Toyota s Japanese counsel, TMI Associates, has advised it that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated solely upon the federal securities laws of the United States.

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Consolidated Balance Sheets

	Yen in millions	
	March 31, 2015	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	2,284,557	2,486,250
Time deposits	149,321	680,584
Marketable securities	2,782,099	2,046,339
Trade accounts and notes receivable, less allowance for doubtful accounts	2,108,660	1,915,883
Finance receivables, net	6,269,862	6,154,613
Other receivables	420,708	419,990
Inventories	2,137,618	2,104,725
Deferred income taxes	978,179	908,109
Prepaid expenses and other current assets	805,393	1,463,054
Total current assets	17,936,397	18,179,547
Noncurrent finance receivables, net	9,202,531	9,160,158
Investments and other assets:		
Marketable securities and other securities investments	7,632,126	8,013,812
Affiliated companies	2,691,460	2,655,023
Employees receivables	45,206	41,129
Other	926,391	1,024,066
Total investments and other assets	11,295,183	11,734,030
Property, plant and equipment:		
Land	1,354,815	1,362,564
Buildings	4,282,839	4,332,650
Machinery and equipment	10,945,377	11,163,708
Vehicles and equipment on operating leases	5,199,986	5,826,901
Construction in progress	581,412	458,759
Total property, plant and equipment, at cost	22,364,429	23,144,582
Less Accumulated depreciation	(13,068,710)	(13,295,326)
Total property, plant and equipment, net	9,295,719	9,849,256
Total assets	47,729,830	48,922,991

The accompanying notes are an integral part of these consolidated financial statements.

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	Yen in millions	
	March 31, 2015	**December 31, 2015**
Liabilities		
Current liabilities:		
Short-term borrowings	5,048,188	5,137,936
Current portion of long-term debt	3,915,304	4,294,698
Accounts payable	2,410,588	2,154,347
Other payables	913,013	791,110
Accrued expenses	2,668,666	2,629,562
Income taxes payable	348,786	257,484
Other current liabilities	1,126,951	1,227,262
Total current liabilities	16,431,496	16,492,399
Long-term liabilities:		
Long-term debt	10,014,395	10,150,642
Accrued pension and severance costs	880,293	878,789
Deferred income taxes	2,298,469	2,319,184
Other long-term liabilities	457,848	456,135
Total long-term liabilities	13,651,005	13,804,750
Total liabilities	30,082,501	30,297,149
Mezzanine equity		
Model AA Class Shares, no par value, authorized: 0 share at March 31, 2015 and 150,000,000 shares at December 31, 2015 issued: 0 share at March 31, 2015 and 47,100,000 shares at December 31, 2015		477,977
Shareholders equity		
Toyota Motor Corporation shareholders equity:		
Common stock, no par value, authorized: 10,000,000,000 shares at March 31, 2015 and December 31, 2015 issued: 3,417,997,492 shares at March 31, 2015 and 3,337,997,492 shares at December 31, 2015	397,050	397,050
Additional paid-in capital	547,054	546,114
Retained earnings	15,591,947	16,369,731
Accumulated other comprehensive income (loss)	1,477,545	1,346,463
Treasury stock, at cost, 271,183,861 shares at March 31, 2015 and 263,776,915 shares at December 31, 2015	(1,225,465)	(1,371,949)
Total Toyota Motor Corporation shareholders equity	16,788,131	17,287,409
Noncontrolling interests	859,198	860,456

Total shareholders equity	17,647,329	18,147,865
Commitments and contingencies		
Total liabilities, mezzanine equity and shareholders equity	47,729,830	48,922,991

Note: The total number of authorized shares for common stock and Model AA Class Shares is 10,000,000,000 shares.

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Income

	Yen in millions	
	For the first nine months ended December 31, 2014	For the first nine months ended December 31, 2015
Net revenues:		
Sales of products	18,929,509	20,028,604
Financing operations	1,186,105	1,402,766
Total net revenues	20,115,614	21,431,370
Costs and expenses:		
Cost of products sold	15,401,729	16,125,146
Cost of financing operations	663,605	869,334
Selling, general and administrative	1,935,454	2,131,219
Total costs and expenses	18,000,788	19,125,699
Operating income	2,114,826	2,305,671
Other income (expense):		
Interest and dividend income	116,950	135,061
Interest expense	(16,777)	(29,302)
Foreign exchange gain, net	104,286	32,830
Other income (loss), net	36,350	8,652
Total other income (expense)	240,809	147,241
Income before income taxes and equity in earnings of affiliated companies	2,355,635	2,452,912
Provision for income taxes	789,704	736,823
Equity in earnings of affiliated companies	251,037	267,728
Net income	1,816,968	1,983,817
Less Net income attributable to noncontrolling interests	(90,105)	(97,740)
Net income attributable to Toyota Motor Corporation*	1,726,863	1,886,077

* Net income attributable to common shareholders for the first nine months ended December 31, 2015 is 1,881,792 million yen, which is derived by deducting dividend and accretion to Model AA Class Shares of 4,285 million yen from Net income attributable to Toyota Motor Corporation.

	Yen	
Net income attributable to Toyota Motor Corporation per common share		
Basic	545.94	601.44
Diluted	545.68	597.29

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Comprehensive Income

	Yen in millions	
	For the first nine months ended December 31, 2014	**For the first nine months ended December 31, 2015**
Net income	1,816,968	1,983,817
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	517,169	(147,185)
Unrealized gains (losses) on securities	547,683	(10,286)
Pension liability adjustments	436	3,356
Total other comprehensive income (loss)	1,065,288	(154,115)
Comprehensive income	2,882,256	1,829,702
Less Comprehensive income attributable to noncontrolling interests	(126,420)	(74,707)
Comprehensive income attributable to Toyota Motor Corporation	2,755,836	1,754,995

