

**SUPPLEMENTARY PROSPECTUS DATED 9 NOVEMBER 2021 TO THE PROSPECTUS DATED
17 SEPTEMBER 2021**

TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.

*(a private company incorporated with limited liability under the laws of the Netherlands, with its
corporate seat in Amsterdam, the Netherlands)*

and

TOYOTA CREDIT CANADA INC.

(a company incorporated with limited liability under the Canada Business Corporations Act)

and

TOYOTA FINANCE AUSTRALIA LIMITED

*(ABN 48 002 435 181, a company registered in New South Wales and incorporated with limited
liability in Australia)*

and

TOYOTA MOTOR CREDIT CORPORATION

(a company incorporated with limited liability in California, United States)

€60,000,000,000

Euro Medium Term Note Programme

This Supplementary Prospectus (the “**Supplementary Prospectus**”), to the Prospectus dated 17 September 2021 (the “**Prospectus**”) which comprises a base prospectus for the purposes of (i) Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”) and (ii) Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) for each of Toyota Motor Finance (Netherlands) B.V. (“**TMF**” and the “**TMF Base Prospectus**”, respectively), Toyota Credit Canada Inc. (“**TCCI**” and the “**TCCI Base Prospectus**”, respectively), Toyota Finance Australia Limited (“**TFA**” and the “**TFA Base Prospectus**”, respectively) and Toyota Motor Credit Corporation (“**TMCC**” and the “**TMCC Base Prospectus**”, respectively, and TMF, TCCI, TFA and TMCC together, the “**Issuers**” and each an “**Issuer**”), constitutes a supplementary base prospectus for the purposes of Article 23 of the Prospectus Regulation and also Article 23 of the UK Prospectus Regulation in relation to TMF with respect to the TMF Base Prospectus, TCCI with respect to the TCCI Base Prospectus, TFA with respect to the TFA Base Prospectus and TMCC with respect to the TMCC Base Prospectus, and is prepared in connection with the €60,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by the Issuers.

The purpose of this Supplementary Prospectus is to (a) incorporate by reference (i) the Financial Summary FY2022 Second Quarter (April 1, 2021 through September 30, 2021) of Toyota Motor Corporation (“**TMC**”) and TMC’s Supplemental Material for Financial Results for FY2022 Second Quarter (Consolidated) in the TMF Base Prospectus, the TCCI Base Prospectus, the TFA Base Prospectus and the TMCC Base Prospectus, respectively; and (ii) the Quarterly Report of TMCC for the quarter ended 30 September 2021 on Form 10-Q in the TMCC Base Prospectus; (b) report that (i) each of the Issuers has entered into a 364 day credit facility, a three year credit facility and a five year credit facility and (ii) each of the Issuers has terminated an existing three year credit facility and an existing five year credit facility and their 364 day credit facility has terminated; and (c) amend and/or replace certain risk factors in the TMF Base Prospectus, the TCCI Base Prospectus, the TFA Base Prospectus and the TMCC Base Prospectus, respectively.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus. Any statement contained in the Prospectus or in a document which is incorporated by reference in the Prospectus shall be deemed to be modified or superseded for the purpose of the Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference in the Prospectus by way of a supplement (including this Supplementary Prospectus) prepared in accordance with Article 23 of the Prospectus Regulation and Article 23 of the

UK Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) and any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Prospectus. Terms defined in the Prospectus have the same meaning when used in this Supplementary Prospectus.

This Supplementary Prospectus has been approved by the Central Bank of Ireland (the “CBI”), as competent authority under the Prospectus Regulation. The CBI only approves this Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of any Issuer, TMC or Toyota Financial Services Corporation (“TFS”) or of the quality of the Notes that are the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Supplementary Prospectus has also been approved by the United Kingdom Financial Conduct Authority (the “FCA”), as competent authority under the UK Prospectus Regulation. The FCA only approves this Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of any Issuer, TMC or TFS or of the quality of the Notes that are the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Supplementary Prospectus (i) in respect of each of TMF and the TMF Base Prospectus, TCCI and the TCCI Base Prospectus and TFA and the TFA Base Prospectus includes all information contained within this Supplementary Prospectus, together with all documents which are deemed to be incorporated by reference herein, except for any information relating to TMCC and TMCC’s Quarterly Report for the quarter ended 30 September 2021 on Form 10-Q (including TMCC’s statements of no significant change and no material adverse change), and (ii) in respect of TMCC and the TMCC Base Prospectus, includes all information contained within this Supplementary Prospectus together with all documents which are deemed to be incorporated by reference herein.

