

TOYOTA MOTOR CORP/  
Form F-4/A  
October 19, 2011  
Table of Contents

As filed with the Securities and Exchange Commission on October 19, 2011.

Registration No. 333-175524

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**PRE-EFFECTIVE AMENDMENT NO. 4 TO**  
**FORM F-4**  
**REGISTRATION STATEMENT**

*UNDER THE SECURITIES ACT OF 1933*

**TOYOTA JIDOSHA KABUSHIKI KAISHA**

(Exact name of Registrant as specified in its charter)

**TOYOTA MOTOR CORPORATION**

(Translation of Registrant's name into English)

Edgar Filing: TOYOTA MOTOR CORP/ - Form F-4/A

|   |  |  |
|---|--|--|
| <b>Japan</b><br>(State or other jurisdiction of<br>incorporation or organization) | <b>3711</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>Not Applicable</b><br>(I.R.S. Employer<br>Identification No.) |
|---|--|--|

**1 Toyota-cho, Toyota City**

**Aichi Prefecture 471-8571**

**Japan**

**+81-565-28-2121**

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

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

**19001 South Western Avenue**

**Torrance, CA 90501**

**U.S.A.**

**(310) 468-4000**

**Attention: Christopher P. Reynolds**

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

*Copies to:*

**Masahisa Ikeda**

**Shearman & Sterling LLP**

**Fukoku Seimei Building**

**2-2-2, Uchisaiwaicho**

**Chiyoda-ku, Tokyo 100-0011**

**Japan**

**+81-3-5251-1601**

Edgar Filing: TOYOTA MOTOR CORP/ - Form F-4/A

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

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

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

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

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) " \_\_\_\_\_

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) " \_\_\_\_\_

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

**Table of Contents**

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

**Subject to Completion Dated October 19, 2011**

Prospectus

## **Toyota Motor Corporation**

### **Offer to Exchange Shares of Common Stock of Kanto Auto Works, Ltd. for Shares of Common Stock of Toyota Motor Corporation**

The boards of directors of Toyota Motor Corporation, or Toyota, and Kanto Auto Works, Ltd., or Kanto, have agreed to a share exchange between the two companies under the Companies Act of Japan. On July 13, 2011, Toyota and Kanto entered into a share exchange agreement that sets forth the share exchange ratio and the other terms of the share exchange. In the share exchange, each shareholder of Kanto will receive 0.25 shares of Toyota common stock for each share of Kanto common stock that such shareholder holds.

Based on the number of shares of Kanto common stock issued as of September 30, 2011, Toyota expects to allocate 8,596,549 shares of its common stock in connection with the share exchange. Approximately 7.12% of those shares will be offered to holders of Kanto common stock who are resident in the United States. Shares of Toyota common stock that will be used in the share exchange are currently expected to consist of treasury stock of Toyota.

The share exchange is subject to the approval of the share exchange agreement by the shareholders of Kanto. See [The Share Exchange](#) for a further discussion of the terms and conditions of the share exchange. Under the current schedule, if the shareholders of Kanto approve the share exchange agreement, unless the share exchange agreement otherwise ceases to have effect, which is expected only under certain specified circumstances, the share exchange is expected to become effective on January 1, 2012.

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

The extraordinary meeting of shareholders of Kanto, at which holders of Kanto common stock will vote on the share exchange agreement, is currently scheduled to be held on November 24, 2011, at 11:00 a.m., at Yokosuka Bayside Pocket, 27, Honcho 3-chome, Yokosuka-city, Kanagawa 238-0041, Japan. Holders of Kanto common stock of record as of the close of business on September 30, 2011 will be entitled to vote at this meeting. To attend and vote at the extraordinary meeting of shareholders, Kanto shareholders must follow the procedures outlined in the convocation notice and the mail-in voting card and other voting and reference materials that will be distributed by Kanto.

Shares of Toyota common stock are traded on the Tokyo Stock Exchange, the Nagoya Stock Exchange and three other regional stock exchanges in Japan and on the London Stock Exchange. Toyota's American Depositary Shares, or ADSs, each representing two shares of Toyota common stock, are listed on the New York Stock Exchange, or NYSE, under the ticker symbol [TM](#). On October 18, 2011, the last reported sale price of

Edgar Filing: TOYOTA MOTOR CORP/ - Form F-4/A

shares of Toyota common stock on the Tokyo Stock Exchange was ¥2,579 per share, and the last reported sale price of the ADSs on the NYSE was \$68.12 per ADS.

You may have dissenters' rights in connection with the share exchange under Japanese law. See page 33 for a discussion of your dissenters' rights, if any.

