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TOYOTA MOTOR CREDIT CORP

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Prospectus Supplement dated January 3, 1994 Rule 424(b)(3)
(To Prospectus dated September 1, 1992 and File No. 33-50674
Prospectus Supplement dated September 1, 1992)

TOYOTA MOTOR CREDIT CORPORATION
Medium-Term Notes
Due Nine Months or More from Date of Issue

The following summary of certain U.S. federal income tax considerations replaces in its entirety the summary included in the Prospectus Supplement dated September 1, 1992 under the caption "UNITED STATES TAXATION." Capitalized terms used but not defined herein have the meanings given to them in the Prospectus Supplement dated September 1, 1992.

UNITED STATES TAXATION

Set forth below is a summary of certain U.S. federal income tax considerations of importance to Holders of the Notes. The summary concerns Holders who hold the Notes as capital assets and not special classes of Holders, such as dealers in securities or currencies, financial institutions, insurance companies, regulated investment companies, persons who hold the Notes as a hedge against currency risks or who hedge any currency risks of holding the Notes, tax-exempt investors or U.S. Holders (as defined below) whose functional currency is other than the U.S. dollar. The discussion below is based upon the United States Internal Revenue Code of 1986, as amended (the "Code"), and final, temporary and proposed U.S. Treasury Regulations, which are subject to change possibly with retroactive effect. The following discussion is consistent with the proposed U.S. Treasury Regulations released by the Internal Revenue Service on December 21, 1992 concerning original issue discount ("OID"). These regulations (the "Proposed OID Regulations"), which are not proposed to be retroactive could apply to debt instruments issued 60 days or more after the date such Proposed OID Regulations are made final. Thus, the application of Proposed OID Regulations to a particular issue of Notes is uncertain. Persons considering the purchase of the Notes should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

U.S. Tax Considerations for U.S. Holders

General

As used herein, "U.S. Holder" means a Holder of a Note who is a citizen or resident of the United States, a corporation or partnership (including an entity treated as a corporation or partnership for U.S. tax purposes) or other entity created or organized in or under the laws of the United States or any political subdivision thereof, an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source, and any other Holder whose ownership of a Note is effectively connected with the conduct of a trade or business in the United States.

Interest on the Notes generally will be taxable to a U.S. Holder as ordinary interest income at the time it is accrued or paid, depending in part on the U.S. Holder's method of accounting for tax purposes.

Original Issue Discount

General. Notes with a term greater than one year may be issued with OID for U.S. federal income tax purposes. OID is the excess of the "stated redemption price at maturity" of a Note over its "issue price." If this excess is less than 0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity (a "de minimis amount"), the amount of OID is considered to be zero. The "stated redemption price at maturity" of a Note is all amounts payable on the Note however designated other than payments of "qualified stated interest." "Issue price" is defined as the first offering price to the public at which a substantial amount of an issue of Notes have been sold, or if not issued to the public, the price paid by the first purchaser of the Notes. "Qualified stated interest" is stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate (a single fixed rate is a rate that takes into account the length of time between payments). If a Note has certain interest payment characteristics (e.g., interest holidays, interest payable in additional Notes, or stepped interest rates), then the Notes may also be treated as having OID for federal income tax purposes even if such Notes were issued at an issue price which does not otherwise result in OID.

Accrual of OID. U.S. Holders are required to include OID in income before the receipt of cash attributable to such income, regardless of such U.S. holder's method of accounting for tax purposes. The amount of OID includible in income by the initial U.S. Holder of a Note is the sum of the daily portions of OID with respect to such Note for each day during the taxable year or portion of the taxable year in which such U.S. Holder held such Note. The amount of OID which accrues in an accrual period is an amount equal to the excess (if any) of (a) the product of the Note's "adjusted issue price" at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the end of each accrual period and appropriately adjusted to take into account the length of the particular accrual period), over (b) the sum of the qualified stated interest payments, if any, allocable to the accrual period. The daily portion of OID is determined by allocating to each day in any accrual period a ratable portion of the amount of OID which accrues during the accrual period. The "adjusted issue price" of a Note at the beginning of any accrual period is the sum of the issue price of such Note plus the OID allocable to all prior accrual periods reduced by payments on the Note other than qualified stated interest. An "accrual period" may be of any length and the accrual periods may even vary in length over the term of the debt instrument, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. Under these rules, U.S. Holders will generally have to include in income increasingly greater amounts of OID in successive accrual periods.