Each Issuer accepts responsibility for the information contained in its Supplementary Prospectus as described above. Each Issuer confirms that, the information contained in its Supplementary Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of TFS and TMC accepts responsibility for the information contained in this Supplementary Prospectus insofar as such information relates to itself. Each of TFS and TMC confirms that, the information about itself contained in this Supplementary Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference in the Prospectus by this Supplementary Prospectus; and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Except as disclosed in this Supplementary Prospectus, there has been no significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of Notes issued under the Programme since the publication of the Prospectus.

In accordance with Article 23(2) and (2a) of the Prospectus Regulation, investors in any Public Offer Jurisdiction (other than the United Kingdom) who have agreed to purchase or subscribe for Notes before this Supplementary Prospectus is published have the right, exercisable before the end of the period of three working days beginning with the working day after the date on which this Supplementary Prospectus was published, to withdraw their acceptances. This right to withdraw will expire by close of business on 12 November 2021. Investors wishing to exercise such right of withdrawal should contact the person with whom they have agreed to purchase or subscribe for the relevant Notes.

In accordance with Article 23(2) of the UK Prospectus Regulation, investors in the United Kingdom who have agreed to purchase or subscribe for Notes before this Supplementary Prospectus is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplementary Prospectus was published, to withdraw their acceptances. This right to withdraw will expire by close of business on 11 November 2021. Investors wishing to exercise such right of withdrawal should contact the person with whom they have agreed to purchase or subscribe for the relevant Notes.

The Dealers have not separately verified the information contained in this Supplementary Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in the Prospectus by this Supplementary Prospectus.

The distribution of the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus or any Final Terms come are required by the Issuers, the Dealers and the Arranger to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus, any Final Terms and other information in relation to the Issuers and the Notes, and the offering or sale of Notes in the United States, the European Economic Area, Belgium, Ireland, Italy, the Netherlands, Spain, the United Kingdom, Japan, Canada, Australia, New Zealand, Hong Kong, the People's Republic of China (which for the purposes of Notes issued under the Programme, excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan), Singapore and Switzerland. For a further description of restrictions on offers, sales and transfers of Notes and distribution of the Prospectus, this Supplementary Prospectus, any other supplements to the Prospectus and any Final Terms, see the "*Subscription and Sale*" section in the Prospectus. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

None of the Prospectus, this Supplementary Prospectus or any other supplements to the Prospectus constitutes an offer of, or an invitation by or on behalf of the Issuers, the Arranger or the Dealers to subscribe for, or purchase, any Notes.

FISCAL YEAR 2022 SECOND QUARTER RESULTS: TOYOTA MOTOR CORPORATION

On 4 November 2021, TMC, the ultimate parent company of the Issuers, announced its financial results for the Second Quarter (April 1, 2021 through September 30, 2021) to the Tokyo Stock Exchange. TMC also filed its Report of Foreign Private Issuer for the month of November 2021, including the financial results for the Second Quarter (April 1, 2021 through September 30, 2021) on Form 6-K with the Securities and Exchange Commission.

TMC's Financial Summary FY2022 Second Quarter (April 1, 2021 through September 30, 2021) and TMC's Supplemental Material for Financial Results for FY2022 Second Quarter (Consolidated) (together, the "**Filings**") have been published on TMC's website (https://global.toyota/pages/global_toyota/ir/financial-results/2022_2q_summary_en.pdf) and filed with the CBI.

The Filings have also been published on the website of the London Stock Exchange (https://www.rns-pdf.londonstockexchange.com/rns/2988R_1-2021-11-4.pdf) and filed with the National Storage Mechanism.