**You should consider carefully the risk factors beginning on page 7 of this prospectus.**

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

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

The date of this prospectus is \_\_\_\_\_, 2011.

**Table of Contents**

**TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <u>References to Additional Information</u>  | iii         |
| <u>About this Prospectus</u>   | iii         |
| <u>Cautionary Statement Concerning Forward-Looking Statements</u>  | iv          |
| <u>Questions and Answers about the Share Exchange</u>  | vi          |
| <u>Summary</u>   | 1           |
| <u>Risk Factors</u>  | 7           |
| <u>Selected Financial Data of Toyota</u>   | 10          |
| <u>Market Price and Dividend Information</u>   | 12          |
| <u>Exchange Rates</u>  | 15          |
| <u>Extraordinary Meeting of Kanto Shareholders</u>   | 16          |
| <u>The Share Exchange</u>  | 18          |
| <u>Regulation</u>  | 36          |
| <u>Major Shareholders</u>  | 38          |
| <u>Taxation</u>  | 40          |
| <u>Comparison of Shareholders' Rights</u>  | 48          |
| <u>Experts</u>   | 49          |
| <u>Validity of Toyota Shares</u>   | 50          |
| <u>Where You Can Find More Information</u>   | 51          |
| <u>Incorporation of Documents by Reference</u>   | 51          |
| <u>Enforceability of Civil Liabilities</u>   | 53          |
| Appendix A: <u>English translation of the Share Exchange Agreement</u>   |             |
| Appendix B: <u>English translation of the Fairness Opinion Delivered by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</u> |             |
| Appendix C: <u>English translation of Selected Articles of the Companies Act of Japan</u>                                      |             |

**Table of Contents**

**REFERENCES TO ADDITIONAL INFORMATION**

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

Yuji Maki  
Accounting Division  
Toyota Motor Corporation  
1 Toyota-cho, Toyota City  
Aichi, 471-8571  
Japan  
Telephone: +81-565-28-2121

Akira Kawana  
Legal Affairs & Property Control Department,  
General Administration Division  
Kanto Auto Works, Ltd.  
1501 Misyuku, Susono  
Shizuoka, 410-1198  
Japan  
Telephone: +81-55-996-2000

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

**IN ORDER TO OBTAIN TIMELY DELIVERY, YOU SHOULD MAKE YOUR REQUEST NO LATER THAN NOVEMBER 17, 2011, WHICH IS FIVE BUSINESS DAYS BEFORE YOU MUST MAKE A DECISION REGARDING THE SHARE EXCHANGE.**

For additional information about Toyota and Kanto, see [Where You Can Find More Information](#).

**ABOUT THIS PROSPECTUS**

As used in this prospectus, references to [Toyota](#) are to Toyota Motor Corporation, and references to [Kanto](#) are to Kanto Auto Works, Ltd., in each case on a consolidated basis except where the context otherwise requires. References to the [Toyota group](#) are to the group of companies centered around Toyota and including Toyota's subsidiaries and affiliates involved in the development and manufacture of Toyota vehicles. Also, references to the [share exchange](#) are to the proposed share exchange between Toyota and Kanto.

As used in this prospectus, except where the context otherwise requires, references to the [shareholders' meeting](#) of Kanto or to the [meeting](#) of Kanto shareholders are to the extraordinary meeting of shareholders of Kanto that is scheduled to take place on November 24, 2011, at which Kanto's shareholders will vote on the share exchange agreement and certain related matters. See [Extraordinary Meeting of Kanto Shareholders](#) for a more detailed discussion of the [shareholders' meeting](#) of Kanto.

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

Unless otherwise specified, the financial information presented in this prospectus and the consolidated financial statements of Toyota, which are included in or incorporated by reference into this prospectus, are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. References to fiscal 2011 are to the fiscal year ended March 31, 2011 and references to other fiscal years have the corresponding meanings.

**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

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

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

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

- (i) the impact of the March 11, 2011 Great East Japan Earthquake and ensuing events, including the negative effect on the Toyota group's vehicle production and sales;
- (ii) changes in economic conditions and market demand affecting, and the competitive environment in, the automotive markets in Japan, North America, Europe and other markets in which the Toyota group operates;
- (iii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, the euro, the Australian dollar, the Canadian dollar and the British pound;
- (iv) changes in funding environment in financial markets;
- (v) the Toyota group's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management;
- (vi) changes in the laws, regulations and government policies in the markets in which the Toyota group operates that affect its automotive operations, particularly laws, regulations and policies relating to vehicle safety, including recalls, trade, environmental protection, vehicle emissions and vehicle fuel economy, as well as changes in laws, regulations and government policies that affect the Toyota group's other operations, including the outcome of current and future litigation and other legal proceedings;
- (vii) political instability in the markets in which the Toyota group operates;
- (viii) the Toyota group's ability to timely develop and achieve market acceptance of new products;
- (ix) any impact on the Toyota group's ability to maintain and develop its brand image as a result of the Toyota group's inability to deliver safe and high-quality products or its failure to promptly implement safety measures such as recalls when necessary;



