

# PROSPECTUS



## TOYOTA INDUSTRIES CORPORATION

*(incorporated with limited liability in Japan)*

**as Issuer and Guarantor**

and

## TOYOTA INDUSTRIES FINANCE INTERNATIONAL AB (publ)

*(incorporated with limited liability in Sweden)*

**as Issuer**

**U.S.\$1,000,000,000**

## **Euro Medium Term Note Programme**

This Prospectus has been approved by the United Kingdom Financial Services Authority (the “FSA”), which is the United Kingdom competent authority for the purposes of Directive 2003/71/ EC (the “**Prospectus Directive**”) and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of notes (“**Notes**”) issued under the Euro Medium Term Note Programme (the “**Programme**”) described in this Prospectus during the period of twelve months after the date hereof. Applications have been made to admit such Notes during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on a regulated market, being the regulated market of the London Stock Exchange plc (the “**London Stock Exchange**”). The regulated market of the London Stock Exchange is a regulated market for the purposes of the Directive on Markets in Financial Instruments 2004/39/EC. This Prospectus constitutes a base prospectus under Article 5.4 of the Prospectus Directive. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with Toyota Industries Corporation or Toyota Industries Finance International AB (publ) (each an “**Issuer**” and together, the “**Issuers**”), as the case may be.

The Notes issued by Toyota Industries Finance International AB (publ) are guaranteed by Toyota Industries Corporation (in such capacity, the “**Guarantor**”) pursuant to a deed of guarantee dated 29 September 2006 (the “**Deed of Guarantee**”). See “Form of Deed of Guarantee”.

See “**Risk Factors**” for a discussion of certain risks to be considered before investing in the Notes.

*Arranger*

**Deutsche Bank**

*Dealers*

**Barclays Capital  
Deutsche Bank  
Nikko Citigroup  
SEB Merchant Banking**

**Daiwa Securities SMBC Europe  
JPMorgan  
Nomura International  
The Royal Bank of Scotland**

The date of this Prospectus is 30 September 2008.

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## IMPORTANT NOTICES

Each of Toyota Industries Corporation (“**TICO**”) and Toyota Industries Finance International AB (publ) (“**TIFI**”) accepts responsibility for the information contained in this document. Each of TICO and TIFI declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Prospectus should be read and construed together with any amendments or supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes which is the subject of Final Terms (as defined herein), should be read and construed together with the relevant Final Terms.

TICO and TIFI have confirmed to the Dealers named under “Subscription and Sale” below that this Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by TICO or TIFI or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by TICO, TIFI or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of TICO or TIFI since the date thereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see “Subscription and Sale”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and are subject to U.S. tax law requirements.

Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of TICO and TIFI.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$1,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “Subscription and Sale”.

In this Prospectus, unless otherwise specified, references to a “Member State” are references to a Member State of the European Economic Area, references to “**U.S.\$**”, “**U.S. dollars**” or “**dollars**” are to United States dollars, references to “**€**”, “**EUR**” or “**euro**” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as

amended, references to “£”, “GBP” or “Sterling” are to Pounds sterling, references to “¥”, “JPY” or “Yen” are to Japanese yen and references to “SEK” or “Krona” are to Swedish krona.

For ease of presentation, certain 2008 consolidated financial information of TICO contained in this Prospectus have been presented in U.S. dollars and JPY. The exchange rate used for the translation from JPY to U.S. dollars of TICO’s consolidated financial information at and for TICO’s fiscal year ended 31 March 2008 was JPY100.19 = U.S.\$1.00, which was the rate of exchange prevailing at 31 March 2008. This exchange rate is for indicative purposes only; it should not be construed as a representation that amounts of JPY could be converted into or settled in U.S. dollars at such rate or any other. For purposes of reference only, the exchange rate, as quoted by Reuters Daily Quotes QSEK, for conversion of SEK into U.S. dollars was SEK6.564 = U.S.\$1 on 24 September 2008.

*Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals, increases or decreases indicated in certain tables or paragraphs may not be an arithmetic aggregation of the figures which precede them.*

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allocation must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

Citigroup Global Markets Limited is authorised to conduct Japan related business under the name Nikko Citigroup.

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus. Words and expressions defined in “Forms of the Notes” or “Terms and Conditions of the Notes” below shall have the same meanings in this overview.*

<b>Issuers:</b>	Toyota Industries Corporation and Toyota Industries Finance International AB (publ) (as specified in the Final Terms in respect of a particular Tranche of Notes, the “ <b>Relevant Issuer</b> ”).
<b>Guarantor:</b>	Toyota Industries Corporation in respect of Notes issued by Toyota Industries Finance International AB (publ).
<b>Arranger:</b>	Deutsche Bank AG, London Branch.
<b>Dealers:</b>	Barclays Bank PLC, Citigroup Global Markets Limited, Daiwa Securities SMBC Europe Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd., Nomura International plc, Skandinaviska Enskilda Banken AB (publ), The Royal Bank of Scotland plc and any other Dealer appointed from time to time by the Issuers and the Guarantor either generally in respect of the Programme or by the Relevant Issuer in relation to a particular Tranche of Notes.
<b>Fiscal Agent:</b>	Deutsche Bank AG, London Branch.
<b>Listing:</b>	Each Series may be admitted to the Official List of the FSA and admitted to trading on the regulated market of the London Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Relevant Issuer, the Guarantor (where applicable) and the relevant Dealer and specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.
<b>Clearing Systems:</b>	Euroclear Bank S.A./N.V. as operator of the Euroclear System (“ <b>Euroclear</b> ”) and/or Clearstream Banking, société anonyme, Luxembourg (“ <b>Clearstream, Luxembourg</b> ”) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
<b>Ratings:</b>	<p>Notes to be issued under the Programme have been rated AA+ by Rating and Investment Information, Inc.</p> <p><b>A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any relevant credit rating agency. A suspension, reduction or withdrawal of the credit rating assigned to the Notes and/or the Programme may adversely affect the market price of the Notes.</b></p>
<b>Initial Programme Amount:</b>	Up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of the agreement to issue Notes) aggregate principal amount of Notes outstanding at any one time.
<b>Issuance in Series:</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
<b>Final Terms or Drawdown Prospectus:</b>	Notes issued under the Programme may be issued either (1) pursuant to this Prospectus and associated Final Terms or (2) pursuant to a

drawdown prospectus (a “**Drawdown Prospectus**”) prepared in connection with a particular Tranche of Notes.

For a Tranche of Notes which is the subject of a Final Terms, such Final Terms will, for the purposes of that Tranche only, supplement the Terms and Conditions of the Notes and this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended and/or replaced by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.

**Forms of Notes:**

Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note (each a “**Global Note**”). Each Global Note, which is not intended to be issued in new global note form (a “**Classic Global Note**” or “**CGN**”), as specified in the relevant Final Terms, in each case as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/ or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “**New Global Note**” or “**NGN**”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, Talons for further Coupons. See “Forms of Notes”.

**Currencies:**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

**Status of the Notes:**

Notes will be issued on an unsubordinated basis.

**Status of the Guarantee:**

Notes issued by TIFI will be unconditionally and irrevocably guaranteed by the Guarantor on an unsubordinated basis.

**Issue Price:**

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Relevant Issuer, the Guarantor (in the case of Notes issued by TIFI) and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

<b>Maturities:</b>	<p>Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Relevant Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“FSMA”) by the Relevant Issuer.</p>
<b>Redemption:</b>	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.
<b>Optional Redemption:</b>	Notes may be redeemed before their stated maturity at the option of the Relevant Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
<b>Tax Redemption:</b>	Except as described in “Optional Redemption” above, early redemption will only be permitted for tax reasons as described in Condition 10(b) ( <i>Redemption and Purchase — Redemption for tax reasons</i> ).
<b>Interest:</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
<b>Denominations:</b>	No Notes may be issued under the Programme which have a minimum denomination of less than EUR50,000 (or equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Negative Pledge:</b>	The Notes will have the benefit of a negative pledge as described in Condition 5 ( <i>Negative Pledge</i> ).
<b>Cross Default:</b>	The Notes will have the benefit of a cross default as described in Condition 13 ( <i>Events of Default</i> ).
<b>Taxation:</b>	All payments in respect of Notes will be made free and clear of withholding taxes of Japan, in the case of TICO or, Sweden, in the case of TIFI, as the case may be, unless the withholding is required by law. In that event, the Relevant Issuer will (subject as provided in Condition 12 ( <i>Taxation</i> )) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
<b>Governing Law:</b>	English law.
<b>Enforcement of Notes in Global Form:</b>	In the case of Global Notes, an individual investor’s rights against the Relevant Issuer will be governed by the Deeds of Covenant each dated



29 September 2006, copies of which will be available for inspection at the specified office of the Fiscal Agent.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, Japan and Sweden, see “Subscription and Sale” below.

## RISK FACTORS

*Prospective investors should read the entire Prospectus. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meanings in this section. Investing in the Notes involves certain risks.*

*The Issuers believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuers to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers based on information currently available to them, or which they may not currently be able to anticipate. Accordingly, the Issuers do not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors should also read the detailed information set out elsewhere in the Prospectus to reach their own views prior to making any investment decision. The information given below is as at the date of this Prospectus. Prospective investors should consider, among other things, the following:*

### **Risk Relating To The Notes**

*There is no active trading market for the Notes.*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of TICO and TIFI. Although application has been made for the Notes issued under the Programme to be admitted to listing on the Official List of the FSA and to trading on the regulated market of the London Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

*The Notes may be redeemed prior to maturity.*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that TICO or TIFI would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Japan or Sweden (as the case may be) or any political subdivision thereof or any authority therein or thereof having power to tax, TICO or TIFI (as the case may be) may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances that Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

*Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with TICO and TIFI.*

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with, in the case of a Classic Global Note, a common depositary and, in the case of a New Global Note, a common safekeeper, in each case for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, TICO and TIFI will discharge their payment obligations under the Notes by making payments to the common depositary or the common safekeeper for Euroclear and Clearstream, Luxembourg, as the case may be, for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. TICO and TIFI have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against TICO and TIFI in the event of a default under the relevant Notes but will have to rely upon their rights under the relevant Deed of Covenant.

#### *Loss of Investment*

If, in the case of any particular Tranche of Notes, the relevant Final Terms specify that the Notes are index-linked or other variable-linked, there is a risk that any investor may lose the value of their entire investment or part of it.

#### *Taxation Consequences of holding the Notes*

A general outline of certain Japanese and Swedish taxation considerations relating to the Notes is set out in "Taxation" below. It is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, prospective investors should seek independent advice in relation to their own individual taxation position. Prospective investors should be aware that any future changes in Japanese or Swedish taxation law, including changes in the interpretation or application of the law by the courts or taxation authorities in Japan or Sweden, may affect the taxation treatment of the Notes.

### **Risks Relating To TICO's Activities**

#### *Principal Customers*

TICO's automobile and engine products are sold primarily to Toyota Motor Corporation ("**Toyota Motor**"). In the fiscal year ended 31 March 2008, net sales to Toyota Motor accounted for 35.6 per cent. of consolidated net sales. Therefore, any drop in Toyota Motor's vehicle sales could have an adverse impact on TICO's financial condition and business results.

#### *Product Development Capabilities*

TICO's research and development activities are focused mainly on developing and upgrading products in current business fields and peripheral sectors. TICO expects that revenues derived from these fields will continue to account for a significant portion of total revenues and anticipates that future growth will be contingent on the development and sales of new products in these fields. However, TICO may not be able to forecast market needs and develop and introduce appealing new products in a timely manner. This could result in lower future growth and have an adverse impact on TICO's financial condition and business results. Therefore, there is no assurance that TICO can allocate sufficient future funds necessary for the development of marketable new products, that product sales will be successful, as forecasts of products supported by the market may not always be accurate, and, in addition, that newly developed products and technologies will always be protected with intellectual property rights.

#### *Intellectual Property Rights*

In undertaking its business activities, TICO has acquired numerous intellectual property rights, including those acquired overseas, such as patents related to its products, product designs and manufacturing methods. However, not all patents submitted will necessarily be registered as rights, and these patents could thus be rejected by patent authorities or invalidated by third parties. Also, a third party could circumvent a patent owned by TICO and introduce a competing product into the market. Moreover, TICO's products utilise a wide range of technologies as a result of which TICO may be exposed to potential litigation involving the intellectual property rights of a third party.