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Shareholders Equity

	Yen in millions							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total Toyota Motor Corporation shareholders equity	Noncontrolling interests	Total shareholders equity
Balances at March 31, 2015	397,050	547,054	15,591,947	1,477,545	(1,225,465)	16,788,131	859,198	17,647,329
Equity transaction with noncontrolling interests and other		(291)				(291)	(408)	(699)
Comprehensive income								
Net income			1,886,077			1,886,077	97,740	1,983,817
Other comprehensive income (loss)								
Foreign currency translation adjustments				(126,010)		(126,010)	(21,175)	(147,185)
Unrealized gains (losses) on securities				(8,725)		(8,725)	(1,561)	(10,286)
Pension liability adjustments				3,653		3,653	(297)	3,356
Total comprehensive income						1,754,995	74,707	1,829,702
Accretion to Mezzanine equity			(2,448)			(2,448)		(2,448)
Dividends to Toyota Motor Corporation class			(1,837)			(1,837)		(1,837)

shareholders								
Dividends paid to Toyota Motor Corporation common shareholders			(704,728)			(704,728)		(704,728)
Dividends paid to noncontrolling interests							(73,041)	(73,041)
Repurchase of treasury stock					(550,157)	(550,157)		(550,157)
Reissuance of treasury stock		608			3,136	3,744		3,744
Retirement of treasury stock		(1,257)	(399,280)		400,537			
Balances at December 31, 2015	397,050	546,114	16,369,731	1,346,463	(1,371,949)	17,287,409	860,456	18,147,865

The accompanying notes are an integral part of these consolidated financial statements.

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Condensed Consolidated Statement of Cash Flows

	Yen in millions	
	For the first nine months ended December 31, 2014	**For the first nine months ended December 31, 2015**
Cash flows from operating activities:		
Net income	1,816,968	1,983,817
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	1,017,636	1,229,429
Provision for doubtful accounts and credit losses	51,466	71,410
Pension and severance costs, less payments	21,986	18,151
Losses on disposal of fixed assets	19,197	23,717
Unrealized losses on available-for-sale securities, net	2,488	8,127
Deferred income taxes	83,752	93,655
Equity in earnings of affiliated companies	(251,037)	(267,728)
Changes in operating assets and liabilities, and other	(424,845)	(94,705)
Net cash provided by operating activities	2,337,611	3,065,873
Cash flows from investing activities:		
Additions to finance receivables	(9,873,674)	(10,404,240)
Collection of and proceeds from sales of finance receivables	9,252,856	9,926,216
Additions to fixed assets excluding equipment leased to others	(753,621)	(937,146)
Additions to equipment leased to others	(1,619,741)	(2,111,378)
Proceeds from sales of fixed assets excluding equipment leased to others	31,714	28,113
Proceeds from sales of equipment leased to others	569,739	802,473
Purchases of marketable securities and security investments	(1,890,945)	(1,921,156)
Proceeds from sales of and maturity of marketable securities and security investments	1,945,071	2,401,360
Changes in investments and other assets, and other	80,906	(724,653)
Net cash used in investing activities	(2,257,695)	(2,940,411)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	3,256,589	3,606,030
Payments of long-term debt	(2,222,231)	(2,811,811)
Increase in short-term borrowings	84,703	187,139
Proceeds from issuance of class shares		474,917
Dividends paid to Toyota Motor Corporation class shareholders		(1,225)
	(554,933)	(704,728)

Dividends paid to Toyota Motor Corporation common shareholders		
Dividends paid to noncontrolling interests	(69,188)	(73,041)
Reissuance (repurchase) of treasury stock	(354,233)	(546,413)
Net cash provided by financing activities	140,707	130,868
Effect of exchange rate changes on cash and cash equivalents	136,373	(54,637)
Net increase in cash and cash equivalents	356,996	201,693
Cash and cash equivalents at beginning of period	2,041,170	2,284,557
Cash and cash equivalents at end of period	2,398,166	2,486,250

The accompanying notes are an integral part of these consolidated financial statements.

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1. Basis of preparation:

The accompanying unaudited condensed consolidated financial statements of Toyota Motor Corporation (the parent company) as of and for the periods ended December 31, 2015, have been prepared in accordance with U.S. generally accepted accounting principles (U.S.GAAP). The unaudited condensed consolidated financial statements should be read in conjunction with the Annual Report on Form 20-F for the year ended March 31, 2015. The unaudited condensed consolidated financial statements reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the result for that period and the financial condition at that date. The consolidated results for the nine-month period are not necessarily indicative of results to be expected for the full year.

2. Accounting changes and recent pronouncements to be adopted in future periods:

Accounting changes -

In April 2014, the Financial Accounting Standards Board (FASB) issued updated guidance on reporting discontinued operations and disclosures of disposals of components of an entity. Under the new guidance, only disposals that represent a strategic shift and that have (or will have) a major effect on an entity s operations and financial results should be presented as discontinued operations. The parent company and its consolidated subsidiaries (Toyota) adopted this guidance on April 1, 2015. The adoption of this guidance did not have a material impact on Toyota s consolidated financial statements.

Recent pronouncements to be adopted in future periods -

In May 2014, the FASB issued updated guidance on the recognition of revenue from contracts with customers. This guidance will supersede the current revenue recognition guidance. In August 2015, the FASB issued updated guidance on the deferral of the effective date. As a result, this guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Management is evaluating the impact of adopting this guidance on Toyota s consolidated financial statements.

In February 2015, the FASB issued updated guidance that amends the analysis a reporting entity must perform to determine whether it should consolidate certain legal entities. This guidance is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Management is evaluating the impact of adopting this guidance on Toyota s consolidated financial statements.

In April 2015, the FASB issued updated guidance that requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of being presented as an asset. In August 2015, the FASB issued an additional update which clarifies that debt issuance costs for line of credit agreements may continue to be deferred and amortized. This guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Management does not expect this guidance to have a material impact on Toyota s consolidated financial statements.

In April 2015, the FASB issued updated guidance to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement. This guidance is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. Management is evaluating the impact of adopting this guidance on Toyota s consolidated financial statements.

In July 2015, the FASB issued updated guidance to simplify the measurement of inventory. This guidance is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Management is evaluating the impact of adopting this guidance on Toyota s consolidated financial statements.

In November 2015, the FASB issued updated guidance to simplify the balance sheet classification of deferred taxes. This guidance will require that deferred tax assets and liabilities be classified as noncurrent on the balance sheet. This guidance is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Current deferred tax assets were ¥908.1 billion and current deferred tax liabilities were ¥39.2 billion, as of December 31, 2015.

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In January 2016, the FASB issued updated guidance for financial instruments. This guidance addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments and will require entities to measure equity investments at fair value and recognize any changes in fair value in net income. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Management is evaluating the impact of adopting this guidance on Toyota s consolidated financial statements.