By virtue of this Supplementary Prospectus, the Filings, to the extent such information concerns historical data and commentary thereon for the period up to 30 September 2021, as is contained in the Filings (excluding all information incorporated by reference therein either expressly or implicitly, excluding any information or statements included therein either expressly or implicitly that are or might be considered to be forward looking, and excluding all Excluded Information (as defined below)) are incorporated by reference in, and form part of, the TMF Base Prospectus, the TCCI Base Prospectus, the TFA Base Prospectus and the TMCC Base Prospectus, respectively. The English translations of the Filings are accurate and direct translations of the original Japanese language documents. The content of the Excluded Information is not relevant to investors.

“**Excluded Information**” means with respect to (i) TMC’s Financial Summary FY2022 Second Quarter (April 1, 2021 through September 30, 2021) (a) the section headed “FY2022 (forecast)” contained in paragraph 2. headed “Cash Dividends” on the first introductory page, and (b) paragraph 3. headed “Forecast of Consolidated Results for FY2022 (April 1, 2021 through March 31, 2022)” on the first introductory page; and (ii) TMC’s Supplemental Material for Financial Results for FY2022 Second Quarter (Consolidated), the section headed “FY2022 Forecast 12 months (‘21/4-‘22/3)” on pages Supplemental 1 to Supplemental 3.

Save as disclosed in the Prospectus on pages 21 and 37 in the Risk Factors entitled “*Risks related to health epidemics and other outbreaks faced by each of the Issuers have had and are expected to continue to have material adverse effects on its business, financial condition, results of operations and cash flows*” and “*COVID-19 Risks – Toyota*” (together the “**COVID-19 Risk Factors**”), there has been no significant change in the financial performance or financial position of TFS or TMC and their respective consolidated subsidiaries (considered as a whole) since 30 September 2021, the date of the most recently published financial statements of TMC. Save as disclosed in the Prospectus in the COVID-19 Risk Factors, there has been no material adverse change in the prospects of TFS or TMC since 31 March 2021, the date of the most recently published audited financial statements of TMC.

FORM 10-Q FILING: TOYOTA MOTOR CREDIT CORPORATION

On 4 November 2021, TMCC filed its Quarterly Report for the quarter ended 30 September 2021 on Form 10-Q with the Securities and Exchange Commission (the “**Form 10-Q**”).

The Form 10-Q has been published on TMCC’s website (<https://www.toyotafinancial.com/content/dam/tmcc-webcommons/toyotafinancial/documents/investor-relations/sec-filings/2022/Quarterly%20Reports%20on%20Form%2010-Q/november/Q2%20FY2022%20ended%20September%2030,%202021.pdf>) and filed with the CBI.

The Form 10-Q has also been published on the website of the London Stock Exchange (https://www.rns-pdf.londonstockexchange.com/rns/4200R_1-2021-11-4.pdf) and filed with the National Storage Mechanism.

By virtue of this Supplementary Prospectus, the Form 10-Q, to the extent such information concerns historical data and commentary thereon for the three months ended 30 September 2021, as is contained in the Form-10-Q (excluding all information incorporated by reference therein either expressly or implicitly and excluding any information or statements included therein either expressly or implicitly that are or might be considered to be forward looking) is incorporated by reference in, and forms part of, the TMCC Base Prospectus.

Save as disclosed in the Prospectus in the COVID-19 Risk Factors, there has been no significant change in the financial performance or financial position of TMCC and its consolidated subsidiaries (considered as a whole) since 30 September 2021, the date of the most recently published financial statements of TMCC. Save as disclosed in the Prospectus in the COVID-19 Risk Factors, there has been no material adverse change in the prospects of TMCC since 31 March 2021, the date of the most recently published audited financial statements of TMCC.