#### *Product Defects*

There is no guarantee that all of TICO's products will be defect-free and that product recalls will not be made in the future. TICO is insured for product liability indemnity. However, TICO cannot guarantee that this insurance will sufficiently cover final indemnity amounts incurred. Product defects that could lead to large-scale recalls and product liability indemnities could result in large cost burdens and have a significant negative impact on the evaluation of TICO. Product defects could also have an adverse effect on TICO's financial condition and business results such as decrease in sales, deterioration of profitability and decrease in share prices of TICO.

#### *Price Competition*

TICO faces severe competition in each of the industries in which it conducts business, including its automobile and materials handling equipment businesses which are the major segments of TICO's earnings base. Operating in an environment characterised by intensifying price competition, TICO may be unable to maintain or increase its market share against low-cost competitors or to maintain profitability. This could have an adverse impact on TICO's financial condition and business results.

#### *Reliance on Suppliers of Raw Materials and Components*

TICO's products rely on various raw materials and components from suppliers outside the TICO's group companies. TICO has concluded basic business contracts with these external suppliers and assumes it can carry out stable transactions for raw materials and components. However, TICO has no assurances against future shortages of raw materials and components, which arise from a global shortage due to tight supply or an unforeseen accident involving a supplier. Such shortages could have a negative effect on TICO's production and cause an increase in costs, which could have an adverse impact on TICO's financial condition and business results.

#### *Environmental Laws and Regulations*

In view of its social responsibilities of a corporation, TICO strives to reduce any burden on the environment resulting from its production processes and strictly adheres to applicable environmental laws and regulations. However, various environment-related regulations could also be revised and become more stringent in the future. Accordingly, any expenses necessary for continuous strict adherence to these environmental regulations could result in increased business costs and have an adverse impact on TICO's financial condition and business results.

#### *Alliances with Other Companies*

TICO engages in joint activities with other companies through alliances and joint ventures with the aim to expand its business. However, widely fluctuating market trends or disagreements between TICO and its partners, owing to business, financial or other reasons, could prevent TICO from deriving the intended benefits of its alliances.

#### *Exchange Rate Fluctuations*

TICO's businesses encompass the production and sales of products and the provision of services worldwide. Generally, the strengthening of the yen against other currencies (especially against the U.S. dollar and the euro, which account for a significant portion of TICO's sales) has an adverse impact on TICO's business, while a weakening of the yen has a positive impact. In the business in which TICO produces products in Japan and exports them to other countries, the appreciation of the yen would reduce TICO's price competitiveness relative to global standards. This could have an adverse impact on TICO's financial condition and business results.

#### *Share Price Fluctuations*

At the end of the fiscal year ended 31 March 2008, TICO held marketable securities which consist mainly of shares of Toyota Motor and its group companies. The fair market value of these securities as at the end of the fiscal year ended 31 March 2008 was approximately ¥1,479.0 billion and TICO is subject to the risk of price fluctuation of these shares. Based on fair market value of these shares at the end of the fiscal year ended 31 March 2008, TICO had unrealised gains of ¥1,252.6 billion on these shares. However, unrealised gains on marketable securities could decrease depending on future share price movements. Additionally, a fall in share prices could reduce the value of pension assets, leading to an increase in the pension shortfall.

#### *Effects of Disasters, Power Blackouts and Other Incidents*

TICO carries out regular checks and inspections of its production facilities to minimize the effect of production breakdown. However, there is no assurance TICO can completely prevent or lessen the impact of man-made or natural disasters, including malfunctions of production facilities, fires at production facilities and power blackouts. For example, the majority of TICO's domestic production facilities and most of its business partners are situated in the Chubu region. Therefore, a major earthquake in this region, or any similar incident that affects TICO's operations, could delay or stop the production or shipment activities. Such prolonged delays and stoppages could have an adverse impact on TICO's financial condition and business results.

#### *Latent Risks Associated with International Activities*

TICO manufactures and sells products and provides services in various countries and regions. Any social chaos including political disruptions, terrorism and wars, as well as changes in economic conditions in those countries and regions, could have an adverse impact on the major markets in which TICO purchases materials, components and supplies for the manufacture of its products, in which its products are produced, distributed or

sold or in which of its services are provided, may result in disruptions and delays in the operations of TICO's business. Significant or prolonged disruptions and delays in TICO's business operations may adversely affect TICO's financial condition and the result of its operations.

#### *Retirement Benefit Liabilities*

TICO's employee retirement benefit expenses and liabilities are calculated based on expected rates of return on pension assets as well as assumptions upon making actuarial calculations that incorporate discount rates and other factors. Therefore, differences between actual results and assumptions as well as changes in the assumptions could have a significant impact on recognised expenses and calculated liabilities in future accounting periods.

### **Risks Relating to TIFI's Activities**

#### *Operational*

TIFI uses computer systems and other information technology to monitor financial positions and daily cash flows and to process payments to internal and external counterparties. System failures can, therefore, lead to delays in payment processes. Further operating risks can arise in connection with the settlement of financial transactions. The management of daily cash flows at TIFI depends on the timely receipt of funds from external institutions who act as counterparties to financial transactions, such as bonds, swaps or other derivative financial instruments.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that TIFI will be unable to comply with its obligations as a company with securities admitted to the Official List of the FSA.

#### *Currency*

TIFI is exposed to potential changes of value in financial assets, liabilities and derivatives in response to fluctuations in exchange rates of the euro, U.S. dollar, Sterling and other currencies. Changes in exchange rates can have adverse effects on the financial position and operating result of TIFI. In order to mitigate the impact of currency risk arising from operational, financing and investment activities, TIFI continually assesses its exposure to this risk. Currency risk is managed and hedged through the use of derivative financial instruments, such as forward contracts, options and cross currency swaps. When deemed appropriate, there might be unhedged positions.

#### *Credit*

TIFI is exposed to the risk of default of internal or external counterparties, for example, in connection with deposits with banks and balances with companies within the TICO group. In the case of derivative financial instruments, TIFI is also exposed to credit risk, which results from the non-fulfillment of contractual agreements on the part of the counterparty. TIFI manages its credit risk through regular monitoring of its counterparties and by placing limits on positions it can hold with counterparties.

#### *Liquidity*

There may potentially be a negative impact on the operations of TIFI if it is unable to generate sufficient funds to pay liabilities when due and to finance TICO's subsidiaries and affiliates outside Japan. To manage liquidity, TIFI depends mainly on the issuance of short-term and long-term debt, principally in the European capital markets and broad access to these capital markets and investors. Changes in demand for term debt instruments in the capital markets could limit the ability of TIFI to fund operations. The participation of TIFI in the Programme supports flexible and broad access to capital markets. Furthermore, TIFI uses committed and uncommitted credit lines with banks and bank loans to cover liquidity needs. In this context, TIFI depends on the willingness of banks to provide credit lines or loans.

#### *Interest Rate*

TIFI is exposed to potential changes of value in financial assets, liabilities and derivatives in response to fluctuations in interest rates. TIFI holds a substantial volume of interest rate sensitive financial assets, liabilities and derivatives for its operational, financing and investment activities. Changes in interest rates can have an adverse effect on the financial position and operating results of TIFI. In order to mitigate the impact of interest rate risk, TIFI continually assesses its exposure to this risk which is managed and hedged through the use of derivative financial instruments, such as interest rate swaps and forward rate agreements. When deemed appropriate, there might be unhedged positions.



### **INFORMATION INCORPORATED BY REFERENCE**

The audited consolidated financial statements (including the auditors' report thereon and notes thereto) of TICO in respect of the years ended 31 March 2007 and 31 March 2008 (set out on pages 74 to 97 of the TICO Annual Report 2008) (the "**TICO 2007/2008 Financial Statements**") shall be deemed to be incorporated in, and to form part of, this Prospectus.

Copies of the TICO 2007/2008 Financial Statements may be inspected, free of charge, at the business addresses of TICO, 2-1 Toyoda-cho, Kariya-shi, Aichi 448-8671 Japan, and are also available on TICO's website, [www.toyota-industries.com](http://www.toyota-industries.com).

The TICO 2007/2008 Financial Statements are prepared and presented in accordance with Japanese generally accepted accounting principles and material differences exist between Japanese generally accepted accounting principles and International Financial Reporting Standards which might be material to the financial information herein. Prospective investors should perform their own analysis if such differences are important to their investment decision.

Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

## **FINAL TERMS AND DRAWDOWN PROSPECTUSES**

In this section the expression “necessary information” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of an Issuer and, where the Issuer is TIFI, the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuers and the Guarantor have endeavoured to include in this Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, will be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.



## FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the “**Temporary Global Note**”), without interest coupons, or a permanent global note (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### **Temporary Global Note exchangeable for Permanent Global Note**

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and (if applicable) Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and (if applicable) Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

#### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and (if applicable) Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

#### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

#### **Legend concerning United States persons**

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.*

### 1. INTRODUCTION

(a) *Programme:* Toyota Industries Corporation (“**TICO**”) and Toyota Industries Finance International AB (publ) (“**TIFI**”) have established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$1,000,000,000 in aggregate principal amount of notes (the “**Notes**”). Notes issued by TIFI are guaranteed by TICO (in such capacity, the “**Guarantor**”).

(b) *Final Terms:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of final terms (the “**Final Terms**”) which supplement these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 29 September 2006 (the “**Agency Agreement**”) between TICO, TIFI, the Guarantor, Deutsche Bank AG, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

(d) *Deed of Guarantee:* Notes issued by TIFI are the subject of a deed of guarantee dated 29 September 2006 (the “**Deed of Guarantee**”) entered into by the Guarantor.

(e) *The Notes:* All subsequent references in these Conditions to “**Notes**” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

(f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Guarantee applicable to them. Copies of the Agency Agreement and the Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. INTERPRETATION

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Business Day**” means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however*, that:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**“Calculation Agent”** means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**“Claim for Exemption”** means a claim for exemption from withholding tax (*Hikazei Tekiyo Shinkokusho*) in the form obtainable from the Paying Agent;

**“Coupon Sheet”** means, in respect of a Note, a coupon sheet relating to the Note;

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if **“Actual/Actual (ICMA)”** is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if **“30/360”** is so specified, means the number of days in the Calculation Period divided by 360 calculated on

a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30”;

(vi) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

(vii) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation

Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

*provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;*

“**Designated Financial Institution**” means a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Law;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

“**Exemption Information**” means certain information prescribed by the Special Taxation Measures Law to enable a Participant to establish that a Noteholder is exempted from the requirement to pay any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Japan or any political subdivision therein or any authority therein or thereof having power to tax;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

“**Guarantee of the Notes**” means the guarantee of the Notes issued by TIFI given by the Guarantor in the Deed of Guarantee;

“**Indebtedness**” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility; and
- (iii) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“**Interest Determination Date**” has the meaning given in the relevant Final Terms;

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“ISDA Definitions”** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.), or, if so specified in the relevant Final Terms, the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**“Issue Date”** has the meaning given in the relevant Final Terms;

**“Margin”** has the meaning given in the relevant Final Terms;

**“Maturity Date”** has the meaning given in the relevant Final Terms;

**“Maximum Redemption Amount”** has the meaning given in the relevant Final Terms;

**“Minimum Redemption Amount”** has the meaning given in the relevant Final Terms;

**“Optional Redemption Amount (Call)”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**“Optional Redemption Amount (Put)”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**“Optional Redemption Date (Call)”** has the meaning given in the relevant Final Terms;

**“Optional Redemption Date (Put)”** has the meaning given in the relevant Final Terms;

**“Participant”** means a participant of an international clearing organisation or a financial intermediary through which any Note or Coupon issued by TIFI, or issued or guaranteed by TICO is held;

**“Participating Member State”** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**“Payment Business Day”** means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;



**“Principal Financial Centre”** means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(ii) in relation to U.S. dollars, it means New York City; and

(iii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**“Principal Subsidiary”** means any consolidated Subsidiary (a) whose net sales as shown by the audited non-consolidated accounts (or, where the consolidated Subsidiary in question itself prepares consolidated accounts, whose consolidated net sales as shown by its audited consolidated accounts) of such consolidated Subsidiary used for the purposes of the latest audited consolidated financial statements which have been prepared for the Issuer, are at least five per cent. of the total net sales of the Issuer and its consolidated Subsidiaries as shown by such audited consolidated financial statements or (b) whose total assets as shown by the audited non-consolidated accounts (or, where the consolidated Subsidiary in question itself prepares consolidated accounts, whose consolidated total assets as shown by its audited consolidated accounts) of such consolidated Subsidiary used for the purposes of the latest audited consolidated financial statements which have been prepared for the Issuer, are at least five per cent. of the total assets of the Issuer and the consolidated Subsidiaries as shown by such audited consolidated financial statements;