In February 2016, the FASB issued updated guidance for leases. This guidance will require lessees to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. This guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Management is evaluating the impact of adopting this guidance on Toyota s consolidated financial statements.

3. Accounting procedures specific to quarterly consolidated financial statements:
Provision for income taxes -

The provision for income taxes is computed by multiplying income before income taxes and equity in earnings of affiliated companies for the first nine months by estimated annual effective tax rates. These estimated annual effective tax rates reflect anticipated investment tax credits, foreign tax credits and other items, including changes in valuation allowances, that are expected to affect estimated annual effective tax rates.

4. Marketable securities and other securities investments:
Marketable securities and other securities investments include public and corporate bonds and common stocks for which the aggregate cost, gross unrealized gains and losses and fair value are as follows:

	Yen in millions March 31, 2015			
	Cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Available-for-sale				
Public and corporate bonds	6,848,348	337,341	4,738	7,180,951
Common stocks	621,750	2,083,164	100	2,704,814
Other	387,085	43,649	12	430,722
Total	7,857,183	2,464,154	4,850	10,316,487
Securities not practicable to determine fair value				
Public and corporate bonds	20,404			
Common stocks	77,334			
Total	97,738			

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	Yen in millions December 31, 2015			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale				
Public and corporate bonds	6,261,883	286,280	8,573	6,539,590
Common stocks	622,251	2,248,392	119	2,870,524
Other	525,316	30,778	865	555,229
Total	7,409,450	2,565,450	9,557	9,965,343
Securities not practicable to determine fair value				
Public and corporate bonds	22,850			
Common stocks	71,958			
Total	94,808			

Public and corporate bonds included in available-for-sale represent 43% of Japanese bonds, and 57% of U.S., European and other bonds as of March 31, 2015, and 37% of Japanese bonds, and 63% of U.S., European and other bonds as of December 31, 2015. Listed stocks on the Japanese stock markets represent 88% and 91% of common stocks which are included in available-for-sale as of March 31, 2015 and December 31, 2015, respectively. Public and corporate bonds include government bonds, and Other includes investment trusts.

Unrealized losses continuing less than or over a 12 month period or more in the aggregate were not material as of March 31, 2015 and December 31, 2015.

As of March 31, 2015 and December 31, 2015, maturities of public and corporate bonds included in available-for-sale are mainly from 1 to 10 years.

Proceeds from sales of available-for-sale securities were ¥67,501 million and ¥77,946 million for the first nine months ended December 31, 2014 and 2015, respectively. On those sales, gross realized gains were ¥16,755 million and ¥7,080 million and gross realized losses were ¥50 million and ¥248 million, respectively.

During the first nine months ended December 31, 2014 and 2015, Toyota recognized impairment losses on available-for-sale securities of ¥2,488 million and ¥8,127 million, respectively, which are included in Other income (loss), net and other in the accompanying consolidated statements of income.

In the ordinary course of business, Toyota maintains long-term investment securities, included in Marketable securities and other securities investments and issued by a number of non-public companies which are recorded at cost, as their fair values were not readily determinable. Management employs a systematic methodology to assess the recoverability of such investments by reviewing the financial viability of the underlying companies and the prevailing market conditions in which these companies operate to determine if Toyota s investment in each individual company is impaired and whether the impairment is other-than-temporary. Toyota periodically performs this impairment test for significant investments recorded at cost. If the impairment is determined to be other-than-temporary, the carrying value of the investment is written-down by the impaired amount and the losses are recognized currently in operations.

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5. Finance receivables:

Finance receivables consist of the following:

	Yen in millions	
	March 31, 2015	December 31, 2015
Retail	12,015,844	11,888,804
Finance leases	1,158,361	1,152,842
Wholesale and other dealer loans	3,124,079	3,044,592
	16,298,284	16,086,238
Deferred origination costs	179,905	179,019
Unearned income	(837,124)	(791,696)
Allowance for credit losses		
Retail	(109,316)	(100,385)
Finance leases	(29,303)	(26,778)
Wholesale and other dealer loans	(30,053)	(31,627)
Total allowance for credit losses	(168,672)	(158,790)
Total finance receivables, net	15,472,393	15,314,771
Less Current portion	(6,269,862)	(6,154,613)
Noncurrent finance receivables, net	9,202,531	9,160,158

Finance receivables were geographically distributed as follows: in North America 59.3%, in Asia 12.8%, in Europe 9.5%, in Japan 7.9% and in Other 10.5% as of March 31, 2015, and in North America 59.7%, in Asia 12.2%, in Europe 9.9%, in Japan 8.2% and in Other 10.0% as of December 31, 2015.

The contractual maturities of retail receivables, the future minimum lease payments on finance leases and the contractual maturities of wholesale and other dealer loans at December 31, 2015 are summarized as follows:

	Yen in millions		
First nine months ending December 31,	Retail	Finance leases	Wholesale and other dealer loans
2016	3,947,462	300,772	2,225,104
2017	2,916,153	229,976	295,535
2018	2,296,304	173,256	181,211
2019	1,520,393	84,060	99,106
2020	787,943	28,791	108,485
Thereafter	420,549	5,018	135,151
	11,888,804	821,873	3,044,592

Finance leases consist of the following:

	Yen in millions	
	March 31, 2015	December 31, 2015
Minimum lease payments	835,491	821,873
Estimated unguaranteed residual values	322,870	330,969
	1,158,361	1,152,842
Deferred origination costs	4,791	5,358
Less Unearned income	(98,915)	(98,360)
Less Allowance for credit losses	(29,303)	(26,778)
Finance leases, net	1,034,934	1,033,062

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Toyota is exposed to credit risk on Toyota s finance receivables. Credit risk is the risk of loss arising from the failure of customers or dealers to meet the terms of their contracts with Toyota or otherwise fail to perform as agreed. Toyota estimates allowance for credit losses by variety of credit-risk evaluation process to cover probable and estimable losses above.