**Table of Contents**

(x) the Toyota group's reliance on various suppliers for the provision of supplies;

(xi) natural disasters, fuel shortages, interruptions in social infrastructure such as electricity or transportation, labor strikes, work stoppages or other interruptions to, or difficulties in, the employment of labor in the major markets where the Toyota group purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold;

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

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

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE SHARE EXCHANGE**

**Q. What are Toyota and Kanto proposing?**

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

**Q. Why are Toyota and Kanto proposing the share exchange?**

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

Kanto has contributed to the domestic and global businesses of the Toyota group from the development to production stages of many Toyota vehicles, as well as in the support of overseas operations through the production and supply of parts and components. Following the share exchange, Kanto's role within the Toyota group will change substantially from a supporting role in the development and manufacturing of Toyota vehicles, to a leading role in the planning, development and manufacturing of compact vehicles. Kanto aims to be more actively involved in a broad range of processes related to Toyota brand compact vehicles, beginning with the initial planning stage. Toyota and Kanto currently expect that Kanto will take on this more active role beginning shortly after the share exchange. In addition, building on its expertise in manufacturing compact vehicles in Japan, Kanto aims to expand its supporting role for overseas production going forward by, in addition to the supply of parts and components, planning and developing in Japan, as appropriate, vehicles featuring region-oriented specifications for overseas production and actively providing a variety of support functions for overseas production, such as preparation for production, including support in implementing production lines and machinery and equipment, and on-going support in production such as performing technical advisory and supervisory support related to the production of compact vehicles. Toyota and Kanto have been and intend to continue working closely to develop specific steps to implement these expanded supporting roles for overseas production and expect to determine target timelines after Kanto has taken on the more active role in processes related to Toyota compact vehicles as described above.

The share exchange is expected to enable Kanto to serve an expanded role in the area of compact vehicles and become an important part of executing Toyota's management strategy for compact vehicles, and enable Toyota to better streamline its business structure and decision-making that would lead to a more optimal structure of Toyota's overall supply and production systems. As a result, Kanto and Toyota's alliance would be strengthened and the two companies would work closely together in an increasingly complex and highly competitive business environment, which Toyota and Kanto believe would increase the corporate value of both companies.

In addition, assuming the share exchange is completed, Kanto, which manufactures auto-bodies for compact vehicles in the Tohoku region, and two wholly owned subsidiaries of Toyota based in the Tohoku region, Central Motor Co., Ltd. ( Central Motor ) and Toyota Motor Tohoku Corporation ( Toyota Motor Tohoku ), have agreed to commence discussions to merge their businesses (the Subsidiary Integration ). Central Motor is a manufacturer of compact vehicles and Toyota Motor Tohoku is a manufacturer of suspension parts and materials as well as electronic unit components, and both are located in Miyagi Prefecture in the Tohoku region. Toyota believes that the Subsidiary Integration is beneficial because the merger of the three subsidiaries that operate in the Tohoku area that focus on compact vehicles enables efficient use of existing production capabilities and allows for the formation of a vehicle manufacturing hub in the Tohoku area focused on compact vehicles, including the planning, development and manufacture of compact vehicles and the implementation and development of high-volume production methods. Toyota assigns certain subsidiaries to become hubs that specialize in aspects of vehicle planning, development and/or manufacturing. Toyota believes that its hubs allow the Toyota group to focus on and develop expertise in multiple areas simultaneously and to respond more quickly to consumer preferences and market conditions. The Subsidiary Integration is currently targeted to be completed in July 2012. Toyota and Kanto believe that the Subsidiary Integration would further enable Kanto to

contribute to the domestic and global businesses of Toyota.