**“Put Option Notice”** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**“Put Option Receipt”** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**“Reference Banks”** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**“Reference Price”** has the meaning given in the relevant Final Terms;

**“Reference Rate”** has the meaning given in the relevant Final Terms;

**“Regular Period”** means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**“Relevant Date”** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial

Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**“Relevant Financial Centre”** has the meaning given in the relevant Final Terms;

**“Relevant Indebtedness”** means:

(i) *where the Issuer is TICO:*

any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which (i) is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside Japan, and (ii) either (a) is by its terms payable or confers a right to receive any payment in any currency other than Japanese yen or (b) is denominated in Japanese yen and more than 50 per cent. of the aggregate nominal amount thereof is initially offered or distributed outside Japan by or with the authorisation of the Issuer; and

(ii) *where the Issuer is TIFI:*

any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside Sweden;

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, the Reuters Money 3000 Service) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Relevant Time”** has the meaning given in the relevant Final Terms;

**“Reserved Matter”** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

**“Security Interest”** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**“Special Taxation Measures Law”** means Article 6, Paragraph 8 of the Special Taxation Measures Law (Law No. 26 of 1957) of Japan and the cabinet order (No. 362) of 17 December 1997 thereunder (together with the ministerial regulation thereunder);

**“Specified Currency”** has the meaning given in the relevant Final Terms;

**“Specified Denomination(s)”** has the meaning given in the relevant Final Terms;

**“Specified Office”** has the meaning given in the Agency Agreement;

**“Specified Period”** has the meaning given in the relevant Final Terms;

**“Subsidiary”** means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

(i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

**“Talon”** means a talon for further Coupons;

**“TARGET2”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**“TARGET Settlement Day”** means any day on which TARGET2 is open;

**“Treaty”** means the Treaty establishing the European Communities, as amended; and

**“Zero Coupon Note”** means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) Any reference to **“Issuer”** means the Issuer specified as the issuer of the relevant Series of Notes in the applicable Final Terms;
- (ii) any reference to the singular includes, where the context so permits, the plural and vice versa;
- (iii) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (iv) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (v) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (vi) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (vii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (viii) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (ix) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (x) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

### **3. FORM DENOMINATION AND TITLE**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

### **4. STATUS AND GUARANTEE**

(a) *Status of the Notes:* The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by TIFI in respect of the Notes issued by TIFI. This Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### **5. NEGATIVE PLEDGE**

So long as any Note remains outstanding, the Issuer and, in the case of the Notes issued by TIFI, the Guarantor shall procure that none of their respective Subsidiaries will create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior

thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

## **6. FIXED RATE NOTE PROVISIONS**

(a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## **7. FLOATING RATE NOTE AND INDEX-LINKED INTEREST NOTE PROVISIONS**

(a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each Reference Bank to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(e) *Index-Linked Interest*: If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.

(f) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(g) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction.

(h) *Calculation of other amounts*: If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(i) *Publication*: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(j) *Notifications etc*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and

the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## **8. ZERO COUPON NOTE PROVISIONS**

(a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## **9. DUAL CURRENCY NOTE PROVISIONS**

(a) *Application:* This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

## **10. REDEMPTION AND PURCHASE**

(a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) (1) TICO has or (if a demand was made under the Guarantee of the Notes) will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by TICO taking reasonable measures available to it; or

(B) (1) TIFI has or would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Sweden or Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by TIFI taking reasonable measures available to it,

*provided, however, that no such notice of redemption shall be given earlier than:*

(1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or, in the case of Notes issued by TIFI, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or, in the case of Notes issued by TIFI, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by a representative director in the case of TICO, or a certificate signed by two directors in the case of TIFI, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have been satisfied and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

(g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) *Purchase*: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.

(i) *Cancellation*: All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

## 11. PAYMENTS

(a) *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

(b) *Interest*: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Deductions for unmatured Coupons*: If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date



for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 12. TAXATION

(a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of (in the case of TICO in its capacity as Issuer or Guarantor or in the case of TIFI) Japan or (in the case of TIFI) Sweden or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) in respect of Notes issued by TICO or by TIFI, if any interest on Notes issued by TIFI is attributable to a business in Japan conducted by TIFI in the manner provided for in the Special Taxation Measures Law of Japan (Law No. 26 of 1957) (as amended) (the “**Special Taxation Measures Law of Japan**”), by or on behalf of a holder of a Note or Coupon who is a non-resident of Japan or a non-Japanese corporation and is liable to such taxes, duties, assessments or governmental charges by reason of its having some connection with Japan other than the mere holding of such Notes or Coupon; or

(iii) in respect of Notes issued by TICO or by TIFI, if any interest on Notes issued by TIFI is attributable to a business in Japan conducted by TIFI in the manner provided for in the Special Taxation Measures Law of Japan, by or on behalf of a holder of a Note or Coupon who would otherwise be exempt from any such withholding or deduction but who fails to comply with any applicable requirement to provide Exemption Information or to submit a Claim for Exemption to the Paying Agent to whom such Note or Coupon is presented, or whose Exemption Information is not duly communicated through the Participant and the relevant international clearing organisation to such Paying Agent; or

(iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(v) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

(vi) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

(b) Notwithstanding the exception set out in sub-paragraph (a)(ii),

(i) where such Note or Coupon is held through a Participant, in order to receive payments free of withholding or deduction by TICO or TIFI (in respect of Notes issued by TIFI under which interest is attributable to a business in Japan conducted by TIFI in the manner provided for in the Special Taxation Measures Law of Japan), if the relevant holder of such Note or Coupon is (A) a non-resident of Japan or a non-Japanese corporation or (B) a Designated Financial Institution, such holder shall, at the time of entrusting a Participant with the custody of the relevant Notes or Coupons, provide certain information prescribed by the Special Taxation Measures Law of Japan to enable the Participant to establish that such holder is exempted from the requirement of withholding or deduction and advise the Participant if such holder ceases to be so exempted;

(ii) where such Notes or Coupon is not held by a Participant, in order to receive payments free of withholding or deduction by TICO or TIFI (in respect of Notes issued by TIFI under which interest is attributable to a business in Japan conducted by TIFI in the manner provided for in the Special Taxation Measures Law of Japan), if the relevant holder is (A) a non-resident of Japan or a non-Japanese corporation or (B) Designated Financial Institution, such holder shall on or prior to each occasion on which it receives interest, submit to the relevant Paying Agent a Claim for Exemption stating, *inter alia*, the name and address of such holder, the title of the Notes, the relevant Interest Payment Date, the amount of interest and the fact that such holder is qualified to submit the Claim for Exemption, together with documentary evidence regarding its identity and residence; and

(iii) where such Note or Coupon is held by a Japanese public corporation or a Japanese bank, Japanese insurance company, Japanese securities company or other Japanese financial institution falling under certain categories prescribed by Article 3-3, Paragraph 6 of the Special Taxation Measures Law of Japan and the cabinet order thereunder that keeps its Note or Coupon deposited with, and receives payment of interest through a Japanese custodian, such holder shall submit, through the Japanese custodian, to the competent tax authority the claim prescribed by the relevant cabinet order, in order to receive payment free of income tax levied, by way of withholding or otherwise, on such portion of interest as is prescribed by the Special Taxation Measures Law of Japan.

(c) *Taxing jurisdiction*: If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than, in the case of TICO, Japan or, in the case of TIFI, Sweden or Japan (in respect of Notes issued by TIFI under which interest is attributable to a business in Japan conducted by TIFI in the manner provided for in the Special Taxation Measures Law of Japan) respectively, references in these Conditions to Japan or Sweden shall be construed as references to Japan or (as the case may be) Sweden and/or such other jurisdiction.

### 13. EVENTS OF DEFAULT

If any of the following events occurs and is continuing:

(a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within seven days of the due date for payment thereof; or

(b) *Breach of other obligations*: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Guarantee of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or

(c) *Cross-default of Issuer, Guarantor or Subsidiary*:

(i) any Indebtedness (other than Indebtedness represented by the Notes) of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or

(ii) any Indebtedness referred to in sub-paragraph (i) above becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred in respect of such indebtedness) any Person entitled to such Indebtedness; or

(iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any such Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds U.S.\$5,000,000 (or its equivalent in any other currency or currencies); or

(d) *Unsatisfied judgment*: one or more final unappealable judgment(s) or order(s) for the payment of any amounts which in the aggregate exceed U.S.\$5,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, the Guarantor or any of their respective Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries; or

(f) *Insolvency etc.*: (i) the Issuer or, in the case of Notes issued by TIFI, the Guarantor or any of their respective Principal Subsidiaries, if applicable, becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or, in the case of Notes issued by TIFI, the Guarantor or any of their respective Principal Subsidiaries, if applicable, or the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries, if applicable, is appointed (or application for any such appointment is made), (iii) the Issuer or, in the case of Notes issued by TIFI, the Guarantor or any of their respective Principal Subsidiaries, if applicable, makes any application for a readjustment or deferment of any of its obligations by way of voluntary arrangement or scheme of arrangement or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or, in the case of Notes issued by TIFI, the Guarantor or any of their respective Principal Subsidiaries, if applicable, ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Principal Subsidiary, if applicable, of the Issuer or a Principal Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) *Winding up etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or, in the case of Notes issued by TIFI, the Guarantor or any of their respective Principal Subsidiaries (otherwise than, in the case of a Principal Subsidiary of the Issuer or a Principal Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(h) *Analogous event*: any event occurs which under the laws of Japan (in the case of TICO) or Sweden (in the case of TIFI) has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or

(i) *Unlawfulness*: it is or will become unlawful (through a change of law or otherwise) for the Issuer or, in the case of Notes issued by TIFI, the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or, in respect of Notes issued by TIFI, the Deed of Guarantee; or

(j) *Guarantee not in force*: in respect of Notes issued by TIFI, the Guarantee of the Notes ceases to be (or is claimed by the Guarantor not to be) in full force and effect,

then any Note may, by written notice addressed by the holder thereof to the Issuer and, in the case of Notes issued by TIFI, the Guarantor and delivered to the Issuer and, in the case of Notes issued by TIFI, the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

#### **14. PRESCRIPTION**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

#### **15. REPLACEMENT OF NOTES AND COUPONS**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange

and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **16. AGENTS**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and, in the case of Notes issued by TIFI, the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that:*

(a) TICO and TIFI shall at all times maintain a Fiscal Agent; and

(b) each of the Issuer and, in the case of Notes issued by TIFI, the Guarantor undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; and

(c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and, in the case of Notes issued by TIFI, the Guarantor shall at all times maintain a Calculation Agent; and

(d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer and, in the case of Notes issued by TIFI, the Guarantor shall maintain a Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

## **17. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER**

(a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and, in the case of Notes issued by TIFI, the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification:* The Notes, these Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

## **18. FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single Series with the Notes.

## 19. NOTICES

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

## 20. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons pursuant to any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer or, in the case of TIFI, the Issuer and the Guarantor shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 21. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 22. GOVERNING LAW AND JURISDICTION

(a) *Governing law:* The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law.

(b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Notes.

(c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England:* Condition 22(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 22 (*Governing Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Process agent:* Each of TICO, and TIFI agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of TICO or, as the case may be, TIFI in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf, TICO and/or TIFI, TICO and/or TIFI as the case

may be shall, on the written demand of any Noteholder addressed and delivered to it or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to TICO and/or TIFI, as the case may be and delivered to TICO and/or TIFI, as the case may be or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

Final Terms dated •

**[TOYOTA INDUSTRIES CORPORATION]**  
**[TOYOTA INDUSTRIES FINANCE INTERNATIONAL AB (publ)]**  
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
[Guaranteed by  
**TOYOTA INDUSTRIES CORPORATION]**  
under the U.S.\$1,000,000,000  
**Euro Medium Term Note Programme**

### PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented].

Full information on the Issuer[, the Guarantor and] the offer of the Notes is only available on the basis of a combination of this Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Prospectus.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [prospectus/offering circular] dated [original date]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus (the “**Prospectus**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”), save in respect of the Conditions which are set forth in the [prospectus/ offering circular] dated [original date] and are incorporated by reference in the Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.