The table below shows the amount of the finance receivables segregated into aging categories based on the number of days outstanding as of March 31, 2015 and December 31, 2015:

	Yen in millions March 31, 2015				
	Retail	Finance leases	Wholesale	Real estate	Working capital
Current	11,821,070	1,147,488	1,540,395	854,791	728,689
30-59 days past due	129,649	4,179	2	70	
60-89 days past due	29,552	1,985			
90 days or greater past due	35,573	4,709		26	106
Total	12,015,844	1,158,361	1,540,397	854,887	728,795

	Yen in millions December 31, 2015				
	Retail	Finance leases	Wholesale	Real estate	Working capital
Current	11,656,059	1,142,651	1,433,542	872,843	737,493
30-59 days past due	156,784	3,738			
60-89 days past due	37,729	1,223	28		
90 days or greater past due	38,232	5,230	10	290	386
Total	11,888,804	1,152,842	1,433,580	873,133	737,879

The tables below show the recorded investment for each credit quality of the finance receivable within the wholesale and other dealer loan receivables portfolio segment in the United States and other regions as of March 31, 2015 and December 31, 2015:

United States

The wholesale and other dealer loan receivables portfolio segment is primarily segregated into credit qualities below based on internal risk assessments by dealers.

Performing:	Account not classified as either Credit Watch, At Risk or Default
Credit Watch:	Account designated for elevated attention
At Risk:	

Account where there is an increased likelihood that default may exist based on qualitative and quantitative factors

Default: Account is not currently meeting contractual obligations or we have temporarily waived certain contractual requirements

	Yen in millions March 31, 2015			
	Wholesale	Real estate	Working capital	Total
Performing	960,542	454,451	197,369	1,612,362
Credit Watch	136,537	101,221	21,197	258,955
At Risk	7,230	4,476	3,806	15,512
Default	4,340	482	273	5,095
Total	1,108,649	560,630	222,645	1,891,924

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	Yen in millions			
	December 31, 2015			
	Wholesale	Real estate	Working capital	Total
Performing	916,877	472,550	202,866	1,592,293
Credit Watch	96,729	85,030	26,896	208,655
At Risk	10,252	7,960	1,568	19,780
Default	2,292	6,634	723	9,649
Total	1,026,150	572,174	232,053	1,830,377

Other regions

Credit qualities of the wholesale and other dealer loan receivables portfolio segment in other regions are also monitored based on internal risk assessments by dealers on a consistent basis as in the United States. These accounts classified as Credit Watch or At Risk were not significant in other regions, and consequently the tables below summarize information for two categories, Performing and Default .

	Yen in millions			
	March 31, 2015			
	Wholesale	Real estate	Working capital	Total
Performing	428,889	292,007	505,675	1,226,571
Default	2,859	2,250	475	5,584
Total	431,748	294,257	506,150	1,232,155

	Yen in millions			
	December 31, 2015			
	Wholesale	Real estate	Working capital	Total
Performing	405,323	296,845	505,125	1,207,293
Default	2,107	4,114	701	6,922
Total	407,430	300,959	505,826	1,214,215

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The tables below summarize information about impaired finance receivables:

	Yen in millions					
	Recorded investment		Unpaid principal balance		Individually evaluated allowance	
	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015
Impaired account balances individually evaluated for impairment with an allowance:						
Wholesale	11,810	11,665	11,810	11,665	2,387	1,608
Real estate	8,136	15,092	8,136	15,092	2,054	2,030
Working capital	4,881	5,080	4,881	5,080	4,376	4,631
Total	24,827	31,837	24,827	31,837	8,817	8,269
Impaired account balances individually evaluated for impairment without an allowance:						
Wholesale	13,644	19,963	13,644	19,963		
Real estate	10,935	11,998	10,935	11,998		
Working capital	312	646	312	646		
Total	24,891	32,607	24,891	32,607		
Impaired account balances aggregated and evaluated for impairment:						
Retail	32,907	30,697	32,541	30,285		
Finance leases	118	77	104	64		
Total	33,025	30,774	32,645	30,349		
Total impaired account balances:						
Retail	32,907	30,697	32,541	30,285		
Finance leases	118	77	104	64		
Wholesale	25,454	31,628	25,454	31,628		
Real estate	19,071	27,090	19,071	27,090		
Working capital	5,193	5,726	5,193	5,726		
Total	82,743	95,218	82,363	94,793		

As of March 31, 2015 and December 31, 2015, the impaired finance receivables balance for accounts in the dealer products portfolio segment that were on nonaccrual status was ¥33,802 million and ¥41,420 million, respectively, and there were no charge-offs against the allowance for credit losses for these finance receivables. Therefore, the impaired finance receivables balance is equal to the unpaid principal balance. As of March 31, 2015 and December 31, 2015, impaired finance receivables in the retail portfolio segment recorded at the fair value of the collateral less estimated selling costs were insignificant and therefore excluded from the table above.

	Yen in millions			
	Average impaired finance receivables		Interest income recognized	
	For the first nine months ended December 31,		For the first nine months ended December 31,	
	2014	2015	2014	2015
Total impaired account balances:				
Retail	33,159	32,234	1,814	1,668
Finance leases	147	97	3	2
Wholesale	11,021	27,662	107	365
Real estate	13,530	22,770	213	609
Working capital	3,419	5,633	107	122
Total	61,276	88,396	2,244	2,766

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The amount of finance receivables modified as a troubled debt restructuring for the first nine months ended December 31, 2015 was not significant for all classes of finance receivables. Finance receivables modified as troubled debt restructurings for the first nine months ended December 31, 2015 and for which there was a payment default were not significant for all classes of such receivables.

6. Inventories:

Inventories consist of the following:

	Yen in millions	
	March 31, 2015	**December 31, 2015**
Finished goods	1,365,818	1,322,536
Raw materials	401,040	382,818
Work in process	270,113	293,431
Supplies and other	100,647	105,940
Total	2,137,618	2,104,725

7. Product warranties and recalls and other safety measures:

Toyota provides product warranties for certain defects mainly resulting from manufacturing based on warranty contracts with its customers at the time of sale of products. Toyota accrues estimated warranty costs to be incurred in the future in accordance with the warranty contracts. In addition to product warranties, Toyota initiates recalls and other safety measures to repair or to replace parts which might be expected to fail from products safety perspectives or customer satisfaction standpoints. Toyota accrues for costs of recalls and other safety measures at the time of vehicle sale based on the amount estimated from historical experience.

Liabilities for product warranties and liabilities for recalls and other safety measures have been combined into a single table showing an aggregate liability for quality assurances due to the fact that both are liabilities for costs to repair or replace defects of vehicles and the amounts incurred for recalls and other safety measures may affect the amounts incurred for product warranties and vice versa.

Liabilities for quality assurances are included in Accrued expenses in the consolidated balance sheets.