CREDIT AGREEMENTS – TMF, TCCI, TFA AND TMCC

On 8 November 2021, TMCC filed its Current Report on Form 8-K (the “**Form 8-K**”) with the Securities and Exchange Commission to report that TMCC, together with TMF, TCCI and TFA, entered into a \$5,000,000,000 364-day syndicated credit facility pursuant to a 364 Day Credit Agreement, dated as of 5 November 2021 (the “**364 Day Credit Agreement**”), a \$5,000,000,000 three year syndicated credit facility pursuant to a Three Year Credit Agreement, dated as of 5 November 2021 (the “**Three Year Credit Agreement**”) and a \$5,000,000,000 five year syndicated credit facility pursuant to a Five Year Credit Agreement, dated as of 5 November 2021 (the “**Five Year Credit Agreement**”, and together with the 364 Day Credit Agreement and the Three Year Credit Agreement, the “**Credit Agreements**”) and each of the Credit Agreements is among TMF, TCCI, TFA, TMCC, Toyota Credit de Puerto Rico Corp. (“**TCPR**”), Toyota Financial Services (UK) PLC (“**TFSUK**”) and Toyota Kreditbank GmbH (“**TKG**”), as Borrowers, each lender from time to time party thereto, BNP Paribas, as Administrative Agent, Swing Line Agent and Swing Line Lender, BNP Paribas Securities Corp., BofA Securities, Inc., Citibank, N.A., JPMorgan Chase Bank, N.A., and MUFG Bank, Ltd., as Joint Lead Arrangers and Joint Book Managers, Citibank, N.A., Bank of America, N.A. and JPMorgan Chase Bank, N.A. as Syndication Agents and Swing Line Lenders and MUFG Bank, Ltd. as a Syndication Agent. TMF, TCCI, TFA and TMCC may borrow funds under each of the Credit Agreements, subject to customary borrowing conditions. Under the Credit Agreements, TMF, TCCI, TFA and TMCC are each subject to certain covenants customary in a transaction of this nature, including negative pledge provisions and limitations on consolidations, mergers and sales of assets.

The 364 Day Credit Agreement has a 364 day term, during which TMF, TMCC and TFSUK may make aggregate drawings not to exceed \$5,000,000,000, TCCI may make drawings not to exceed \$866,800,000, TCPR may make drawings not to exceed \$333,400,000, TKG may make drawings not to exceed \$500,000,000, and TFA may make drawings not to exceed \$1,000,200,000. The aggregate amount of all drawings under the 364 Day Credit Agreement may not exceed the total commitment amount of \$5,000,000,000. In addition, but also under the total commitment amount of \$5,000,000,000, the 364 Day Credit Agreement provides for a swingline sub-facility of up to \$1,250,000,000, of which \$333,400,000 will be available to TFA. The 364 Day Credit Agreement may be used for general corporate purposes and was not drawn upon as of the date of this Supplementary Prospectus.

The Three Year Credit Agreement has a three year term, during which TMF, TMCC and TFSUK may make aggregate drawings not to exceed \$5,000,000,000, TCCI may make drawings not to exceed \$866,600,000, TCPR may make drawings not to exceed \$333,300,000, TKG may make drawings not to exceed \$500,000,000, and TFA may make drawings not to exceed \$999,900,000. The aggregate amount of all drawings under the Three Year Credit Agreement may not exceed the total commitment amount of \$5,000,000,000. In addition, but also under the total commitment amount of \$5,000,000,000, the Three Year Credit Agreement provides for a swingline sub facility of up to \$1,250,000,000, of which \$333,300,000 will be available to TFA. The Three Year Credit Agreement may be used for general corporate purposes and was not drawn upon as of the date of this Supplementary Prospectus.

The Five Year Credit Agreement has a five year term, during which TMF, TMCC and TFSUK may make aggregate drawings not to exceed \$5,000,000,000, TCCI may make drawings not to exceed \$866,600,000, TCPR may make drawings not to exceed \$333,300,000, TKG may make drawings not to exceed \$500,000,000, and TFA may make drawings not to exceed \$999,900,000. The aggregate amount of all drawings under the Five Year Credit Agreement may not exceed the total commitment amount of \$5,000,000,000. In addition, but also under the total commitment amount of \$5,000,000,000, the Five Year Credit Agreement provides for a swingline sub facility of up to \$1,250,000,000, of which \$333,300,000 will be available to TFA. The Five Year Credit Agreement may be used for general corporate purposes and was not drawn upon as of the date of this Supplementary Prospectus.