Full information on the Issuer[, the Guarantor and] the offer of the Notes is only available on the basis of a combination of this Final Terms and the Prospectuses dated [original date] and [current date] [and the supplemental Prospectuses dated [•] and [•]]. The Prospectuses [and the supplemental Prospectuses] are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*

- |                           |   |
|---------------------------|---|
| 1. (i) Issuer:            | [Toyota Industries Corporation/Toyota Industries Finance International AB (publ)] |
| (ii) Guarantor:           | [None/Toyota Industries Corporation]  |
| 2. [(i) [Series Number:]] | [ ]   |

(ii) [Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]	[ ]
3. Specified Currency or Currencies:	[ ]
4. Aggregate Principal Amount of Notes:	
(i) [Series:]	[ ]
(ii) [Tranche:	[ ]]
5. Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. Specified Denominations:	[No Notes may be issued under the Programme which have a minimum denomination of less than EUR50,000 (or equivalent in another currency)]
	[ ]
7. (i) Issue Date:	[ ]
(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
8. Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
	[If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from Section 19 of the FSMA must be available.]
9. Interest Basis:	[• per cent. Fixed Rate] [[specify reference rate] +/- • per cent. Floating Rate] [Zero Coupon] [Index-Linked Interest] [Other (specify)] (further particulars specified below)
10. Redemption/Payment Basis:	[Redemption at par] [Index-Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
11. Change of Interest or Redemption/Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13. (i) Status of the Notes:	[Senior/[Dated/Perpetual]]
(ii) Status of the Guarantee:	[Senior/[Dated/Perpetual]]
[(iii)] [Date [Board] approval for issuance of Notes [and	[ ] [and [ ], respectively]



Guarantee] obtained:

*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*

14. Method of distribution:

[Syndicated/Non-syndicated]

## **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

### **15. Fixed Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Rate(s) of Interest:

[ ] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly/other (*specify*)] in arrear]

(ii) Interest Payment Date(s):

[ ] in each year

(ii) Fixed Coupon Amount(s):

[ ] [per Note of [ ] Specified Denomination and per Note of [ ] Specified Denomination]

(iv) Broken Amount(s):

*[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]*

(v) Day Count Fraction:

[30/360/Actual/Actual (ICMA/ISDA)/other]

(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:

[Not Applicable/give details]

### **16. Floating Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

(i) Interest Period(s):

[ ]

(ii) Specified Interest Payment Dates:

[ ]

(iii) First Interest Payment Date:

[ ]

(iv) Business Day Convention:

[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]

(v) Additional Business Centre(s):

[Not Applicable/(*give details*)]

(vi) Manner in which the Rate(s) of Interest is/are to be determined:

[Screen Rate Determination/ISDA Determination/ other (*give details*)]

(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not [Deutsche Bank AG, London Branch]):

*[[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]*

(viii) Screen Rate Determination:

— Reference Rate:

*[For example, LIBOR or EURIBOR]*

— Interest Determination Date(s):

[ ]

— Relevant Screen Page:

*[For example, Telerate page 3750/248]*

— Relevant Time:

*[For example, 11.00 a.m. London time/Brussels time]*

— Relevant Financial Centre:

*[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*

(xi) ISDA Determination:

— Floating Rate Option:

[ ]

— Designated Maturity:	[ ]
— Reset Date:	[ ]
(x) Margin(s):	[+/-][ ] per cent. per annum
(xi) Minimum Rate of Interest:	[ ] per cent. per annum
(xii) Maximum Rate of Interest:	[ ] per cent. per annum
(xiii) Day Count Fraction:	[ ]
(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
<b>17. Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) [Amortisation/Accrual] Yield:	[ ] per cent. per annum
(ii) Reference Price:	[ ]
(iii) Any other formula/basis of determining amount payable:	<i>[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 10(g)]</i>
<b>18. Index-Linked Interest Note/other variable-linked interest Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Index/Formula/other variable:	<i>[Give or annex details]</i>
(ii) Calculation Agent responsible for calculating the interest due:	[ ]
(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[ ]
(iv) Determination Date:	[ ]
(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	<i>[need to include a description of market disruption or settlement disruption events and adjustment provisions]</i>
(vi) Interest Period(s)/Calculation period(s):	[ ]
(vii) Specified Interest Payment Dates:	[ ]
(viii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]
(ix) Additional Business Centre(s):	[ ]
(x) Minimum Rate/Amount of Interest:	[ ] per cent. per annum
(xi) Maximum Rate/Amount of Interest:	[ ] per cent. per annum
(xii) Day Count Fraction:	[ ]
<b>19. Dual Currency Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Rate of Exchange/method of calculating Rate of Exchange:	<i>[Give details]</i>

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

## PROVISIONS RELATING TO REDEMPTION

### 20. Call Option

[Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [ ]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Note of [ ] specified denomination

- (iii) If redeemable in part:

- (a) Minimum Redemption Amount: [ ]

- (b) Maximum Redemption Amount: [ ]

- (iv) Notice period: [ ]

### 21. Put Option

[Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [ ]

- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ]

- (iii) Notice period: [ ]

### 22. Final Redemption Amount of each Note

[ ] per Note of specified denomination/ other/ see Appendix]

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable: [give or annex details]

- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ]

- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]

- (iv) Determination Date(s): [ ]

- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/ or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]

- (vi) Payment Date: [ ]

- (vii) Minimum Final Redemption Amount: [ ]

- (viii) Maximum Final Redemption Amount: [ ]

### 23. Early Redemption Amount

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

[Not Applicable (if both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

### Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].

25. New Global Note:

[Yes/No]

26. Additional Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iv) and 18(ix) relate]

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

[Not Applicable/give details]

29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:

[Not Applicable/give details]

30. [Consolidation provisions:

[Not Applicable/The provisions [in Condition 18 (Further Issues)] apply]]

31. Other final terms:

[Not Applicable/give details] (When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

## DISTRIBUTION

32. (i) If syndicated, names and addresses and underwriting commitment of Managers:

[Not Applicable/give names]  
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the

*Managers.)*

- (ii) Date of [Subscription Agreement]: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
33. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
34. US Selling Restrictions: [[Reg S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable]
35. Total commission and concession: [•] per cent. of the aggregate nominal amount
36. Additional selling restrictions: [Not Applicable/give details]

## PURPOSE OF FINAL TERMS

This Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the London Stock Exchange of the Notes described herein pursuant to the U.S.\$1,000,000,000 Euro Medium Term Note Programme of Toyota Industries Corporation and Toyota Industries Finance International AB (publ).

## RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from [(*specify source*)]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:.....

*Duly authorised*

[Signed on behalf of the Guarantor:

By:.....

*Duly authorised]*

## PART B — OTHER INFORMATION

### 1. Listing

- (i) Listing: [London/Luxembourg/other (specify)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange]/[regulated market of the Luxembourg Stock Exchange]/ [other] with effect from [ ].] [Not Applicable.] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange]/[regulated market of the Luxembourg Stock Exchange]/ [other] with effect from [ ].with effect from [ ].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [ ]

## 2. Ratings

Ratings:

The Notes to be issued have [not] been rated[./:]

[Rating and Investment Information, Inc.: [ ]]

[S & P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

## 3. Interests of Natural and Legal Persons involved in the [Issue/Offer]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

## 4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

(i) Reasons for the offer:

[ ]

*(See [“Use of Proceeds”] wording in Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

[(ii)] Estimated net proceeds:

[ ]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses:

[ ] *[Include breakdown of expenses.]*

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)\**

## 5. [Fixed Rate Notes only — YIELD

Indication of yield:

[ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

## 6. [Floating Rate Notes Only — HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

## 7. [Index-Linked or other variable-linked Notes only — Performance of Index/Formula/Other variable and other Information concerning the underlying

*Need to include details of where past and future performance and volatility of the index/formula/ other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Where applicable, need to include the final reference date. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]\**

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]. \*

#### **8. [Dual Currency Notes only — Performance of Rate[s] of Exchange**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]\**

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

#### **9. Operational Information**

ISIN Code: [ ]

Common Code: [ ]

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]  
[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][Include this text if "Yes" selected in which case the Notes must be issued in NGN form]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking societe anoyne and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): [ ]

Names and addresses of additional Paying Agent(s) (if any): [ ]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]  
[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][include this text if "yes" selected in which case the Notes must be issued in NGN form]

*\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.*



## FORM OF DEED OF GUARANTEE

**THIS DEED OF GUARANTEE** is made on 29 September 2006

### BY

(1) **TOYOTA INDUSTRIES CORPORATION** (the “**Guarantor**”)

### IN FAVOUR OF

(2) **THE NOTEHOLDERS** (as defined in the Prospectus described below); and

(3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Noteholders, the “**Beneficiaries**”).

### WHEREAS

(A) **Toyota Industries Finance International AB (publ)** (the “**Issuer**”) and the Guarantor (in its capacity as both issuer and Guarantor) have established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of Notes guaranteed (in respect of Notes issued by the Issuer) by the Guarantor, in connection with which they have entered into an amended and restated dealer agreement dated 29 September 2006 (the “**Dealer Agreement**”) and an amended and restated issue and paying agency agreement dated 29 September 2006 (the “**Agency Agreement**”) and the Issuer has executed a deed of covenant dated 29 September 2006 (the “**Deed of Covenant**”).

(B) Notes under the Programme may be issued on a listed or unlisted basis. The Issuer and Guarantor (in its capacity as both issuer and Guarantor) have made applications for Notes issued under the Programme to be admitted to listing on the Official List of the Financial Services Authority (in its capacity as competent authority for the purposes of the Part VI of the Financial Services and Markets Act 2000, the “**UK Listing Authority**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for Notes issued under the Programme to be admitted to trading on the gilt-edged and fixed interest market of the London Stock Exchange.

(C) In connection with such applications, the Issuer and the Guarantor (in its capacity as both issuer and Guarantor) have prepared a base prospectus dated 29 September 2006 (the “**Prospectus**”, which expression includes any further base prospectus prepared in connection with the admission to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system by which any notes may from time to time be admitted to listing, trading and/or quotation together with any information incorporated therein by reference) which has been approved by the FSA as a base prospectus issued in compliance with Directive 2003/71/EC (the “**Prospectus Directive**”) and relevant implementing measures in the United Kingdom.

(D) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer to Noteholders in respect of notes issued by the Issuer under the Programme (the “**Notes**”) and to Accountholders in respect of the Deed of Covenant.

**NOW THIS DEED OF GUARANTEE WITNESSES** as follows:

### 1. INTERPRETATION

#### 1.1 Definitions

All terms and expressions which have defined meanings in the Prospectus, the Dealer Agreement, the Agency Agreement or the Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

#### 1.2 Clauses

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

#### 1.3 Other agreements

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Prospectus, the Dealer Agreement, the Agency Agreement and the Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Deed of Guarantee to the Prospectus shall be construed as a reference to the Prospectus as supplemented and/ or amended by the relevant Pricing Supplement.

## 1.4 Legislation

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

## 1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

## 1.6 Benefit of Deed of Guarantee

Any Notes issued under the Programme on or after the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

# 2. GUARANTEE AND INDEMNITY

## 2.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees:

**2.1.1 *The Notes:*** to each Noteholder the due and punctual payment of all sums from time to time payable by the Issuer in respect of the relevant Note as and when the same become due and payable and accordingly undertakes to pay to such Noteholder, in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of such Note, any and every sum or sums which the Issuer is at any time liable to pay in respect of such Note and which the Issuer has failed to pay; and

**2.1.2 *The Direct Rights:*** to each Accountholder the due and punctual payment of all sums from time to time payable by the Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Notes, any and every sum or sums which the Issuer is at any time liable to pay to such Accountholder in respect of the Notes and which the Issuer has failed to pay.

## 2.2 Indemnity

The Guarantor irrevocably and unconditionally agrees as a primary obligation to indemnify each Beneficiary from time to time from and against any loss, liability or cost incurred by such Beneficiary as a result of any of the obligations of the Issuer under or pursuant to any Note, the Deed of Covenant or any provision thereof being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, whether or not known to such Beneficiary or any other person, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the Issuer. Any amount payable pursuant to this indemnity shall be payable in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Notes. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

# 3. COMPLIANCE WITH THE CONDITIONS

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions.

# 4. PRESERVATION OF RIGHTS

## 4.1 Principal obligor

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

## 4.2 Continuing obligations

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Note or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from the Issuer in respect of the Notes and under the Deed of Covenant have been paid, and all other actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

#### 4.3 Obligations not discharged

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

4.3.1 *Winding up*: the winding up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;

4.3.2 *Illegality*: any of the obligations of the Issuer under or in respect of any Note or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;

4.3.3 *Indulgence*: time or other indulgence (including for the avoidance of doubt, any composition) being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of any Note or the Deed of Covenant;

4.3.4 *Amendment*: any amendment to, or any variation, waiver or release of, any obligation of the Issuer under or in respect of any Note or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof, however fundamental; or

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

#### 4.4 Settlement conditional

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

#### 4.5 Exercise of Rights

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

4.5.1 *Demand*: to make any demand of the Issuer, save for the presentation of the relevant Note;

4.5.2 *Take action*: to take any action or obtain judgment in any court against the Issuer; or

4.5.3 *Claim or proof*: to make or file any claim or proof in a winding up or dissolution of the Issuer,

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

#### 4.6 Deferral of Guarantor's rights

The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of any Note or under the Deed of Covenant or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any rights which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

4.6.1 *Indemnity*: to be indemnified by the Issuer;

4.6.2 *Contribution*: to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of any Note or the Deed of Covenant; or

4.6.3 *Subrogation*: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Note or the Deed of Covenant by any Beneficiary.