The net changes in liabilities for quality assurances above for the first nine months ended December 31, 2014 and 2015 consist of the following:

	Yen in millions For the first nine months ended December 31,	
	2014	**2015**

Liabilities for quality assurances at beginning of year	1,154,021	1,328,916
Payments made during year	(395,941)	(377,375)
Provision for quality assurances	519,807	527,750
Changes relating to pre-existing quality assurances	(19,847)	(37,896)
Other	29,880	(7,222)
Liabilities for quality assurances at end of the first nine months	1,287,920	1,434,173

Other primarily includes the impact of currency translation adjustments and the impact of consolidation and deconsolidation of certain entities due to changes in ownership interest.

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The table below shows the net changes in liabilities for recalls and other safety measures which are comprised in liabilities for quality assurances above for the first nine months ended December 31, 2014 and 2015.

	Yen in millions For the first nine months ended December 31,	
	2014	2015
Liabilities for recalls and other safety measures at beginning of year	680,475	755,050
Payments made during year	(287,706)	(268,440)
Provision for recalls and other safety measures	304,014	435,591
Other	9,359	141
Liabilities for recalls and other safety measures at end of the first nine months	706,142	922,342

8. Accumulated other comprehensive income:

Changes in accumulated other comprehensive income (loss) are as follows:

	Yen in millions			
	Foreign currency translation adjustments	Unrealized gains (losses) on securities	Pension liability adjustments	Accumulated other comprehensive income (loss)
For the first nine months ended December 31, 2014				
Balance at March 31, 2014	(516,538)	1,160,563	(115,864)	528,161
Other comprehensive income (loss) before reclassifications	517,169	561,731	(1,102)	1,077,798
Reclassifications		(14,048)	1,538	(12,510)
Other comprehensive income (loss), net of tax	517,169	547,683	436	1,065,288
Less Other comprehensive income attributable to noncontrolling interests	(30,737)	(5,929)	351	(36,315)
Balance at December 31, 2014	(30,106)	1,702,317	(115,077)	1,557,134
For the first nine months ended December 31, 2015				
Balance at March 31, 2015	(136,090)	1,727,565	(113,930)	1,477,545

Other comprehensive income (loss) before reclassifications	(166,210)	5,390	(698)	(161,518)
Reclassifications	19,025	(15,676)	4,054	7,403
Other comprehensive income (loss), net of tax	(147,185)	(10,286)	3,356	(154,115)
Less Other comprehensive income attributable to noncontrolling interests	21,175	1,561	297	23,033
Balance at December 31, 2015	(262,100)	1,718,840	(110,277)	1,346,463

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Reclassifications consist of the following:

	Yen in millions		
	For the first nine months ended December 31, 2014	**For the first nine months ended December 31, 2015**	**Affected line items in the consolidated statements of income**
Foreign currency translation adjustments:			
		19,025	Other income, net
		19,025	Income before income taxes and equity in earnings of affiliated companies
			Provision for income taxes
		19,025	Net income
Unrealized gains (losses) on securities:			
	(5,869)	1,230	Financing operations
	(8,271)	(22,971)	Foreign exchange gain, net
	(8,348)	(1,155)	Other income, net
	(22,488)	(22,896)	Income before income taxes and equity in earnings of affiliated companies
	8,439	7,256	Provision for income taxes
	1	(36)	Equity in earnings of affiliated companies
	(14,048)	(15,676)	Net income
Pension liability adjustments:			
Recognized net actuarial loss	5,800	9,712	*1
Amortization of prior service costs	(3,491)	(3,191)	*1
	2,309	6,521	Income before income taxes and equity in earnings of affiliated companies
	(771)	(2,467)	Provision for income taxes
	1,538	4,054	Net income
Total reclassifications, net of tax	(12,510)	7,403	

Amounts of reclassifications in parentheses indicate gains in the consolidated statements of income.

*1: These components are included in the computation of net periodic pension cost.

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9. Employee benefit plans:

Components of the net periodic pension cost are as follows:

	Yen in millions For the first nine months ended December 31,	
	2014	**2015**
Service cost	85,802	84,366
Interest cost	45,038	34,307
Expected return on plan assets	(54,029)	(52,735)
Amortization of prior service costs	(3,491)	(3,191)
Recognized net actuarial loss	5,800	9,712
Amortization of net transition obligation		
Net periodic pension cost	79,120	72,459

10. Derivative financial instruments:

Toyota employs derivative financial instruments, including foreign exchange forward contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements and interest rate options to manage its exposure to fluctuations in interest rates and foreign currency exchange rates. Toyota does not use derivatives for speculation or trading.

Fair value hedges -

Toyota enters into interest rate swaps and interest rate currency swap agreements mainly to convert its fixed-rate debt to variable-rate debt. Toyota uses interest rate swap agreements in managing interest rate risk exposure. Interest rate swap agreements are executed as either an integral part of specific debt transactions or on a portfolio basis. Toyota uses interest rate currency swap agreements to hedge exposure to currency exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies. Notes and loans payable issued in foreign currencies are hedged by concurrently executing interest rate currency swap agreements, which involve the exchange of foreign currency principal and interest obligations for each functional currency obligations at agreed-upon currency exchange and interest rates.

For the first nine months ended December 31, 2014 and 2015, the ineffective portion of Toyota s fair value hedge relationships was not material. For fair value hedging relationships, the components of each derivative s gain or loss are included in the assessment of hedge effectiveness.

Undesignated derivative financial instruments -

Toyota uses foreign exchange forward contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements, and interest rate options, to manage its exposure to foreign currency exchange rate fluctuations and interest rate fluctuations from an economic perspective, and for some of which Toyota is unable to or has elected not to apply hedge accounting.