Certain of the lenders participating in the Credit Agreements and their affiliates have in the past and may in the future engage in financing, securities, derivative, commercial banking and investment

banking transactions with TMCC and its affiliates, TMF, TCCI and TFA for which they will receive customary fees and expenses.

TCPR is a wholly-owned subsidiary of TMCC, and each of TMF, TCCI, TFA, TMCC, TCPR, TFSUK and TKG, the borrowers under the Credit Agreements, is a direct or indirect subsidiary of TFS, a Japanese corporation, which is itself a subsidiary of TMC. The descriptions set forth in this Supplementary Prospectus of the terms and conditions of each of the Credit Agreements are qualified in their entirety by reference to the full text of such agreements, which were filed, respectively, as Exhibits 10.1, 10.2 and 10.3 to the Form 8-K. The Form 8-K can be inspected and copied at the public reference facilities maintained by the Securities and Exchange Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549-2736. A copy of the Form 8-K may also be obtained from the website that the Securities and Exchange Commission maintains at <http://www.sec.gov>.

TERMINATION OF THE EXISTING CREDIT FACILITIES

The 364 Day Credit Agreement, the Three Year Credit Agreement and the Five Year Credit Agreement have replaced the 364 Day Credit Agreement dated as of 6 November 2020, the Three Year Credit Agreement dated as of 8 November 2019 and the Five Year Credit Agreement dated as of 8 November 2019. Each of the 364 Day Credit Agreement dated as of 6 November 2020, the Three Year Credit Agreement dated as of 8 November 2019 and the Five Year Credit Agreement dated as of 8 November 2019, among TMF, TCCI, TFA, TMCC, TCPR, TFSUK, TKG and KINTO Deutschland GmbH (formerly Toyota Leasing GmbH), as Borrowers, BNP Paribas, as Administrative Agent, and the other agents and lenders party thereto, terminated or were terminated, as applicable, on 5 November 2021.

AMENDMENTS TO THE RISK FACTORS SECTION

Unless otherwise specified in this section, “Toyota” means TMC and its consolidated subsidiaries.

The following risk factors with respect to the Issuers under the “Risk Factors” section in the Prospectus, “*Each Issuer’s results of operations and financial condition are substantially dependent upon the sale of Toyota, Lexus and private label vehicles as well as their ability to offer competitive financing products, for TFA, insurance products and, for TMCC, voluntary protection products*” on pages 23 and 24, “*A failure or interruption in the operations of an Issuer could adversely affect its results of operations and financial condition*” on page 25, “*Exposure to credit risk could negatively affect each of the Issuers results of operations and financial condition*” on pages 28 and 29 and the first sentence under the risk factor “*The regulatory environment in which each of the Issuers operates could have a material adverse effect on its business and results of operations*” on page 33 are to be deleted and replaced with the following:

Each Issuer’s results of operations and financial condition are substantially dependent upon the sale of Toyota, Lexus and private label vehicles as well as their ability to offer competitive financing products, for TFA, insurance products and, for TMCC, voluntary protection products

Each of TCCI, TFA and TMCC provide a variety of finance and, in the case of TFA, insurance products and, in the case of TMCC, voluntary protection products, to authorised Toyota, Lexus and private label dealers and their customers in Canada, Australia and the United States, respectively. Voluntary protection products are vehicle and payment protection products that include vehicle service, guaranteed auto protection, prepaid maintenance, excess wear and use, tyre and wheel protection, key replacement protection, and used vehicle limited warranty contracts. Accordingly, each of TCCI’s, TFA’s and TMCC’s business is substantially dependent upon the sale of Toyota, Lexus and private label vehicles in Canada, Australia and the United States, respectively. TMF’s business is also dependent upon the performance of Toyota companies to which TMF grants loans and/or in respect of which it provides guarantees and, thereby, sales of Toyota, Lexus and private label vehicles by Toyota companies.