---

**Table of Contents**

Toyota believes that Kanto becoming a wholly owned subsidiary through the share exchange and implementing the Subsidiary Integration would be an important step towards realizing some of its key medium-term initiatives under the Toyota Global Vision, including the product strategy of the promotion of localized production of vehicles in the regions where the demand exists in order to meet the unique customer needs of each market, and the supply strategy of the continued efficient utilization of existing production capabilities. If the Subsidiary Integration occurs, Toyota, Kanto, Central Motor and Toyota Motor Tohoku plan to name the new company formed in the Subsidiary Integration Toyota Motor East Japan, Inc. and appoint Mr. Takeshi Shirane, who is currently a Senior Managing Officer of Toyota, as the new company's president. Toyota will consider going forward additional potential changes in connection with the Subsidiary Integration to the management structure and directors and senior management of Kanto or the merged company, assuming such integration occurs; however, no such additional changes have been decided upon at this time. Assuming the share exchange is completed, Toyota and Kanto do not currently believe that issues that would prevent the Subsidiary Integration will arise because the Subsidiary Integration will be a merger among three wholly owned subsidiaries of Toyota. Nonetheless, the anticipated benefits of the share exchange may not be realized to the fullest extent or they may take longer than expected to be realized, depending on the consummation and successful implementation of the Subsidiary Integration.

**Q. What will Kanto shareholders receive in the share exchange?**

- A. Kanto shareholders as of the time immediately preceding the share exchange will receive 0.25 shares of Toyota common stock for each share of Kanto common stock which they hold. Holders of Kanto common stock who have duly exercised their dissenters' appraisal rights will not receive shares of Toyota common stock for shares of Kanto common stock.

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

- A. Toyota and Kanto conducted thorough negotiations and discussions on the share exchange ratio, each taking into account the analyses of its respective financial advisors; the financial position, assets and future prospects of each party; and other factors. As a result of these negotiations and discussions concerning the share exchange ratio, on July 13, 2011, the board of directors of Kanto determined that the share exchange ratio was fair to the non-controlling shareholders of Kanto, and Toyota and Kanto agreed upon the share exchange ratio on the same day.

**Q. Does the board of directors of Kanto recommend the share exchange?**

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

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

- A. As of September 30, 2011, Toyota held 50.4% of the outstanding shares of Kanto common stock. Toyota and Kanto have a long standing relationship that began in the late 1940s when Kanto began manufacturing Toyota vehicles, and Kanto has been a consolidated subsidiary of Toyota under U.S. GAAP since 2003. As of September 30, 2011, the directors, executive officers, corporate auditors and their affiliates of Kanto owned approximately 0.20% of the outstanding shares of Kanto common stock. While none of the directors and executive officers of Kanto are currently seconded from Toyota, a number of them have been previously employed by Toyota.

In proposing the share exchange, in order to ensure that the share exchange ratio was determined appropriately and to avoid possible conflicts of interest, Kanto retained Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (Mitsubishi UFJ Morgan Stanley Securities) as its financial advisor and a third-party valuation institution to provide analyses of the share exchange ratio which were used in negotiating the share exchange ratio. Mitsubishi UFJ Morgan Stanley Securities also delivered a fairness opinion to the effect that the proposed share

## Edgar Filing: TOYOTA MOTOR CORP/ - Form F-4/A

exchange ratio was fair from a financial point of view to the holders of Kanto shares other than Kanto's controlling shareholder, subject to certain assumptions and reservations set forth therein. Further, certain of Kanto's directors and corporate auditors did not participate in the board meeting

vii

## **Table of Contents**

to approve the share exchange to avoid possible conflicts of interest. Toyota retained Nomura Securities Co., Ltd. ( Nomura ) as its financial advisor and a third-party valuation institution to provide analyses of the share exchange ratio which were used in negotiating the share exchange ratio. See The Share Exchange for a more detailed discussion of the process of determining the share exchange.

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

### **Q. What vote of Kanto's shareholders is required to approve the share exchange agreement?**

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

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

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

### **Q. What effect will the approval of the share exchange agreement by Kanto's shareholders at the extraordinary meeting of shareholders have on holders of stock acquisition rights issued by Kanto?**

- A. Stock acquisition rights of Kanto that are currently or will become exercisable were issued under the second stock acquisition rights plan in 2007 and the third stock acquisition rights plan in 2008. Kanto issued stock acquisition rights to the then directors, managing officers and employees of Kanto to purchase 467,000 shares of Kanto common stock under the second stock acquisition rights plan and 478,000 shares of Kanto common stock under third stock acquisition rights plan. In accordance with the share exchange agreement which provides that Kanto shall cancel all of its issued stock acquisition rights no later than the time immediately preceding the share exchange, if the share exchange agreement is approved by Kanto's shareholders, the stock acquisition rights will be redeemed and cancelled by Kanto at the time determined by the board of directors prior to the share exchange. Such redemption will be conducted pursuant to the terms and conditions of the stock acquisition rights, which provide that Kanto may acquire the stock acquisition rights for no consideration upon the shareholder approval of a share exchange agreement that makes Kanto a wholly owned subsidiary at a general shareholders' meeting.