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Fair value and gains or losses on derivative financial instruments -

The following table summarizes the fair values of derivative financial instruments as of March 31, 2015 and December 31, 2015:

	Yen in millions	
	March 31, 2015	**December 31, 2015**
Derivative assets		
Derivative financial instruments designated as hedging instruments		
Interest rate and currency swap agreements		
Prepaid expenses and other current assets	527	
Investments and other assets Other	2,880	2,425
Total	3,407	2,425
Undesignated derivative financial instruments		
Interest rate and currency swap agreements		
Prepaid expenses and other current assets	57,915	116,588
Investments and other assets Other	242,404	268,336
Total	300,319	384,924
Foreign exchange forward and option contracts		
Prepaid expenses and other current assets	35,594	21,228
Investments and other assets Other		
Total	35,594	21,228
Total derivative assets	339,320	408,577
Counterparty netting	(117,794)	(91,977)
Collateral received	(76,891)	(55,526)
Carrying value of derivative assets	144,635	261,074
Derivative liabilities		
Derivative financial instruments designated as hedging instruments		
Interest rate and currency swap agreements		
Other current liabilities	(4,793)	(6,652)
Other long-term liabilities	(401)	(485)
Total	(5,194)	(7,137)
Undesignated derivative financial instruments		
Interest rate and currency swap agreements		

Other current liabilities	(94,801)	(68,689)
Other long-term liabilities	(253,428)	(241,305)
Total	(348,229)	(309,994)
Foreign exchange forward and option contracts		
Other current liabilities	(7,307)	(6,344)
Other long-term liabilities	(1)	
Total	(7,308)	(6,344)
Total derivative liabilities	(360,731)	(323,475)
Counterparty netting	117,794	91,977
Collateral posted	213,937	211,003
Carrying value of derivative liabilities	(29,000)	(20,495)

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The following table summarizes the notional amounts of derivative financial instruments as of March 31, 2015 and December 31, 2015:

	Yen in millions			
	March 31, 2015		December 31, 2015	
	Designated derivative financial instruments	Undesignated derivative financial instruments	Designated derivative financial instruments	Undesignated derivative financial instruments
Interest rate and currency swap agreements	85,561	18,634,479	62,958	19,248,273
Foreign exchange forward and option contracts		2,625,106		2,596,231
Total	85,561	21,259,585	62,958	21,844,504

The following table summarizes the gains and losses on derivative financial instruments and hedged items reported in the consolidated statements of income for the first nine months ended December 31, 2014 and 2015:

	Yen in millions			
	For the first nine months ended December 31, 2014		For the first nine months ended December 31, 2015	
	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items
Derivative financial instruments designated as hedging instruments				
Interest rate and currency swap agreements				
Cost of financing operations	(13,691)	13,781	(2,923)	2,924
Undesignated derivative financial instruments				
Interest rate and currency swap agreements				
Cost of financing operations	1,480		101,395	
Foreign exchange gain (loss), net	3,851		6,934	
Foreign exchange forward and option contracts				
Cost of financing operations	14,104		5,072	
Foreign exchange gain (loss), net	(50,647)		43,521	

Undesignated derivative financial instruments are used to manage economic risks of fluctuations in foreign currency exchange rates and interest rates of certain receivables and payables. Those economic risks are offset by changes in the fair value of undesignated derivative financial instruments.

Cash flows from transactions of derivative financial instruments are included in cash flows from operating activities in the consolidated statements of cash flows.

Credit risk related contingent features -

Toyota enters into International Swaps and Derivatives Association Master Agreements with counterparties. These Master Agreements contain a provision requiring either Toyota or the counterparty to settle the contract or to post assets to the other party in the event of a ratings downgrade below a specified threshold.

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The aggregate fair value amount of derivative financial instruments that contain credit risk related contingent features that are in a net liability position after being offset by cash collateral as of December 31, 2015 is ¥10,898 million. The aggregate fair value amount of assets that are already posted as cash collateral as of December 31, 2015 is ¥195,147 million. If the ratings of Toyota decline below specified thresholds, the maximum amount of assets to be posted or for which Toyota could be required to settle the contracts is ¥10,898 million as of December 31, 2015.

11. Other financial instruments:

Toyota has certain financial instruments, including financial assets and liabilities which arose in the normal course of business. These financial instruments are executed with creditworthy financial institutions, and virtually all foreign currency contracts are denominated in U.S. dollars, euros and other currencies of major developed countries. Financial instruments involve, to varying degrees, market risk as instruments are subject to price fluctuations, and elements of credit risk in the event a counterparty should default. In the unlikely event the counterparties fail to meet the contractual terms of a foreign currency or an interest rate instrument, Toyota s risk is limited to the fair value of the instrument. Although Toyota may be exposed to losses in the event of non-performance by counterparties on financial instruments, it does not anticipate significant losses due to the nature of its counterparties. Counterparties to Toyota s financial instruments represent, in general, international financial institutions. Additionally, Toyota does not have a significant exposure to any individual counterparty. Toyota believes that the overall credit risk related to its financial instruments is not significant.

The following table summarizes the estimated fair values of Toyota s financial instruments, excluding marketable securities, other securities investments, investments and other assets in affiliated companies and derivative financial instruments. See note 15 to the consolidated financial statements for three levels of input which are used to measure fair value.

	Yen in millions March 31, 2015				
		Estimated fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Assets (Liabilities)					
Cash and cash equivalents	2,284,557	1,936,070	348,487		2,284,557
Time deposits	149,321		149,321		149,321
Total finance receivables, net	14,437,459			14,656,825	14,656,825
Other receivables	420,708			420,708	420,708
Short-term borrowings	(5,048,188)		(5,044,376)	(3,812)	(5,048,188)
Long-term debt including the current portion	(13,910,240)		(12,589,871)	(1,568,144)	(14,158,015)

	Yen in millions December 31, 2015				
		Estimated fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Assets (Liabilities)					

Cash and cash equivalents	2,486,250	2,212,880	273,370		2,486,250
Time deposits	680,584		680,584		680,584
Total finance receivables, net	14,281,709			14,314,632	14,314,632
Other receivables	419,990			419,990	419,990
Short-term borrowings	(5,137,936)		(5,137,842)	(94)	(5,137,936)
Long-term debt including the current portion	(14,424,608)		(12,586,988)	(2,010,794)	(14,597,782)

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Cash and cash equivalents and time deposits -

In the normal course of business, substantially all cash and cash equivalents and time deposits are highly liquid and are carried at amounts which approximate fair value due to its short duration. Cash equivalents and time deposits include negotiable certificate of deposit measured at fair value on a recurring basis. Where money market funds produce a daily net asset value in an active market, this value is used to determine the fair value of the fund investment, and the investment is classified in Level 1. All other types of cash and cash equivalents and time deposits are classified in Level 2.

Finance receivables, net -

The fair values of finance receivables are estimated by discounting expected cash flows to present value using internal assumptions, including prepayment speeds, expected credit losses and collateral value. Certain impaired finance receivables are measured at fair value on a nonrecurring basis based on collateral values.