#### 4.7 Pari passu

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

## **5. DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee shall be deposited with and held by the Fiscal Agent for so long as the Programme remains in effect and thereafter until the date which is two years after all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under the Deed of Covenant) have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

## **6. STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## **7. BENEFIT OF DEED OF GUARANTEE**

### **7.1 Deed poll**

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

### **7.2 Benefit**

This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

### **7.3 Assignment**

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

## **8. PARTIAL INVALIDITY**

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

## **9. NOTICES**

### **9.1 Address for notices**

All notices and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

Toyota Industries Corporation  
2-1 Toyoda-cho  
Kariya-shi  
Aichi 448-8671  
Japan

Fax: +81 566 27 5653

Attention: General Manager of Accounting & Finance Department

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the relevant Noteholders in the manner prescribed for the giving of notices in connection with the relevant Notes.

### **9.2 Effectiveness**

Every notice or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be effective upon receipt by the Guarantor; *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

## **10. CURRENCY INDEMNITY**

If any sum due from the Guarantor under this Deed of Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under

this Deed of Guarantee or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Deed of Guarantee, the Guarantor shall indemnify each Beneficiary on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Beneficiary may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

## **11. LAW AND JURISDICTION**

### **11.1 Governing law**

This Deed of Guarantee and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

### **11.2 English courts**

The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising from or connected with this Deed of Guarantee (including a dispute regarding the existence, validity or termination of this Deed of Guarantee) or the consequences of its nullity.

### **11.3 Appropriate forum**

The Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

### **11.4 Rights of the Beneficiaries to take proceedings outside England**

Clause 11.2 (*English courts*) is for the benefit of the Beneficiaries only. As a result, nothing in this Clause 11 (*Law and jurisdiction*) prevents the Beneficiaries from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.

### **11.5 Process agent**

The Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of the Guarantor in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Guarantor, the Guarantor shall, on the written demand of any Beneficiary addressed and delivered to the Guarantor appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Beneficiary shall be entitled to appoint such a person by written notice addressed to the Guarantor and delivered to the Guarantor. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

## **12. MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to Notes, including the modification of any provision of this Deed of Guarantee. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

**IN WITNESS** whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

**EXECUTED** as a deed

by **TOYOTA INDUSTRIES CORPORATION**

acting by

[name]

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Relevant Issuer or the Guarantor to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Relevant Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Relevant Issuer and the Guarantor will be discharged by payment to the bearer of the Global Note.

### Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment, then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the deeds of

covenant dated 29 September 2006 (the “**Deeds of Covenant**”) executed by the Relevant Issuer). Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Exchange of Permanent Global Notes**

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or

(b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deeds of Covenant). Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Relevant Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

*Exercise of put option:* In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.



## DESCRIPTION OF TOYOTA INDUSTRIES CORPORATION

### General

Toyota Industries Corporation (for the purpose of this section only, the “**Company**” and together with its consolidated subsidiaries and affiliates, “**TICO**”) was incorporated in 1926 as a Japanese joint stock corporation with limited liability, *kabushiki kaisha*, with registered number 1827-01-005668 under the laws of Japan, with the corporate name Toyoda Automatic Loom Works, Ltd. as the manufacturer of the “G-type Automatic Loom”, an invention of its founder, Mr. Sakichi Toyoda. In the 1930’s, TICO established a division to develop and manufacture automobiles which was later spun off and became a separate company, Toyota Motor Corporation (“**Toyota Motor**”). TICO expanded its business to automobile-related products in the 1950’s, manufacturing forklift trucks in the mid-1950’s and assembling and producing vehicles in the late 1960’s. TICO has also diversified its business into electronics related products over the past twenty years. Toyota Motor is the largest shareholder of TICO and TICO is an affiliate of Toyota Motor.

TICO’s consolidated net sales for the fiscal year ended 31 March 2008 amounted to ¥2,000,536 million (U.S.\$19,967,427 thousand) compared to ¥1,878,398 million for the fiscal year ended 31 March 2007. Consolidated net income for the fiscal year ended 31 March 2008 was ¥80,460 million (U.S.\$803,083 thousand) compared to ¥59,468 million for the previous fiscal year.

TICO’s business consists of five segments: the automobile segment, the materials handling equipment segment, the logistics segment, the textile machinery segment and other businesses segment. Within each business segment, TICO operates through subsidiaries and affiliates, some of which have been formed as the result of strategic acquisitions or joint ventures. As at 31 March 2008, TICO had 163 consolidated subsidiaries and 15 affiliates accounted for on the basis of equity method, of which 45 subsidiaries and one affiliate were based in Japan.

### Business

The following table sets out the consolidated net sales of each of TICO’s business segments for the fiscal years indicated:

	Year ended 31 March					
	2008		2007		2006	
	Millions in yen (%)					
Automobile·····	969,226	(48.5)	904,893	(48.2)	746,795	(49.6)
Materials Handling Equipment·····	783,173	(39.1)	767,237	(40.8)	595,236	(39.5)
Logistics·····	117,591	(5.9)	89,470	(4.8)	65,145	(4.3)
Textile Machinery····	66,264	(3.3)	58,403	(3.1)	49,789	(3.3)
Other·····	64,280	(3.2)	58,392	(3.1)	48,988	(3.3)
Total·····	2,000,536	(100.0)	1,878,398	(100.0)	1,505,955	(100.0)

#### *Automobile segment\**

The automobile segment, comprising vehicles (automobile assembly), engines, car air-conditioning compressors and other businesses (including foundry parts and electronic components for automobiles), is TICO’s largest business segment.

The vehicle business produces the Vitz (Yaris overseas), RAV4 and Mark X ZiO under consignment from Toyota Motor.

Consolidated net sales of the vehicle business for the year ended 31 March 2008 totalled ¥500.1 billion (U.S.\$4,992 million) or 25.0 per cent. of total consolidated net sales of TICO, an increase of ¥29.9 billion, or 6.3

per cent., over fiscal 2007. In September 2007, the Mark X ZiO was launched as a new midsize luxury car and total production of the Vitz (Yaris), RAV4 and Mark X ZiO reached 368,000 vehicles in fiscal 2008.

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\* The sum of the percentages set out in this section do not match the 48.5 per cent. as a percentage ratio of the automobile segment to total net sales set out in the table above because sales of certain other products have been included in this segment.

The engine business primarily produces diesel engines and gasoline engines for vehicles of Toyota Motor and for its own line of forklift trucks. Consolidated net sales of the engine business totalled ¥178.7 billion (U.S.\$1,784 million) or 8.9 per cent. of total consolidated net sales of TICO, an increase of ¥11.3 billion, or 6.7 per cent., over fiscal 2007. This increase was attributable to the increase in sales of KD diesel engines for Toyota Motor's Innovative International Multi-Purpose Vehicle (IMV) Series as well as VD diesel engines fitted in the Land Cruisers for overseas markets notwithstanding the decrease in sales of AD diesel engines fitted in the RAV4 for the European markets.

The car air-conditioning compressors developed and produced by TICO are sold to the world's major auto manufacturers through DENSO Corporation ("DENSO").

Consolidated net sales of the car air-conditioning compressor business totalled ¥253.5 billion (U.S.\$2,530 million) or 12.7 per cent. of total consolidated net sales of TICO, an increase of ¥18.0 billion, or 7.7 per cent., over fiscal 2007. While sales slightly decreased in the Japanese domestic market, overseas sales increased mainly in the European markets.

In the automobile industry as a whole, while domestic sales continued to be sluggish during fiscal 2008, sales increased in overseas mainly in the emerging countries including Brazil, Russia, India and China (together, "BRIC"). As a result, net sales of the automobile segment of TICO totalled ¥969.2 billion (U.S.\$9,674 million), an increase of ¥64.3 billion, or 7.1 per cent., over fiscal 2007.

TICO's strategy for the vehicle and engine businesses is to expand their respective scopes of business by contributing to the global strategy of Toyota Motor. The strategy for the car air-conditioning compressor businesses is to strive to solidify its leading global position while aiming for a higher market share and better performance through global business expansion. TICO will also work to expand the scope of its business by strengthening the development capability of power electronics components to be fitted in Toyota Motor's hybrid vehicles.

#### *Materials handling equipment segment*

The materials handling equipment segment manufactures and sells various types of logistics equipment, focusing on lift trucks, automated storage and retrieval systems and automatic guided vehicle systems; in addition to such special-purpose vehicles as aerial work platforms. In the material handling equipment industry as a whole, while sales in the Japanese domestic markets showed almost the same level as in the previous year and sales in North America decreased, overseas markets continued to expand mainly due to the increase in sales in the European markets and BRIC.

Amid this environment, TICO strengthened its sales network globally, while promoting vigorous sales promotion activities targeting major clients. Unit sales of lift trucks for both the Toyota brand and the BT brand increased due to favourable conditions in the European markets and unit sales of aerial work platforms were solid due to replacement demand in the electric power industry and construction industry. Consolidated net sales of the materials handling equipment segment of TICO totalled ¥783.2 billion (U.S.\$7,817 million) or 39.1 per cent. of total consolidated net sales of TICO, an increase of ¥15.9 billion, or 2.1 per cent., over fiscal 2007.

TICO's strategy for the materials handling equipment business is to strive to solidify the leading global position while aiming for a higher market share and better performance through global business expansion.

#### *Logistics segment*

In addition to engaging in truck cargo transport and warehousing operations, TICO carries out the logistics solutions business for handling all aspects of logistics to help customers reduce their logistics costs. TICO is building proprietary business models that strive to optimise the overall flow of "goods," "cash" and "information" from the manufacturer to the consumer. In fiscal 2008, consolidated net sales of the logistics segment totalled ¥117.6 billion (U.S.\$1,174 million) or 5.9 per cent. of total consolidated net sales of TICO, an increase of ¥28.1 billion, or 31.4 per cent., over fiscal 2007, due largely to an increase in the transport volume of automotive parts and the consolidation of Wanbishi Archives Co., Ltd. as mentioned below.

TICO's strategy for logistic solution business is to concentrate on high value-added business and strengthen its business foundation. The high value-added services are mainly provided through two subsidiaries, Asahi Security Co., Ltd., which principally offers cash management outsourcing services, and Wanbishi Archives Co., Ltd., which principally offers information management services including safe storage, management, collection and delivery of internal company data. Wanbishi Archives Co., Ltd. became a wholly owned subsidiary of the Company in May 2007.

#### *Textile machinery segment*

The textile machinery segment manufactures and sells spinning-related machinery, focusing on ring spinning frames, and weaving-related machinery such as airjet looms. TICO is one of the world's leading manufacturers of air-jet looms and spinning machinery. In the textile machinery industry as a whole, the mainstay Chinese market remained strong on the back of robust capital investment supported by rapid growth. Consolidated net sales of the textile machinery segment totalled ¥66.3 billion (U.S.\$661 million) or 3.3 per cent. of total consolidated net sales of TICO, an increase of ¥7.9 billion, or 13.5 per cent., from fiscal 2007. In fiscal 2008, TICO achieved again sales of more than 10,000 air-jet looms in two consecutive years. The majority of these sales were in China. Strong sales of spinning machinery in Vietnam and Indonesia also contributed to the strong performance of this segment.

TICO's strategy for the textile machinery business is to maintain its leading international share in air-jet looms and to realise stable business management.

#### *Other businesses segment*

The other businesses segment includes newer businesses that TICO has entered relatively recently. This segment includes TIBC Corporation, established in 1998 as a joint venture with Ibiden Co., Ltd., which produces semiconductor package substrates.

### **Recent Developments**

On 20 June 2008, the shareholders of the Company authorised payment of a year-end cash dividend to shareholders of record as of 31 March 2008 of ¥32 (U.S.\$0.32) per share, or a total of ¥9,970 million (U.S.\$99,511 thousand). Cash dividends for the year totalled ¥60 (U.S.\$0.60) per share, including an interim dividend of ¥28 (U.S.\$0.28).