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

- A. The articles of incorporation of Toyota provide that 100 shares of its common stock constitute one unit, which will have one voting right. If the share exchange is approved, 400 shares of Kanto common stock will be exchanged for 100 shares of Toyota common stock, which constitute one unit. Holders of Kanto common stock who hold less than 400 shares will receive less than one unit of Toyota common stock in the share exchange. Holders of less than one unit of shares will be registered in Toyota's register of shareholders, but shares held by a holder constituting less than one unit will not carry voting rights. A holder of shares constituting less than one unit of Toyota shares may request Toyota to purchase those shares at their market value in accordance with the Companies Act, Toyota's articles of incorporation and its share handling regulations.



**Table of Contents**

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

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

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

A. The share exchange is expected to be completed on January 1, 2012.

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

A. Kanto expects that the last day of trading in its shares on the Tokyo Stock Exchange and the Nagoya Stock Exchange will be December 27, 2011, four trading days prior to the effective date of the share exchange, and that its shares will be delisted the following day.

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

A. No. The exchange ratio is fixed, and unless the share exchange agreement is amended, it will not change even if the trading prices of either Toyota common stock or Kanto common stock change between the time of the shareholders' meeting and when the share exchange is completed, which is currently expected on January 1, 2012. See "Risk Factors" beginning on page 7.

**Q. What is the record date for voting at the extraordinary shareholders' meeting of Kanto?**

A. Holders of Kanto shares as of September 30, 2011 will be eligible to vote at the extraordinary shareholders' meeting expected to be held on November 24, 2011.

**Q. How do I vote at the extraordinary shareholders' meeting of Kanto?**

A. You may exercise voting rights by submitting a mail-in voting card, attending the meeting in person or through attorney-in-fact or through a standing proxy in the case of a non-resident holder. Kanto will distribute materials to shareholders that will enable them to exercise their voting rights. Completed mail-in voting cards must be received by Kanto by 5:20 p.m. (Japan time) one business day prior to the extraordinary shareholders' meeting.

For shareholders not resident in Japan and who have appointed a standing proxy in Japan, Kanto will distribute the mail-in voting cards and notice of convocation to their standing proxy in Japan, who may then transmit those materials to the shareholders according to the terms of the respective proxy agreements. For shareholders not resident in Japan and who have purchased shares of Kanto through a securities broker located outside of Japan, Kanto will distribute voting and reference materials to the broker's standing proxy in Japan, who is expected to transmit those materials according to the terms of the arrangement with the broker. Kanto shareholders who are non-residents of Japan are encouraged to contact their standing proxy in Japan, or broker, to obtain the voting and reference materials and confirm the necessary procedures to exercise their voting rights. For shareholders not resident in Japan and who have designated a mailing address in Japan, Kanto will send a mail-in voting card and notice of convocation to that mailing address.



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

- A. The mail-in voting cards used for the extraordinary shareholders meeting of Kanto will describe the proposals to be voted on by shareholders at the meeting, including the approval of the share exchange

## **Table of Contents**

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

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

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

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

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

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

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

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

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

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

- A. Non-resident holders of shares of Kanto common stock will generally not be subject to Japanese taxation with respect to the share exchange, except with respect to cash payments of the sale price from Kanto as a result of their exercise of dissenters' appraisal rights. See

Taxation Japanese Tax Consequences.

x

**Table of Contents**

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

- A. The share exchange has not been structured to achieve a particular treatment for U.S. federal income tax purposes, and Toyota and Kanto have no obligation to structure the share exchange in a manner that is tax-free to U.S. Holders. As structured, however, the share exchange is expected to qualify as a tax-deferred reorganization under the provisions of Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended (the Code), but such qualification depends on the resolution of issues and facts that will not be known until the date of the share exchange. Neither Toyota nor Kanto has obtained or will obtain a ruling from the U.S. Internal Revenue Service (the IRS) or an opinion of U.S. counsel that the share exchange will qualify as a reorganization. If the share exchange qualifies as a reorganization, no gain or loss generally will be recognized by a U.S. Holder on the exchange of shares of Kanto common stock for shares of Toyota common stock pursuant to the share exchange, except with respect to any cash received in lieu of a fractional share of Toyota common stock and unless Kanto has been a passive foreign investment company (PFIC) at any time during the holding period of the U.S. Holder. If the share exchange does not qualify as a reorganization, a U.S. Holder that exchanges its shares of Kanto common stock for shares of Toyota common stock will recognize gain or loss equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder's adjusted tax basis in the shares of Kanto common stock exchanged. See Taxation U.S. Federal Income Tax Consequences.

**Q. Who can I call with questions?**

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

Accounting Division

Toyota Motor Corporation

1 Toyota-cho, Toyota City, Aichi, 471-8571

Japan

Telephone: +81-565-28-2121

Akira Kawana

Legal Affairs & Property Control Department, General Administration Division

Kanto Auto Works, Ltd.