As unobservable inputs are utilized, finance receivables are classified in Level 3.

Other receivables -

Other receivables are short-term receivables. These receivables are carried at amounts which approximate fair value, and the difference between the carrying amount and the fair value is not material. These receivables are classified in Level 3.

Short-term borrowings and long-term debt -

The fair values of short-term borrowings and long-term debt including the current portion, except for secured loans provided by securitization transactions using special-purpose entities, are estimated based on the discounted amounts of future cash flows using Toyota s current borrowing rates for similar liabilities. As these inputs are observable, these debts are classified in Level 2.

The fair values of the secured loans provided by securitization transactions are estimated based on current market rates and credit spreads for debt with similar maturities. Internal assumptions including prepayment speeds and expected credit losses are used to estimate the timing of cash flows to be paid on the underlying securitized assets. As these valuations utilize unobservable inputs, the secured loans are classified in Level 3.

12. Contingencies:

Guarantees -

Toyota enters into contracts with Toyota dealers to guarantee customers payments of their installment payables that arise from installment contracts between customers and Toyota dealers, as and when requested by Toyota dealers. Toyota is required to execute its guarantee primarily when customers are unable to make required payments. The maximum potential amount of future payments as of December 31, 2015 is ¥2,309,207 million. Liabilities for guarantees totaling ¥5,627 million have been provided as of December 31, 2015. Under these guarantee contracts, Toyota is entitled to recover any amount paid by Toyota from the customers whose original obligations Toyota has guaranteed.

Legal proceedings -

From time-to-time, Toyota issues vehicle recalls and takes other safety measures including safety campaigns relating to its vehicles. Since 2009, Toyota issued safety campaigns related to the risk of floor mat entrapment of accelerator pedals and vehicle recalls related to slow-to-return or sticky accelerator pedals. In March 2014, Toyota entered into a Deferred Prosecution Agreement (DPA) to resolve an investigation by the U.S. Attorney for the Southern District of New York (SDNY) related to unintended acceleration in certain of its vehicles. The DPA provides for an independent monitor to review and assess policies and procedures relating to Toyota s safety communications process, its process for sharing vehicle accident information internally and its process for preparing and sharing certain technical reports.

In 2010, there was a recall related to the software program that controls the antilock braking system in certain models, including the Prius, which led to putative class action lawsuits on behalf of owners of recalled vehicles and owners of vehicles which were not recalled. The United States District Court for the Central District of California denied the plaintiffs motions for class certification and granted summary judgment in Toyota s favor denying the plaintiffs claims related to both the recalled vehicles and the non-recalled vehicles. Proceedings involving the recalled vehicles have concluded; the appeals of the granting of summary judgment and the denial of class certification of the claims for the non-recalled vehicles are still pending.

Personal injury and wrongful death claims involving allegations of unintended acceleration are pending in several consolidated proceedings in federal and state courts, as well as in individual cases in various other states. The judges in the consolidated federal action and the consolidated California state action have approved an Intensive Settlement Process (ISP) for such claims in those actions. Under the ISP, all individual claims within the consolidated actions are stayed pending completion of a process to assess whether they can be resolved on terms acceptable to the parties. Cases not resolved after completion of the ISP will then proceed to discovery and toward trial. Toyota has offered the ISP process to plaintiffs in other consolidated actions and in individual cases, as well.

Toyota has been named as a defendant in 28 economic loss class action lawsuits, which, together with similar lawsuits against Takata and other automakers, have been made part of a multi-district litigation proceeding in the United States District Court for the Southern District of Florida, arising out of allegations that airbag inflators manufactured by Takata are defective. These lawsuits are at a very early stage.

Toyota has received a request for information from the SDNY related to statements concerning one or more reported injuries sustained in Toyota vehicles following deployments of Takata airbags. Toyota is cooperating with the request.

Toyota recently self-reported a process gap in fulfilling certain emissions defect information reporting requirements with the U.S. Environmental Protection Agency (EPA) and California Air Resources Board, including updates on its repair completion rates for recalled emissions components and certain other reports concerning emissions related defects. Toyota is involved in discussions with these agencies. The SDNY and EPA have requested certain follow-up information regarding this reporting issue, and Toyota is cooperating with the request.

Toyota also has various other pending legal actions and claims, including without limitation personal injury and wrongful death lawsuits and claims in the United States, and is subject to government investigations from-time-to-time.

Beyond the amounts accrued with respect to all aforementioned matters, Toyota is unable to estimate a range of reasonably possible loss, if any, for the pending legal matters because (i) many of the proceedings are in evidence gathering stages, (ii) significant factual issues need to be resolved, (iii) the legal theory or nature of the claims is unclear, (iv) the outcome of future motions or appeals is unknown and/or (v) the outcomes of other matters of these types vary widely and do not appear sufficiently similar to offer meaningful guidance. Based upon information currently available to Toyota, however, Toyota believes that its losses from these matters, if any, beyond the amounts accrued, would not have a material adverse effect on Toyota s financial position, results of operations or cash flows.

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13. Segment data:

The operating segments reported below are the segments of Toyota for which separate financial information is available and for which operating income/loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

The major portions of Toyota s operations on a worldwide basis are derived from the Automotive and Financial Services business segments. The Automotive segment designs, manufactures and distributes sedans, minivans, compact cars, sport-utility vehicles, trucks and related parts and accessories. The Financial Services segment consists primarily of financing, and vehicle and equipment leasing operations to assist in the merchandising of the parent company and its affiliated companies products as well as other products. The All Other segment includes the design, manufacturing and sales of housing, telecommunications and other businesses.

The following tables present certain information regarding Toyota s industry or geographic segments and overseas revenues by destination for the first nine months ended December 31, 2014 and 2015.