### **Relationship with Toyota Motor and DENSO**

Toyota Motor is the largest producer of automobiles in Japan and one of the largest automobile producers in the world in terms of the number of vehicles sold. DENSO, an affiliate of Toyota Motor, is a major manufacturer of air-conditioning systems and other automotive parts worldwide, as well as non-automobile related electronics applied products.

TICO has a close relationship with Toyota Motor in a number of areas such as business relations, personnel and mutual shareholdings. Toyota Motor has long been the largest customer of TICO. Some current directors and officers of the Company previously held positions with Toyota Motor. The Company is one of the major affiliates of Toyota Motor and assumes an important role in its related companies.

As at 31 March 2008, Toyota Motor and DENSO owned 23.5 per cent. and 9.1 per cent., respectively, of the total issued shares of the Company and were the largest and the second largest shareholders of the Company, respectively. As at the same date, the Company owned 5.8 per cent. of the total issued shares of Toyota Motor and 7.8 per cent. of the total issued shares of DENSO.

Toyota Motor is the largest customer of TICO, and DENSO the second largest. For the fiscal year ended 31 March 2008, TICO's net sales to Toyota Motor amounted to ¥711.7 billion (U.S.\$7,103 million), representing 35.6 per cent. of total net sales. For the fiscal year ended 31 March 2008, TICO's net sales to DENSO amounted to ¥140.5 billion (U.S.\$1,403 million), representing 7.0 per cent. of total net sales. TICO currently assembles and produces three models of vehicles under consignment from Toyota Motor and manufactures diesel and gasoline engines for Toyota Motor's automobiles. The car air-conditioners assembled by DENSO with air-conditioning compressors manufactured by TICO are sold by DENSO under DENSO's brand name to Toyota Motor and other automotive manufactures in Japan, the United States and Europe. Transactions between TICO and Toyota Motor, DENSO, or other Toyota Motor group companies are conducted on an arm's-length basis.

### **Employees**

As at 31 March 2008, TICO had 39,528 full-time employees, including 11,782 employed by the Company. TICO hires temporary employees from time to time as needed.

## Management

The following table sets forth the Directors and Corporate Auditors of the Company:

<b>Name</b>	<b>Position</b>
Tadashi Ishikawa*	Chairman
Tetsuro Toyoda*	President
Norio Sato*	Executive Vice President
Yoshikatsu Mizuno*	Executive Vice President
Tatsuo Matsuura*	Executive Vice President
Akira Imura*	Executive Vice President
Shigetaka Yoshida	Senior Managing Director
Masafumi Kato	Senior Managing Director
Yasuharu Toyoda	Senior Managing Director
Yutaka Murodono	Senior Managing Director
Kazunori Yoshida	Senior Managing Director
Kosaku Yamada	Senior Managing Director
Toshiyuki Sekimori	Senior Managing Director
Kimpei Mitsuya	Senior Managing Director
Hiroshi Sakai	Senior Managing Director
Yoshitoshi Toyoda	Honorary Chairman
Tatsuro Toyoda	Director
Masanori Ito	Standing Corporate Auditor
Kakuo Ishikawa	Standing Corporate Auditor
Hiroshi Okuda	Corporate Auditor
Fumio Kawaguchi	Corporate Auditor
Katsuaki Watanabe	Corporate Auditor

\* Representative Director

According to the Articles of Incorporation of the Company, the term of office of each Director shall expire at the closing of the ordinary general meeting of shareholders held with respect to the settlement of accounts for the most recently ended financial year within one year after their assumption of office and with respect to the Corporate Auditor, four years after the assumption of office of the Corporate Auditor. Each Director and Corporate Auditor may serve any number of consecutive terms.

All the Directors and Corporate Auditors, except Mr. Tatsuro Toyoda (Senior Advisor to the Board of Toyota Motor), Hiroshi Okuda (Senior Advisor to the Board and Member of the Board of Toyota Motor), Fumio Kawaguchi (Chairman of Chubu Electric Power Co., Inc.) and Katsuaki Watanabe (President of Toyota Motor), are engaged in the business of the Company or its subsidiaries on a full-time basis. The business address of all of the above Directors is 2-1 Toyoda-cho, Kariya-shi, Aichi 448-8671, Japan.

No potential conflicts of interest exist between any duties owed to the Company by the Directors and Corporate Auditors of the Company listed above and their private interests or other duties.

## DESCRIPTION OF TOYOTA INDUSTRIES FINANCE INTERNATIONAL AB (publ)

### Introduction

Toyota Industries Finance International AB (publ) (“**TIFI**”) is a Swedish public limited liability company incorporated on 5 March 2003 under the laws of the Kingdom of Sweden. TIFI’s corporate registration number is 556641-0154 and its registered offices are located in Mjölby, Sweden.

### History, Ownership and Capital Structure

TIFI, which is a direct wholly-owned subsidiary of Toyota Industries Europe AB and an indirect wholly-owned subsidiary of Toyota Industries Corporation (“**TICO**”), commenced its operations in March 2003 by engaging in certain business operations relating to the provision of business advice and treasury information system design, development, maintenance and support for TICO’s subsidiaries and affiliates outside Japan. The responsibility and management of foreign exchange operations, cash management operations and financial risk service functions in all countries, except Japan, are centralised within TIFI.

TIFI’s authorised and issued share capital consists of 250,000 ordinary shares, fully paid-up, each with a par value of SEK 100, and amounts to SEK 25,000,000.

### Recent Developments

TIFI is continuously developing and improving its business concept, to ensure higher value and service to the TICO group companies outside Japan.

### Summary Financial Information relating to TIFI

The following tables set out the balance sheet and income statement information relating to TIFI in summary form. Such information is extracted without material adjustments from the audited financial statements of TIFI as at and for the fiscal year ended 31 March 2008 and the unaudited interim financial statement of TIFI as at and for the period ended 30 June 2008. The audited financial statements for the fiscal year ended 31 March 2008, together with the auditor’s report thereon and the notes thereof, appear elsewhere in this Prospectus. The financial information presented below should be read in conjunction with such financial statements, the report and the notes thereto.

#### Balance Sheet Information

	As at 31 March 2008	As at 30 June 2008 (unaudited)	Changes between 31 March 2008 and 30 June 2008
	(SEK in thousands)		
Shareholders’ equity .....	154,319	157,304	2,985
Total current assets.....	3,488,147	3,634,581	146,434
Total current liabilities .....	4,502,373	5,301,333	798,960
Total Net current assets.....	-1,014,226	-1,666,752	-652,526
Total Long term debt.....	1,529,682	688,581	-841,101

#### Income Statement Information

	For the period 31 March 2007 to 31 March 2008	For the period 31 March 2008 to 30 June 2008 (unaudited)
	(SEK in thousands)	
Net profit after tax.....	17,735	2,985 <sup>(1)</sup>

(1) Calculated at the current tax rate of 28 per cent.

## Business

### *Principal activities*

TIFI's business objects are to conduct financing and asset management business for companies within the TICO group. TIFI performs these business objects by offering a number of financial and treasury services. These services include managing foreign exchange positions and handling inter-company finance, cash management and bank borrowing.

### *Management of financial risk*

For TIFI to fulfil its principal objectives, it is required to conduct transactions in financial instruments that result in exposure to financial risk. In particular, TIFI is exposed to potential losses as a result of currency and interest rate fluctuations. Its aim is to manage currency risk with the use of derivatives such as foreign exchange options, forward foreign exchange contracts and currency swaps and to manage interest rate risk through the use of interest rate swaps.

Credit risk exposure arises on bank deposits and liquid asset investments, inter-company balances and derivative instruments. TIFI manages its external credit risk by limiting its counterparties to a group of highly rated international banks and placing limits on positions that it can hold with such counterparties.

TIFI is the owner of all financial risks in the TICO group outside Japan. The operational risk is managed closely with each business unit, following treasury procedures and policies.

As at 30 June 2008, the latest date for which figures are available, the amounts outstanding in respect of these activities were as follows:

	<b>SEK in thousands</b>
Foreign exchange transactions (nominal contract amounts) .....	7,215,960
Currency options (nominal contract amounts) .....	—
Short-term inter-company borrowings .....	1,559,589
Short-term inter-company lending .....	3,255,650
Long-term inter-company lending .....	2,431,133
Capital markets money raising: .....	
— short-term borrowings .....	2,807,861
— long-term borrowings .....	688,581

Source: Unaudited interim management accounts.

TIFI promotes its range of in-house banking services to TICO group companies in Europe, North America, Australia and Asia (excluding Japan). Currently, TIFI provides its services to approximately 55 TICO group companies worldwide.

## Management and Employees

Under the Swedish Companies Act, TIFI's board of directors is responsible for TIFI's organisation and the management of TIFI's affairs. The members of the board of directors are elected by the shareholders of TIFI and the board of directors shall, according to TIFI's articles of association, consist of no fewer than four and no more than six directors. Under Swedish law, at least half of the members of the board of directors must be resident in a European Economic Area country, unless the Swedish Companies Registration Office grants an exemption. At present, TIFI's board of directors has the following four members:

<b>Name</b>	<b>Position</b>	<b>Principal activity outside TIFI</b>
Yasuharu Toyoda .....	Chairman	Senior Managing Director, Toyota Industries Corporation, Japan
Håkan Dahllöf .....	Director	President, Toyota Material Handling Europe, Belgium
Toshifumi Ogawa .....	Director	Managing Officer, Toyota Industries Corporation, Japan
Claes Palm .....	Director	CFO, Toyota Material Handling Europe, Belgium

As a Swedish public limited company (*publikt aktiebolag*), TIFI is required to have a managing director (*verkställande direktör*). Under Swedish law the managing director must be resident in a European Economic

Area country, unless the Swedish Companies Registration Office grants an exemption. At present, the managing director of TIFI is the following:

<b>Name</b>	<b>Position</b>	<b>Principal activity outside TIFI</b>
Rikard Sagent.....	Managing Director	Group Treasurer & Head of Corporate Finance, Toyota Industries Sweden AB, Sweden

The business address of TIFI, its board of directors and its managing director is Universitetsvägen 14, SE-583 30 Linköping, Sweden.

No potential conflicts of interest exist between any duties owed to TIFI by the directors listed above and their private interests or other duties.

At present, TIFI has no employees. Instead, employee services are provided by Toyota Industries Sweden, AB.

#### **Principal Subsidiaries**

At present, TIFI has no subsidiaries or affiliates.

## TAXATION

The following is a general description of certain Japanese and Swedish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

### Japan

Except in the case that any interest on the Notes issued by TIFI is attributable to a business in Japan conducted by TIFI in the manner provided for in the Special Taxation Measures Law of Japan, the payment of principal and interest in respect of the Notes issued by TIFI to a non-resident of Japan or a non-Japanese corporation will not be subject to any Japanese income tax or corporation tax, unless the receipt of the relevant payment is the income of such non-resident or non-Japanese corporation from sources in Japan. If any interest of the Notes or any excess amount of the redemption price over the issue price of any Notes issued by TIFI is attributable to a business in Japan conducted by TIFI as aforementioned, the following consequences relating to the Notes issued by TICO are also applicable to the Notes issued by TIFI.

Payment of interest on the Notes issued by TICO to a resident of Japan or a Japanese corporation (except for a designated financial institution which has complied with the requirements under the Special Taxation Measures Law of Japan) will be subject to Japanese income tax on the amount specified in sub-paragraphs (a) and (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan or to a Japanese corporation (except as provided in sub-paragraph (b) below), the amount of such interest; or
- (b) if interest is paid to a public corporation, a financial institution or a financial instruments firm (which has complied with the Japanese tax exemption requirements) through its payment handling agent in Japan as provided in Article 3-3, paragraph 6 of the Special Taxation Measures Law of Japan, the amount of such interest minus the amount provided in the cabinet order relating to said paragraph 6.

In the case of payment of interest on the Notes issued by TICO outside Japan to a beneficial owner that is not an individual resident of Japan or a Japanese corporation for Japanese tax purposes (a “**non-resident holder**”), such beneficial owner will not be subject to Japanese withholding tax, provided that the beneficial owner complies with procedures for establishing its status as a non-resident holder in accordance with the requirements of Japanese law.

The exemption described in the preceding paragraph applies by its terms to interest with respect to the Notes issued by TICO on or before 31 March 2010. If the exemption is not extended by future legislation, or if a similar exemption is not available after 31 March 2010, interest with respect to the Notes issued by TICO after that date would be subject to Japanese withholding tax. In that event, non-resident holders generally would be entitled to receive additional amounts as described under Condition 12 (*Taxation*), and TICO would be entitled to redeem the Notes as prescribed under Condition 10(b) (*Redemption for tax reasons*).