1501 Misyuku, Susono, Shizuoka, 410-1198

Japan

Telephone: +81-55-996-2000

## **Table of Contents**

### **SUMMARY**

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

### **The Companies**

#### **Toyota**

Toyota is one of the leading companies in the worldwide automotive market in terms of vehicle production and sales. Toyota also conducts business in finance and other industries. Toyota sold 7.30 million vehicles worldwide in fiscal 2011 on a consolidated basis. In fiscal 2011, Toyota had net revenues of ¥18,993.6 billion and net income of ¥408.1 billion. In the first quarter ended June 30, 2011, Toyota had net revenues of ¥3,441.0 billion and net income of ¥1.1 billion.

Toyota's business segments are automotive operations, financial services operations and other operations. Toyota's automotive operations include the design, manufacture, assembly and sale of passenger cars, recreational and sport-utility vehicles, minivans and trucks and related parts and accessories. Toyota's financial services business consists primarily of providing financing to dealers and their customers for the purchase or lease of Toyota vehicles. Toyota's other operations include the design and manufacture of prefabricated housing and information technology-related businesses.

Toyota sells its vehicles in approximately 170 countries and regions. The primary markets for Toyota's automobiles are Japan, North America, Europe and Asia. During fiscal 2011, approximately 26% of Toyota's automobile unit sales were in Japan, 28% were in North America, 11% were in Europe and 17% were in Asia.

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

#### **Kanto**

Kanto is one of Japan's leading manufacturers of auto-bodies and a majority-owned subsidiary of Toyota. Kanto mainly manufactures and develops auto-bodies for compact vehicles, including various Toyota vehicles. In addition, Kanto manufactures and distributes automotive products including parts and components, and optional parts such as fenders and grills. In fiscal 2011, Kanto derived more than 90% of its sales from sales to Toyota. Kanto also develops other products, including the Patrafour all-wheel-drive powered wheelchair sold by Nissin Medical Industries and the TETRAS automatic vehicle maintenance lift. In fiscal 2011, Kanto had net revenues of ¥504.1 billion and net loss of ¥(1.9) billion. In the first quarter ended June 30, 2011, Kanto had net revenues of ¥77.2 billion and net loss of ¥(5.2) billion.

Kanto has a major R&D center and two domestic facilities in Japan, as well as a parts manufacturing subsidiary in Brazil, and has contributed to Toyota group's automotive development, manufacturing and production support. Kanto has seven consolidated subsidiaries that engage in the manufacture of oil products and electric control instruments, maintenance of factory facilities and other operations.

Kanto's principal executive offices are located at 1501 Misyuku, Susono, Shizuoka, 410-1198, Japan, and its telephone number is +81-55-996-2000.

## **Table of Contents**

### **The Share Exchange**

The boards of directors of Toyota and Kanto have agreed to a statutory share exchange (*kabushiki kokan*) under the Companies Act, pursuant to which shares of Kanto will be exchanged for shares of Toyota, and Kanto will become a wholly owned subsidiary of Toyota. On July 13, 2011, Toyota and Kanto entered into a share exchange agreement setting forth the terms of the share exchange.

As of September 30, 2011, Toyota held 50.4% of the outstanding shares of Kanto common stock. Upon the share exchange, each shareholder of Kanto (excluding Toyota) as of the time immediately preceding the share exchange will receive 0.25 shares of Toyota common stock in exchange for each share of Kanto common stock that such shareholder holds. The resulting number of shares of Toyota common stock to which Kanto shareholders are entitled will be recorded in Toyota's register of shareholders. The shares representing the aggregate of all fractional shares (in cases where such aggregated shares include any fractional shares, such fraction will be rounded down) will be sold to Toyota at the market price and the net cash proceeds from the sale will be distributed to the former holders of Kanto shares on a proportionate basis in accordance with their respective fractions.

The share exchange is subject to the approval of the share exchange agreement by the shareholders of Kanto. If the share exchange agreement is approved by the shareholders of Kanto, unless the share exchange agreement otherwise ceases to have effect, which is expected only under certain specified circumstances, the share exchange is expected to become effective on January 1, 2012. For a further discussion of the termination of the share exchange agreement, see Termination of the Share Exchange Agreement.

### **The Extraordinary Shareholders Meeting of Kanto**

To seek shareholders' approval of the share exchange agreement and certain related matters, the board of directors of Kanto has convened an extraordinary meeting of shareholders. Under Japanese law and the articles of incorporation of Kanto, the notice of an extraordinary meeting of shareholders must be dispatched at least two weeks in advance to all shareholders of record who have voting rights. Kanto will distribute materials to shareholders that will enable them to exercise their voting rights.