Segment operating results -

For the first nine months ended December 31, 2014:

	Yen in millions				
	Automotive	**Financial Services**	**All Other**	**Inter-segment Elimination**	**Consolidated**
Net revenues					
Sales to external customers	18,514,257	1,186,105	415,252		20,115,614
Inter-segment sales and transfers	42,694	29,008	441,054	(512,756)	
Total	18,556,951	1,215,113	856,306	(512,756)	20,115,614
Operating expenses	16,765,356	930,070	813,078	(507,716)	18,000,788
Operating income	1,791,595	285,043	43,228	(5,040)	2,114,826

For the first nine months ended December 31, 2015:

	Yen in millions				
	Automotive	**Financial Services**	**All Other**	**Inter-segment Elimination**	**Consolidated**
Net revenues					
Sales to external customers	19,555,545	1,402,766	473,059		21,431,370
Inter-segment sales and transfers	42,408	31,188	361,553	(435,149)	
Total	19,597,953	1,433,954	834,612	(435,149)	21,431,370
Operating expenses	17,598,939	1,168,884	789,487	(431,611)	19,125,699

Operating income	1,999,014	265,070	45,125	(3,538)	2,305,671

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Geographic information -

For the first nine months ended December 31, 2014:

	Yen in millions						
	Japan	North America	Europe	Asia	Other	Inter-segment Elimination	Consolidated
Net revenues							
Sales to external customers	5,976,817	6,971,138	2,029,188	3,399,998	1,738,473		20,115,614
Inter-segment sales and transfers	4,529,866	183,616	108,049	300,964	151,815	(5,274,310)	
Total	10,506,683	7,154,754	2,137,237	3,700,962	1,890,288	(5,274,310)	20,115,614
Operating expenses	9,363,106	6,658,332	2,070,759	3,380,344	1,782,991	(5,254,744)	18,000,788
Operating income	1,143,577	496,422	66,478	320,618	107,297	(19,566)	2,114,826

For the first nine months ended December 31, 2015:

	Yen in millions						
	Japan	North America	Europe	Asia	Other	Inter-segment Elimination	Consolidated
Net revenues							
Sales to external customers	6,334,209	8,220,267	1,862,267	3,439,764	1,574,863		21,431,370
Inter-segment sales and transfers	4,739,580	167,522	103,998	362,500	168,776	(5,542,376)	
Total	11,073,789	8,387,789	1,966,265	3,802,264	1,743,639	(5,542,376)	21,431,370
Operating expenses	9,722,808	7,961,645	1,915,499	3,423,300	1,651,717	(5,549,270)	19,125,699
Operating income	1,350,981	426,144	50,766	378,964	91,922	6,894	2,305,671

Other consists of Central and South America, Oceania, Africa and the Middle East.

Revenues are attributed to geographies based on the country location of the parent company or the subsidiary that transacted the sale with the external customer.

Transfers between industry or geographic segments are made at amounts which Toyota s management believes approximate arm s-length transactions. In measuring the reportable segments income or losses, operating income consists of revenue less operating expenses.

Overseas revenues by destination -

The following information shows revenues that are attributed to countries based on location of customers, excluding customers in Japan. In addition to the disclosure requirements under U.S.GAAP, Toyota discloses this information in order to provide financial statements users with valuable information.

For the first nine months ended December 31, 2014:

	Yen in millions				
	North America	**Europe**	**Asia**	**Other**	**Total**
Overseas sales	6,934,892	1,912,423	3,169,318	3,771,190	15,787,823
Consolidated sales					20,115,614
Ratio of overseas sales to consolidated sales	34.5%	9.5%	15.8%	18.7%	78.5%

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For the first nine months ended December 31, 2015:

	Yen in millions				
	North America	**Europe**	**Asia**	**Other**	**Total**
Overseas sales	8,189,146	1,695,475	3,287,562	3,700,458	16,872,641
Consolidated sales					21,431,370
Ratio of overseas sales to consolidated sales	38.2%	7.9%	15.3%	17.3%	78.7%

Other consists of Central and South America, Oceania, Africa and the Middle East, etc.

14. Per share amounts:

Reconciliations of the differences between basic and diluted net income attributable to Toyota Motor Corporation per common share for the first nine months ended December 31, 2014 and 2015 are as follows:

	Yen in millions	Thousands of shares	Yen
	Net income attributable to Toyota Motor Corporation	**Weighted-average common shares**	**Net income attributable to Toyota Motor Corporation per common share**
For the first nine months ended December 31, 2014			
Basic net income attributable to Toyota Motor Corporation per common share	1,726,863	3,163,079	545.94
Effect of dilutive securities			
Assumed exercise of dilutive stock options	(38)	1,456	
Diluted net income attributable to Toyota Motor Corporation per common share	1,726,825	3,164,535	545.68
For the first nine months ended December 31, 2015			
Net income attributable to Toyota Motor Corporation	1,886,077		
Accretion to Mezzanine equity	(2,448)		
Dividends to Toyota Motor Corporation Model AA Class Shareholders	(1,837)		

Basic net income attributable to Toyota Motor Corporation per common share	1,881,792	3,128,810	601.44
Effect of dilutive securities			
Model AA Class Shares	4,285	27,575	
Assumed exercise of dilutive stock options	(23)	1,310	
Diluted net income attributable to Toyota Motor Corporation per common share	1,886,054	3,157,695	597.29

Stock options that were not included in the computation of diluted net income attributable to Toyota Motor Corporation per common share for the first nine months ended December 31, 2014 were 1,239 thousand shares, because the options exercise prices were greater than the average market price per common share during the period. There were no stock options that were not included in the computation of diluted net income attributable to Toyota Motor Corporation per common share for the first nine months ended December 31, 2015.

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On June 16, 2015, at the Ordinary General Shareholders Meeting, the shareholders of the parent company approved to distribute year-end cash dividends of ¥393,352 million, ¥125 per common share, to common shareholders effective on June 17, 2015. On November 5, 2015, the Board of Directors of the parent company resolved to distribute interim cash dividends of ¥311,376 million, ¥100 per common share, to common shareholders effective on November 27, 2015.

15. Fair value measurements:

In accordance with U.S.GAAP, Toyota classifies fair value into three levels of input as follows which are used to measure it.

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; valuation of assets or liabilities using inputs, other than quoted prices, that are observable

Level 3: Valuation of assets or liabilities using unobservable inputs which reflect the reporting entity s assumptions

The following table summarizes the fair values of the assets and liabilities measured at fair value on a recurring basis as of March 31, 2015 and December 31, 2015. Transfers between levels of the fair value are recognized at the end of their respective reporting periods:

	Yen in millions March 31, 2015			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	145,923	348,487		494,410
Marketable securities and other securities investments				
Public and corporate bonds	6,129,824	1,038,810	12,317	7,180,951
Common stocks	2,704,814			2,704,814&