Under current Japanese tax law, any excess amount of the redemption price over the issue price of any Zero Coupon Notes issued by TICO will be subject to Japanese income tax at the rate of 18 percent. and such amount, in addition to the issue price, shall be required to be paid by purchasers of the Notes issued by TICO. If the recipient of such excess amount is an individual resident in or a corporation of a country with which Japan has an income tax treaty, the Japanese withholding tax rate may be modified by the applicable provisions of such income tax treaty.

Under current Japanese practice, TICO and the Paying Agent may determine their withholding obligations in respect of Notes issued by TICO held through a qualified clearing organisation in reliance on certifications received from such an organisation, and need not obtain certifications from the ultimate beneficial owners of such Notes. As part of the procedures under which such certifications are given, a beneficial owner may be required to establish that it is a non-resident holder to the person or entity through which it holds the Notes issued by TICO. A non-resident holder that holds Notes issued by TICO otherwise than through a qualified clearing organisation may be required to deliver a duly completed claim for exemption from Japanese withholding tax, and to provide documentation concerning its identity and residence, to the Paying Agent in order to receive interest from the Paying Agent free of Japanese withholding tax. TICO and the Paying Agent



may adopt modified or supplemental certification procedures to the extent necessary to comply with changes in, or as otherwise permitted under, Japanese law or administrative practice.

Gains derived from the sale outside Japan of Notes by a non-resident of Japan or a non-Japanese corporation are in general not subject to Japanese income or corporation taxes. Gains derived from the sales in Japan of Notes by a non-resident of Japan or a non-Japanese corporation not having permanent establishment in Japan are in general not subject to Japanese income or corporation taxes. Japanese inheritance and gift taxes at progressive rates may be payable by an individual, wherever resident, who has acquired Notes as legatee, heir or donee.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by Noteholders in connection with the issue of the Notes.

## **Sweden**

The following summary outlines certain Swedish tax consequences relating to the Notes for prospective purchasers. These laws are subject to change, possibly on a retroactive basis. Prospective purchasers are urged to consult their professional tax advisers regarding Swedish tax and other tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances.

Payments of any principal amount or interest to the holder of any Note will not be subject to Swedish income tax, provided that such holder is not resident in Sweden for Swedish tax purposes and provided that such holder does not have a permanent establishment or a fixed base in Sweden to which the Notes are effectively connected. The owning of a Note does not alone constitute a permanent establishment or fixed base in Sweden for Swedish tax purposes.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments or any principal amount or interest to a Noteholder. An exception to this applies when a Swedish debtor or a Swedish paying agent of a debtor makes payments of interest to a private individual with residence in Sweden for tax purposes (or an estate of a deceased such individual).

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for tax purposes, all capital income (e.g. interest and capital gain on a Note) will be taxable. Specific tax consequences, however, may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies.

## **EU Savings Tax Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Relevant Issuer to any one or more of Barclays Bank PLC, Citigroup Global Markets Limited, Daiwa Securities SMBC Europe Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd, Nomura International plc, Skandinaviska Enskilda Banken AB (publ), The Royal Bank of Scotland plc and any institution named in the relevant Final Terms as a dealer (the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Relevant Issuer to, and purchased by, Dealers are set out in an amended and restated Dealer Agreement dated 30 September 2008, (the “**Dealer Agreement**”) and made between the Issuers, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Relevant Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

**United States of America:** *Regulation S Category 2, TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

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

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

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Relevant Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Relevant Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Dealer has represented, warranted and agreed that:

(a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Relevant Issuer;

(b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning

of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Relevant Issuer or the Guarantor; and

(c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “**FIEL**”) and the Notes, issued (i) by TICO and (ii) by TIFI, if any interest on Notes issued by it is attributable to a business in Japan conducted by TIFI in the manner provided for in the Special Taxation Measures Law of Japan (defined below), are subject to the provisions for “foreign-issued company bonds” (*minkan kokugaisai*) under the Special Taxation Measures Law of Japan. Accordingly, each of the Dealers has represented and agreed that (x) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell the Notes in Japan or to any person resident in Japan for Japanese financial instruments law purposes (including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL; and (y) it has not, directly or indirectly, offered or sold and will not, (a) as part of its distribution at any time and (b) otherwise until 40 days after the closing date, directly or indirectly offer or sell the Notes (if issued by TIFI, only in the case that any interest on the Notes is attributable to a business in Japan conducted by TIFI as mentioned above) to any person other than a Gross Recipient. A “**Gross Recipient**” for this purpose is (i) a beneficial owner that is not an individual resident of Japan or a Japanese corporation for Japanese tax purposes, (ii) a Japanese financial institution, designated in Article 3-2 paragraph (19) of the Cabinet Order for Enforcement of the Special Taxation Measures Law of Japan (Cabinet Order No. 43 of 1957) (as amended) (the “**Cabinet Order**”) that will hold the Notes (if issued by TIFI, only in the case that any interest on the Notes is attributable to a business in Japan conducted by TIFI as mentioned above) for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes (if issued by TIFI, only in the case that any interest on the Notes is attributable to a business in Japan conducted by TIFI as mentioned above) will be made through a payment handling agent in Japan, as defined in Article 2-2 paragraph (2) of the Cabinet Order.

## **Sweden**

Each Dealer has agreed that it will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or purchase or sell the Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Sweden except in compliance with the laws of Sweden.

## **General**

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the Final Terms, no action has been or will be taken in any country or jurisdiction by the Relevant Issuer, the Guarantor or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the preceding paragraph.

Selling restrictions may be supplemented or modified by the Dealers with the agreement of the Issuers. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

## **GENERAL INFORMATION**

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (the “**Transparency Directive**”) entered into force on 20 January 2005. It requires Member States to take measures necessary to comply with the Transparency Directive by 20 January 2007. If, as a result of the Transparency Directive or any legislation implementing the Transparency Directive, the Issuers or the Guarantor could be required to publish financial information either more regularly than they otherwise would be required to or according to accounting principles which are materially different from the accounting principles which they would otherwise use to prepare their published financial information, the Issuers may seek alternative admissions to listing, trading and/or quotation for the Notes on a different section of the London Stock Exchange or by such other competent authority, stock exchange and/or quotation system inside or outside the European Union as it may (with the approval of the relevant Dealer(s)) decide.

### **Listing and Admission to Trading**

The price of the Notes on the price list of on the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Notes intended to be admitted to listing on the Official List of the FSA and admitted to trading on the regulated market of the London Stock Exchange will be so admitted to listing and trading upon submission to the FSA and the London Stock Exchange of the relevant Final Terms and any other information required by the FSA and the London Stock Exchange, subject in each case to the issue of the relevant Notes. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the FSA or the regulated market of the London Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchange and/or quotation system as the Relevant Issuer and the relevant Dealer(s) may agree.

### **Authorisations**

The establishment and update of the Programme were authorised by resolutions of the Board of Directors of TICO dated 23 August 2004 and 27 August 2008 and by resolutions of the Board of Directors of TIFI dated 25 May 2004 and 4 July 2008 respectively, and issuance of the Notes by TICO under the Programme was authorised by a resolution of the Board of Directors of TICO dated 19 September 2008. The giving of the guarantee contained in the Deed of Guarantee was authorised by a resolution of the Board of Directors of the Guarantor dated 20 March 2008. Each of the Issuers and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

### **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### **Use of proceeds**

The net proceeds of the issue of each Tranche of Notes will be applied by the Relevant Issuer to meet part of its general financing requirements or for such purpose as specified in the relevant Final Terms.

### **Litigation or arbitration**

Neither TICO nor TIFI is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which TICO or TIFI is aware) during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of TIFI or of TICO and its subsidiaries taken as a whole.

### **Financial or trading position**

There has been no material adverse change in the prospects of TICO since 31 March 2008. No significant change in the financial or trading position of TICO and its subsidiaries, taken as a whole, has occurred since 30 June 2008.

There has been no material adverse change in the prospects of TIFI since 31 March 2008 and no significant change in the financial or trading position of TIFI has occurred since 30 June 2008.

### **Auditors**

The financial statements of TICO have been audited by PricewaterhouseCoopers Aarata for the financial years ended 31 March 2007 and 31 March 2008 and those of TIFI have been audited by Öhrlings PricewaterhouseCoopers for the financial years ended 31 March 2007 and 31 March 2008, independent public auditors of TICO and TIFI respectively for that period, and unqualified opinions have been reported thereon.

PricewaterhouseCoopers Aarata is a member of the Japanese Institute of Certified Public Accountants. The auditors of Öhrlings PricewaterhouseCoopers are members of FAR SRS, the institute for the accountancy profession in Sweden. The auditor's reports for the fiscal years ended 31 March 2007 and 31 March 2008 in relation to TIFI incorporated herein are direct and accurate translations of their originals in the Swedish language.

### **Documents available for inspection**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Fiscal Agent and at the registered office of the Relevant Issuer, namely:

- (a) the constitutive documents of the Relevant Issuer and the Guarantor;
- (b) the current Prospectus in relation to the Programme, together with any amendments or supplements;
- (c) the Agency Agreement;
- (d) the Deed of Guarantee;
- (e) the Deeds of Covenant;
- (f) the Dealer Agreement;
- (g) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- (h) the most recent publicly available audited consolidated financial statements of TICO beginning with such financial statements for the years ended 31 March 2007 and 31 March 2008 and the most recent publicly available interim unaudited consolidated financial statements (beginning with such financial statements for the quarter ended 30 June 2008);
- (i) the most recent publicly available audited unconsolidated financial statements or if available the most recent publicly available audited consolidated financial statements of TIFI beginning with such financial statements for the years ended 31 March 2007 and 31 March 2008 and the most recent publicly available interim unaudited unconsolidated financial statements or if available the most recent publicly available unaudited consolidated financial statements (beginning with such financial statements for the quarter ended 30 June 2008);
- (j) reports, letters, balance sheets, valuations and statements of experts included or referred to in listing particulars (other than consent letters); and
- (k) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders.)

### **Material Contracts**

There are no material contracts having been entered into outside the ordinary course of each Issuer's business, and which could result in any group member of that Issuer being under an obligation or entitlement that is material to that Issuer's ability to meet its obligation to the security holder in respect of the securities being issued.

## **FINANCIAL STATEMENTS OF TOYOTA INDUSTRIES FINANCE INTERNATIONAL AB (publ)**

The following financial statements have been extracted from the 2008 Annual Report of Toyota Industries Finance International AB (publ).

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## INCOME STATEMENT

Amounts in SEK thousand

		4/1/2007 3/31/2008	1/1/2006 3/31/2007
	Note		
	1		
<b>Net sales</b>	<b>2</b>	<b>3,013</b>	<b>3,300</b>
Administrative expenses	3	-14,036	-14,534
Other operating income		37,240	35,613
Other operating expenses		-37,240	-35,613
<i>Total operating expenses</i>		<b>-14,036</b>	<b>-14,534</b>
<b>Operating income</b>		<b>-11,023</b>	<b>-11,234</b>
<b>Result from financial investments</b>			
Interest income and other financial income	4	335,427	350,507
Interest expenses and other financial expenses	5	-299,800	-313,003
<b>Income after net financial items</b>		<b>24,604</b>	<b>26,270</b>
Income tax	6	-6,869	-7,498
<b>Net income for the year</b>		<b>17,735</b>	<b>18,772</b>

## BALANCE SHEET

Amounts in SEK thousand

		3/31/2008	3/31/2007
<b>ASSETS</b>	<b>Note</b>		
	<b>1</b>		
<i>Fixed assets</i>			
<b>Financial fixed assets</b>			
Receivables from Group companies	7	2,698,227	2,007,846
<b>Total fixed assets</b>		<b>2,698,227</b>	<b>2,007,846</b>
<i>Current assets</i>			
<b>Current receivables</b>			
Receivables from Group companies	7	3,347,121	3,602,057
Other receivables		6,653	22,589
Prepaid expenses and accrued income	8	65,673	55,351
<b>Cash and bank balances</b>		<b>68,700</b>	<b>237,015</b>
<b>Total current assets</b>		<b>3,488,147</b>	<b>3,917,012</b>
<b>TOTAL ASSETS</b>		<b>6,186,374</b>	<b>5,924,858</b>
<b>EQUITY AND LIABILITIES</b>			
Amounts in SEK thousand		3/31/2008	3/31/2007
<i>Equity</i>	<b>9</b>		
<u>Restricted equity</u>			
Share capital (250,000 shares, quota value SEK 100)		25,000	25,000
Statutory reserve		247	247
		25,247	25,247
<u>Non-restricted equity</u>			
Income brought forward		111,337	92,565
Net income for the year		17,735	18,772