The date, time and place of the meeting is expected to be November 24, 2011, at 11:00 a.m. (Japan Time), at Yokosuka Bayside Pocket, 27, Honcho 3-chome, Yokosuka-city, Kanagawa 238-0041, Japan.

Shareholders may exercise voting rights by submitting a mail-in voting card, attending the meeting in person or through attorney-in-fact or through a standing proxy in the case of a non-resident holder. Kanto shareholders who are non-resident of Japan are encouraged to contact their standing proxy in Japan, or broker, to obtain the voting and reference materials and confirm the necessary procedures to exercise their voting rights. For shareholders not resident in Japan and who have designated a mailing address in Japan, Kanto will send a mail-in voting card and notice of convocation to that mailing address.

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

As of September 30, 2011, the directors, executive officers, corporate auditors and their affiliates of Kanto owned approximately 0.20% of the outstanding shares of Kanto common stock. As of September 30, 2011, directors, executive officers, corporate auditors and their affiliates of Toyota owned approximately 0.02% of the outstanding shares of Kanto common stock.

**Table of Contents**

**Reasons for the Share Exchange**

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

Kanto has contributed to the domestic and global businesses of the Toyota group from the development to production stages of many Toyota vehicles, as well as in the support of overseas operations through the production and supply of parts and components. Following the share exchange, Kanto's role within the Toyota group will change substantially from a supporting role in the development and manufacturing of Toyota vehicles, to a leading role in the planning, development and manufacturing of compact vehicles. Kanto aims to be more actively involved in a broad range of processes related to Toyota brand compact vehicles, beginning with the initial planning stage. Toyota and Kanto currently expect that Kanto will take on this more active role beginning shortly after the share exchange. In addition, building on its expertise in manufacturing compact vehicles in Japan, Kanto aims to expand its supporting role for overseas production going forward by, in addition to the supply of parts and components, planning and developing in Japan, as appropriate, vehicles featuring region-oriented specifications for overseas production and actively providing a variety of support functions for overseas production, such as preparation for production, including support in implementing production lines and machinery and equipment, and on-going support in production such as performing technical advisory and supervisory support related to the production of compact vehicles. Toyota and Kanto have been and intend to continue working closely to develop specific steps to implement these expanded supporting roles for overseas production and expect to determine target timelines after Kanto has taken on the more active role in processes related to Toyota compact vehicles as described above.

The share exchange is expected to enable Kanto to serve an expanded role in the area of compact vehicles and become an important part of executing Toyota's management strategy for compact vehicles, and enable Toyota to better streamline its business structure and decision-making that would lead to a more optimal structure of Toyota's overall supply and production systems. See "The Share Exchange Reasons for the Share Exchange" for a more detailed discussion of the Toyota Global Vision. As a result, Kanto and Toyota's alliance would be strengthened and the two companies would work closely together in an increasingly complex and highly competitive business environment, which Toyota and Kanto believe would increase the corporate value of both companies.

In addition, assuming the share exchange is completed, Kanto and two wholly owned subsidiaries of Toyota based in the Tohoku region, Central Motor and Toyota Motor Tohoku, have agreed to commence discussions to enter into the Subsidiary Integration. Toyota believes that the Subsidiary Integration is beneficial because the merger of the three subsidiaries that operate in the Tohoku area that focus on compact vehicles enables efficient use of existing production capabilities and allows for the formation of a vehicle manufacturing hub in the Tohoku area focused on compact vehicles, including the planning, development and manufacture of compact vehicles and the implementation and development of high-volume production methods. Toyota assigns certain subsidiaries to become hubs that specialize in aspects of vehicle planning, development and/or manufacturing. Toyota believes that its hubs allow the Toyota group to focus on and develop expertise in multiple areas simultaneously and to respond more quickly to consumer preferences and market conditions. The Subsidiary Integration is currently targeted to be completed in July 2012. Toyota and Kanto believe that the Subsidiary Integration would further enable Kanto to contribute to the domestic and global businesses of Toyota.