TCCI's, TFA's and TMCC's business depends on its relationships with various vehicle distributors (each, a "*Distributor*") including Toyota Canada Inc., Toyota Motor Corporation Australia Limited and Toyota Motor Sales, U.S.A., Inc., a subsidiary of Toyota Motor North America, Inc., which are the primary distributors of Toyota and Lexus vehicles in Canada, Australia and the United States, respectively.

Changes in the volume of Distributor sales or the volume of distributor sales by other Toyota distributors may result from governmental action, changes in governmental regulation or trade policies, changes in consumer demand, new vehicle incentive programmes, recalls, the actual or perceived quality, safety or reliability of Toyota, Lexus and private label vehicles, changes in economic conditions, increased competition, increases in the price of vehicles due to increased raw material costs, changes in import fees or tariffs on raw materials or imported vehicles, changes to, or withdrawals from, trade agreements, currency fluctuations, fluctuations in interest rates; and decreased or delayed vehicle production due to extreme weather conditions, natural disasters, supply chain interruptions, including shortages of parts, components or raw materials, or other events. Any negative impact on the volume of Toyota, Lexus and private label vehicle sales could have a material adverse effect on an Issuer's business, results of operations and financial condition.

While each of the Distributors conducts extensive market research before launching new or refreshed vehicles and introducing new services, many factors both within and outside the control of each Distributor affect the success of new or existing products and services in the market-place. Offering vehicles and services that customers want and value can mitigate the risks of increasing price competition and declining demand, but products and services that are perceived to be less desirable (whether in terms of product mix, price, quality, styling, safety, overall value, fuel efficiency, or other attributes) and the level of availability of products and services that are desirable can exacerbate these risks. With increased consumer interconnectedness through the internet, social media, and other media, mere allegations relating to quality, safety, fuel efficiency, corporate social responsibility, or other key attributes can negatively impact the reputation of a Distributor or market acceptance of its products or services, even where such allegations prove to be inaccurate or unfounded.

In addition, the volume of Distributor sales may also be affected by Toyota's ability to successfully grow through investments in the area of emerging opportunities such as mobility and connected services, vehicle electrification, fuel cell technology and autonomy, which depends on many factors, including advancements in technology, regulatory changes and other factors that are difficult to predict.

Each of TCCI, TFA and TMCC operates in a highly competitive environment and competes with other financial institutions and, to a lesser extent, other motor vehicle manufacturers' affiliated finance companies primarily through service, quality, TCCI's, TFA's and TMCC's relationship with its Distributor and financing rates.

Certain financing products offered by each of TCCI, TFA and TMCC may be subsidised by a Distributor. The Distributor sponsors special subsidies and incentives on certain new and used Toyota and Lexus vehicles that result in reduced monthly payments by qualified customers for finance products. Support amounts received from a Distributor in connection with these programmes approximate the amounts required by each of TCCI, TFA and TMCC to maintain yields and product profitability at levels consistent with standard products.

Each of TCCI's, TFA's and TMCC's ability to offer competitive financing and, in the case of TFA, insurance products and, in the case of TMCC, voluntary protection products, in Canada, Australia and the United States, respectively, depends in part on the level of its Distributor's sponsored subsidy, cash, and contractual residual value support incentive programme activity, which varies based on its Distributor's marketing strategies, economic conditions, and the volume of vehicle sales, among other factors. Any negative impact on the level of Distributor sponsored subsidy, cash, and contractual

residual value support incentive programmes could in turn have a material adverse effect on each of TCCI's, TFA's and TMCC's business, results of operations and financial condition.

A failure or interruption in the operations of an Issuer could adversely affect its results of operations and financial condition

Operational risk is the risk of loss resulting from, among other factors, lack of established processes, inadequate or failed processes, systems or internal controls, theft, fraud, extreme weather conditions, natural disasters (such as wildfires or bushfires, floods, tornadoes, earthquakes, hurricanes (including an increase in the frequency of such conditions and disasters as the result of climate change)) or other catastrophes (including without limitation, explosions, terrorist attacks, riots, civil disturbances, health epidemics and other outbreaks) that could affect each of the Issuers.