		129,072	111,337
<b><i>Total equity</i></b>		<b>154,319</b>	<b>136,584</b>
<b><i>Liabilities</i></b>			
<b>Long-term liabilities</b>			
Amounts owed to credit institutions	11	1,529,682	1,526,708
<b>Total long-term liabilities</b>		<b>1,529,682</b>	<b>1,526,708</b>
<b>Current liabilities</b>			
Amounts owed to credit institutions		2,624,331	2,090,000
Accounts payable		133	6
Liabilities to Group companies	10	1,711,384	2,029,475
Tax liabilities		4,739	5,495
Liability, cash pool		129,718	85,559
Other liabilities		0	11,759
Accrued expenses and prepaid income	12	32,068	39,272
<b>Total current liabilities</b>		<b>4,502,373</b>	<b>4,261,566</b>
<b><i>Total liabilities</i></b>		<b>6,032,055</b>	<b>5,788,274</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,186,374</b>	<b>5,924,858</b>
Assets pledged		None	None
Contingent liabilities		None	None

## STATEMENT OF CASH FLOWS

	4/1/2007	1/1/2006
Amounts in SEK thousand	3/31/2008	3/31/2007
<b>Operating activities</b>		
Operating income before financial items	-11,023	-11,234
Interest received	325,105	319,456
Interest paid	-301,869	-309,039
Other financial items	-5,145	-5,456
Tax paid	-10,509	-7,769
<b>Cash flow from operating activities</b>		
<b>before changes in working capital</b>	<b>-3,441</b>	<b>-14,042</b>
<i>Change in working capital</i>		
Accounts payable	124	-115
Other changes in working capital	7,069	4,762
Change in working capital	7,193	4,647
<b>Cash flow from operating activities</b>	<b>3,752</b>	<b>-9,395</b>
<b>Investing activities</b>		
Financial assets	-435,445	-728,043
<b>Cash flow from investing activities</b>	<b>-435,445</b>	<b>-728,043</b>
<b>Operating cash flow</b>	<b>-431,693</b>	<b>-737,438</b>
<b>Financing activities</b>		
Change in borrowing	263,373	900,081
<b>Cash flow from financing activities</b>	<b>263,373</b>	<b>900,081</b>
<b>Change in liquid assets</b>	<b>-168,318</b>	<b>162,643</b>
Liquid assets at beginning of year	237,018	74,375
Exchange rate effects, liquid assets	0	0
<b>Liquid assets at year-end</b>	<b>68,700</b>	<b>237,018</b>

## Notes

### *Note 1 Accounting and valuation principles*

The annual report for Toyota Industries Finance International AB (publ) has been prepared in accordance with the Annual Accounts Act and the general advice of the Swedish Accounting Standards Board.

The result from interest rate swaps is reported net in the income statement for the current year. Interest rate swaps are reported net as of 2006, when it was decided this would provide a more accurate view of the Company's interest income/expenses. During the financial year April 1, 2007 to March 31, 2008 interest flows of SEK 133 million have therefore been reported net.

#### **Foreign currencies**

Assets and liabilities in foreign currency have been the valuated and reported at closing day rates. If a currency hedge is applied, e.g., a forward exchange hedge, the forward rate is used. Transactions in foreign currency are translated at the spot rate on the transaction day.

Exchange rate gains and losses on financial receivables and liabilities in foreign currency are recognized through profit or loss as interest expenses and other financial expenses.

#### **Revenue**

Interest income is based on the effective return. Services are recognized in revenue after they are rendered.

#### **Income taxes**

Reported income taxes comprise tax payable or recoverable for the current year and, where applicable, adjustments to previous years' current tax.

For items recognized through profit or loss, the related tax effects are also recognized through profit or loss. The tax effects of items recognized directly against equity are recognized against equity.

#### **Financial instruments**

Financial receivables. Financial receivables with a due date more than 12 months after the closing day are reported as fixed assets, or otherwise as current assets. Financial receivables are carried at the amount that is expected to be paid after an individual assessment. Financial receivables that are obtained with the intention to be held long-term are initially reported at cost and subsequently at amortized cost applying the effective interest method, less any provisions for diminished value.

Loan liabilities. Loan liabilities are initially reported at the amount received. If the reported amount differs from the amount that will be repaid on the maturity date, the difference is accrued as interest expense or interest income over the maturity of the loan.

Derivatives. The Company uses derivatives to cover risks associated with changes in exchange rates and to hedge its exposure to interest rate risks. Derivatives that are not used for hedge accounting are valued in accordance with the lowest-value principle.

Transaction exposure. When budgeted flows are hedged, the hedging instrument is not revalued if exchange rates change. The entire effect of changes in exchange rates is recognized through profit or loss when the hedging instrument falls due for payment.

Hedging of financial receivables and liabilities in foreign currency. Forward exchange contracts are entered into with the intent to protect the Group against changes in exchange rates, since the contract sets the rate at which an asset or liability in foreign currency will be realized. An increase or decrease in the amount required to settle the asset/liability is offset by a corresponding change in the value of the forward contract. Both the asset/liability and the derivative are valued at closing day exchange rates, and changes in value are recognized through profit or loss. For a financial asset that is not of an operating nature and the derivative used as a hedging instrument, the change in value is recognized in the item Interest income and other financial income. For a liability of an operating nature and the derivative used as a hedging instrument, changes in value are recognized in the item Interest expenses and other financial expenses. The interest element (forward premium) in a contract is accrued over the term of the contract as interest.

Hedging of the Company's fixed interest terms. Contracts on interest rate swaps protect the Company against changes in interest rates. Any interest differential that is received or paid as the result of an interest rate swap is recognized in the item Interest expenses and other financial expenses and is accrued over the contractual term. Fixed income instruments that do not meet the criteria for hedge accounting are valued on the closing day, at which point provisions for unrealized losses are allocated.

#### **Statement of cash flows**

The statement of cash flows is prepared according to the indirect method. The reported cash flow comprises only transactions that entail receipts or disbursements.

#### **Liquid assets**

Besides cash and bank balances, liquid assets include short-term financial investments that are exposed to only an insignificant risk of fluctuations in value, as well as those traded on an open market at known amounts or having a remaining maturity of less than three months from acquisition.

<i>Note 2</i>	<b><i>Intra-Group purchases and sales</i></b>	<b>01/04/2007</b>	<b>01/01/2006</b>
		<b>31/03/2008</b>	<b>31/03/2007</b>
	Sales to Group companies	<b>100%</b>	<b>100%</b>
	Purchases from Group companies (of administrative expenses)	<b>64%</b>	<b>73%</b>
<i>Note 3</i>	<b><i>Auditors' fees</i></b>	<b>01/04/2007</b>	<b>01/01/2006</b>
		<b>31/03/2008</b>	<b>31/03/2007</b>
	<i>ÖhrlingsPricewaterhouseCoopers</i>		
	Audit fees	<b>-465</b>	<b>-193</b>
	Assignments other than audits	<b>-22</b>	<b>-397</b>
	Total	<b>-487</b>	<b>-590</b>
<i>Note 4</i>	<b><i>Interest income and other financial income</i></b>	<b>01/04/2007</b>	<b>01/01/2006</b>
		<b>31/03/2008</b>	<b>31/03/2007</b>
	Interest income from Group companies	<b>333,921</b>	<b>347,770</b>
	Interest income from external counterparties	<b>1,506</b>	<b>2,737</b>
		<b>335,427</b>	<b>350,507</b>
<i>Note 5</i>	<b><i>Interest expenses and other financial expenses</i></b>	<b>01/04/2007</b>	<b>01/01/2006</b>
		<b>31/03/2008</b>	<b>31/03/2007</b>
	Interest expenses to Group companies	<b>-38,362</b>	<b>-31,356</b>
	Interest expenses to Parent Company	<b>-25,425</b>	<b>-16,436</b>
	Interest expenses to external counterparties	<b>-230,867</b>	<b>-259,757</b>
	Exchange rate effects	<b>3,496</b>	<b>-1,617</b>
	Other financial items	<b>-8,642</b>	<b>-3,837</b>
		<b>-299,800</b>	<b>-313,003</b>
<i>Note 6</i>	<b><i>Income tax</i></b>	<b>01/04/2007</b>	<b>01/01/2006</b>
		<b>31/03/2008</b>	<b>31/03/2007</b>
	Current tax for the year	<b>-6,869</b>	<b>-7,405</b>
	Current tax attributable to previous years	<b>0</b>	<b>-93</b>

-6,869 -7,498

Note 7 **Financial fixed assets** 31/03/2008 31/03/2007

Receivables from Group companies	2,698,227	2,007,846
of which derivatives	118,091	0

**Financial current assets** 31/03/2008 31/03/2007

Receivables from Group companies	3,347,121	3,602,057
of which derivatives	146,344	0

Derivatives are used to hedge receivables and to achieve the desired fixed interest terms.

Note 8 **Financial current assets** 3/31/2008 3/31/2007

Accrued interest income	65,673	55,351
	65,673	55,351

Note 9 **Equity March 31, 2007**

Change in equity	Share capital	Restricted equity	Non-restricted equity	Total
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Opening balance, Jan. 1, 2006	25,000	247	92,565	117,812
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Statutory reserve

Net income for the year			18,772	18,772
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Closing balance, March 31, 2007	25,000	247	111,337	136,584
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**Equity, March 31, 2008**

Change in equity	Share capital	Restricted equity	Non-restricted equity	Total
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Opening balance, April 1, 2007	25,000	247	111,337	136,584
--------------------------------	--------	-----	---------	---------

Statutory reserve				
Net income for the year			17,735	17,735
Closing balance, March 31, 2008	25,000	247	129,072	154,319
<i>Note 10</i>	<b><i>Liabilities to Group companies</i></b>		<b>3/31/2008</b>	<b>3/31/2007</b>
	Liabilities to Group companies		1,041,384	1,359,475
	Liabilities to Parent Company		670,000	670,000
			<hr/>	
			1,711,384	2,029,475
<i>Note 11</i>	<b><i>Long-term liabilities</i></b>			
	SEK 0 thousand (SEK 0 thousand) of long-term liabilities falls due for payment more than five years after the closing day.			
<i>Note 12</i>	<b><i>Accrued expenses and deferred income</i></b>		<b>3/31/2008</b>	<b>3/31/2007</b>
	Accrued interest expenses		31,665	38,877
	Other accrued expenses		403	395
			<hr/>	
			32,068	39,272
<i>Note 13</i>	<b><i>The fair values of derivatives not recognized in the balance sheet were as follows on the closing day:</i></b>			
		<b>Fair value</b>	<b>Nominal amount</b>	
		<b><u>3/31/2008</u></b>	<b><u>3/31/2007</u></b>	<b><u>3/31/2008</u></b>
				<b><u>3/31/2007</u></b>
	<i>Contracts with positive fair values:</i>			
	Forward exchange contracts	23,741	2,461	526,425
				252,061
	<i>Contracts with negative fair values:</i>			
	Forward exchange contracts	-3,518	-11,366	209,234
				637,354

Linköping, 27 Aug, 2008

Yasuharu Toyoda  
*Chairman*

Claes Palm

Håkan Dahllöf

Toshifumi Ogawa

Rikard Sagent  
*Managing Director*

Our audit report was submitted on 29 Aug, 2008  
Öhrlings PricewaterhouseCoopers

Bo Lagerström  
*Authorized Public Accountant*



**Audit report**  
(translation)

**To the annual meeting of the shareholders of**

**Toyota Industries Finance International AB (publ)**

Corporate identity number 556641-0154

We have audited the annual accounts, the accounting records and the administration of the board of directors and the managing director of Toyota Industries Finance International AB (publ) for the financial year 1 April 2007 – 31 March 2008. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts as well as evaluating the overall presentation of information in the annual accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

We recommend to the annual meeting of shareholders that the income statement and balance sheet be adopted, that the profit be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm August 29, 2008

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström  
Authorized Public Accountant

## **Audit report**

(translation)

### **To the annual meeting of the shareholders of**

#### **Toyota Industries Finance International AB (publ)**

Corporate identity number 556641-0154

We have audited the annual accounts, the accounting records and the administration of the board of directors and the managing director of Toyota Industries Finance International AB (publ) for the financial year January 1, 2006 – March 31, 2007. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts as well as evaluating the overall presentation of information in the annual accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

We recommend to the annual meeting of shareholders that the income statement and balance sheet be adopted, that the profit be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Mjölby September 5, 2007

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström  
Authorized Public Accountant

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