Toyota believes that Kanto becoming a wholly owned subsidiary through the share exchange and implementing the Subsidiary Integration would be an important step towards realizing some of its key medium-term initiatives under the Toyota Global Vision, including the product strategy of the promotion of localized production of vehicles in the regions where the demand exists in order to meet the unique customer needs of each

## **Table of Contents**

market, and the supply strategy of the continued efficient utilization of existing production capabilities. If the Subsidiary Integration occurs, Toyota, Kanto, Central Motor and Toyota Motor Tohoku plan to name the new company formed in the Subsidiary Integration Toyota Motor East Japan, Inc. and appoint Mr. Takeshi Shirane, who is currently a Senior Managing Officer of Toyota, as the new company's president. Toyota will consider going forward additional potential changes in connection with the Subsidiary Integration to the management structure and directors and senior management of Kanto or the merged company, assuming such integration occurs; however, no such additional changes have been decided upon at this time. Assuming the share exchange is completed, Toyota and Kanto do not currently believe that issues that would prevent the Subsidiary Integration will arise because the Subsidiary Integration will be a merger among three wholly owned subsidiaries of Toyota. Nonetheless, the anticipated benefits of the share exchange may not be realized to the fullest extent or they may take longer than expected to be realized, depending on the consummation and successful implementation of the Subsidiary Integration.

### **No Solicitation of Proxies, Consents or Authorizations**

Kanto's management is not soliciting proxies, consents or authorizations with respect to the share exchange prior to the extraordinary meeting of shareholders.

### **Termination of the Share Exchange Agreement**

The share exchange agreement shall cease to have effect if, among other things, (i) the share exchange agreement is not approved at a shareholders' meeting of Kanto, (ii) any of the approvals from the relevant regulatory authorities are not obtained or (iii) due to an act of god or other events, a material change occurs or a material impediment arises in the implementation of the share exchange and the share exchange agreement is terminated by Toyota and Kanto, upon their mutual consultation. See The Share Exchange Material Terms of the Share Exchange for a more detailed discussion of the terms of the share exchange.

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

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

### **Dissenters' Appraisal Rights**

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

### **Material Tax Consequences**

#### **Japanese Taxation**

Non-resident holders of shares of Kanto common stock will generally not be subject to Japanese taxation with respect to the share exchange, except with respect to cash payments of the sale price from Kanto as a result of their exercise of dissenters' appraisal rights. See Taxation Japanese Tax Consequences.

#### **U.S. Federal Income Tax Consequences**

The share exchange has not been structured to achieve a particular treatment for U.S. federal income tax purposes, and Toyota and Kanto have no obligation to structure the share exchange in a manner that is tax-free to U.S. Holders. As structured, however, the share exchange is expected to qualify as a tax-deferred reorganization.



**Table of Contents**

under the provisions of Section 368(a) of the Code, but such qualification depends on the resolution of issues and facts that will not be known until the date of the share exchange. Neither Toyota nor Kanto has obtained or will obtain a ruling from the IRS or an opinion of U.S. counsel that the share exchange will qualify as a reorganization. If the share exchange qualifies as a reorganization, no gain or loss generally will be recognized by a U.S. Holder on the exchange of shares of Kanto common stock for shares of Toyota common stock pursuant to the share exchange, except with respect to any cash received in lieu of a fractional share of Toyota common stock and unless Kanto has been a PFIC at any time during the holding period of the U.S. Holder. If the share exchange does not qualify as a reorganization, a U.S. Holder that exchanges its shares of Kanto common stock for shares of Toyota common stock will recognize gain or loss equal to the difference between (i) the sum of (a) the fair market value of the shares of Toyota common stock received and (b) any cash received in lieu of fractional shares of Toyota common stock and (ii) the U.S. Holder's adjusted tax basis in the shares of Kanto common stock exchanged. See Taxation U.S. Federal Income Tax Consequences.

**Accounting Treatment of the Share Exchange**

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

**Risk Factors**

In determining whether to vote to approve the share exchange, you should consider carefully the risk factors beginning on page 7 of this prospectus.

**Market Price Information**

The shares of Toyota common stock are listed on the Tokyo Stock Exchange, the Nagoya Stock Exchange and three other regional stock exchanges in Japan and on the London Stock Exchange. Toyota's ADSs, each representing two Toyota shares, are listed on the NYSE under the ticker symbol TM. The shares of Kanto common stock are listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange. The following table sets forth the closing prices of Toyota common stock and Kanto common stock on July 12, 2011, the last full trading day prior to the public announcement date on which the two companies announced the share exchange, and , 2011, the last practicable trading day prior to the distribution of this prospectus. The table also sets forth the implied equivalent value of Kanto common stock on these dates, as determined by multiplying the applicable closing price of Toyota common stock by the exchange ratio of 0.25 Toyota shares per Kanto share. Toyota urges you to obtain current market quotations for each of the two companies' common stock.

|               | <b>Toyota<br/>Common Stock<br/>Historical</b> | <b>Kanto<br/>Common Stock<br/>Historical<br/>Equivalent</b> |
|---------------|---|---|
| July 12, 2011 | ¥ 3,355                                       | ¥   |