Operational risk can occur in many forms including, but not limited to, errors, business interruptions, failure of controls, failure of systems or other technology, deficiencies in an Issuer's insurance risk management programme or voluntary protection product operations risk management programme, inappropriate behaviour or misconduct by employees of, or those contracted to perform services for, an Issuer and vendors that do not perform in accordance with their contractual agreements. These events can potentially result in financial losses or other damages to an Issuer, including damage to reputation.

Each of the Issuers has established business recovery plans to address interruptions in its operations, but can give no assurance that these plans will be adequate to remedy all events that an Issuer may face. A catastrophic event that results in the destruction or disruption of any of the critical business or information technology systems of an Issuer could harm its ability to conduct normal business operations.

Each of the Issuers relies on a framework of internal controls designed to provide a sound and well-controlled operating environment. Due to the complex nature of each Issuer's business and the challenges inherent in implementing control structures across large organisations, control issues may be identified in the future that could have an adverse effect on each Issuer's operations.

TMCC is currently in the process of restructuring its customer service operations to better serve its customers by relocating and streamlining the customer service operation, moving its three regional customer service centres to be co-located with the regional dealer service centres, and investing in new technology. TMCC can give no assurance that the restructuring of its customer service operations will be completed as planned or within the expected timing or budget, and the expected benefits may not be fully realised due to associated disruption to customer service operations and personnel. In addition, many parts of TMCC's business are dependent on key personnel. TMCC's future success depends on its ability to retain existing, and attract, hire and integrate new key personnel and other necessary employees. Any failure to do so could adversely affect TMCC's business, results of operations and financial condition.

Exposure to credit risk could negatively affect each of the Issuers results of operations and financial condition

Credit risk is the risk of loss arising from the failure of a customer, dealer or other party to meet the terms of any retail, lease or dealer financing contract or other contract with an Issuer or otherwise fail to perform as agreed. An increase in credit risk would require a provision, or would increase an Issuer's provision, for credit losses, which would have a negative impact on such Issuer's results of operations and financial condition. There can be no assurance that an Issuer's monitoring of credit risk and its efforts to mitigate credit risk are, or will be, sufficient to prevent an adverse effect on its results of operations and financial condition.

The level of credit risk on TCCI's consumer portfolio and each of TFA's and TMCC's retail loan portfolio is influenced primarily by two factors: the total number of contracts that default and the amount of loss per occurrence, which in turn are influenced by various economic factors, the used vehicle market, purchase quality mix, contract term length and operational changes. The used vehicle market is impacted by the supply of, and demand for, used vehicles, interest rates, inflation, new vehicle incentive programmes, the manufacturer's actual or perceived reputation for quality, safety and reliability and the general economic outlook.

The level of credit risk on each of TCCI's, TFA's and TMCC's dealer portfolio is influenced primarily by the financial strength of dealers within that portfolio, dealer concentration, collateral quality and other economic factors. The financial strength of dealers within each of TCCI's, TFA's and TMCC's dealer portfolio is influenced by general macroeconomic conditions, the overall demand for new and used vehicles and the financial condition of motor vehicle manufacturers, among other factors.

Economic slowdown and recession in the jurisdiction of the relevant Issuer, extreme weather conditions, natural disasters, health epidemics, such as the COVID-19 pandemic, and other factors increase the risk that a customer or dealer may not meet the terms of a retail, lease or dealer financing or other contract with an Issuer or may otherwise fail to perform as agreed. A weak economic environment evidenced by, among other things, unemployment, underemployment and consumer bankruptcy filings, may affect the ability of some customers of an Issuer and dealers to make their scheduled payments.

The regulatory environment in which each of the Issuers operates could have a material adverse effect on its business and results of operations

Regulatory risk is the risk to each of the Issuers arising from the failure or alleged failure to comply with applicable regulatory requirements and the risk of liability and other costs imposed under various laws and regulations, including changes in applicable law, regulation and regulatory guidance, for example, laws or regulations intended to mitigate factors contributing to, or intended to address the potential impacts of, climate change, could have a material adverse effect on the relevant Issuer's business, results of operations and financial condition.