Floating Rate Notes. OID for any accrual period on a Floating Rate Note is determined under special rules. The application, if any, of these rules will be described in an applicable Pricing Supplement.

Contingent Notes. Notes may be issued under circumstances in which the amount and/or timing of interest and principal on the Notes is subject to a contingency ("Contingent Notes"). For example, TMCC may issue Indexed Notes under which interest and/or principal is determined by reference to the value of specified stocks, commodities, foreign currencies or other property. OID for any accrual period on a Contingent Note is determined under special rules. The application, if any, of these rules will be described in the related Pricing Supplement.

Acquisition Discount on Short Term Notes

Notes that have a fixed maturity of one year or less may be issued with acquisition discount. U.S. Holders who are accrual basis taxpayers, cash basis taxpayers making an appropriate election under the Code and taxpayers in certain specified classes will be required to include acquisition discount in income currently in an amount and manner similar to that applicable to OID. Individuals and non-electing cash basis taxpayers holding such Notes are not required to include accrued acquisition discount in income until the cash payments attributable to such discount are received, which payments will be treated as ordinary income. A U.S. Holder who does not recognize acquisition discount currently may be subject to limitations on the deductibility of interest on indebtedness incurred to purchase or carry such Notes.

Market Discount and Premium

If a U.S. Holder acquires a Note at a price below both its issue price and its stated redemption price at maturity, or acquires a Note issued with OID at a price below the issue price plus the aggregate amount of OID includible in the gross income of all prior Holders to the date of acquisition, such U.S. Holder is considered to have acquired the Note at a "market discount." If the market discount exceeds a de minimis amount, any gain on the sale, exchange or retirement of the Note is treated as ordinary interest income at the time of the disposition to the extent of the accrued market discount, unless the U.S. Holder elects to accrue market discount in income on a current basis. In addition, a U.S. Holder is required to defer deductions for a portion of such Holder's interest expense on any indebtedness incurred to purchase or carry such Note. Market discount is normally accrued on a straight-line basis, but a Holder may elect to use a constant yield method of accrual.

A U.S. Holder who purchases a Note at an acquisition premium (i.e., at a cost greater than its adjusted issue price) amortizes such premium over the remaining life of the Note (using a constant yield method) as an offset to the amount of any OID otherwise includible in the U.S. Holder's income.

If a U.S. Holder purchases a Note for an amount that is greater than its stated redemption price at maturity, such U.S. Holder will be considered to have purchased the Note with "amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Note and may offset interest otherwise required to be included in respect of the Note during any taxable year by the amortized amount of such excess for the taxable year. However, if the Note may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which results in a deferral of the amortization of some bond premium until later in the term of the Note.

Election to Treat all Interest and Premium as OID

U.S. holders utilizing the accrual method of accounting may generally elect to include all interest and discount (including stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium on a debt instrument) in income by using the constant yield method applicable to OID, subject to certain limitations and exceptions.

Disposition of a Note

U.S. Holders of Notes recognize gain or loss on the sale, redemption, exchange or other disposition of the Note. This gain or loss is measured by the difference between the amount of cash received (except to the extent attributable to accrued interest) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis for determining gain or loss on a sale or disposition of a Note generally will be such Holder's cost increased by any amounts included in income, other than qualified stated interest, and reduced by any amortized premium and cash received other than qualified stated interest. Gain or loss on the sale, exchange or redemption of a Note generally will be long-term capital gain or loss if the Note has been held for more than one year, except to the extent that gain represents accrued market discount or acquisition discount not previously included in the U.S. Holder's income.

Foreign Currency Notes

Notes may be denominated in, or interest or principal on the Notes may be determined by reference to, a foreign currency or foreign currency unit (e.g., the ECU) ("Foreign Currency Notes"). In this case, for U.S. federal income tax purposes, U.S. Holders of Foreign Currency Notes may need to determine the U.S. dollar equivalent of amounts includible in income and separately calculate any foreign exchange gain or loss arising from holding a Foreign Currency Note.

Treatment of Interest Income and OID. With respect to interest income and OID, a U.S. Holder of a Foreign Currency Note who is an accrual-basis taxpayer will generally be required to translate the interest income or OID for an accrual period into U.S. dollars at the average exchange rate for such accrual period. Alternatively, a U.S. Holder may elect to translate accrued interest income or OID into U.S. dollars at the spot rate in effect on the last day of such accrual period. If elected, this alternative method must be applied consistently to all debt instruments from year to year.

A U.S. Holder of a Foreign Currency Note who is an accrual basis taxpayer recognizes foreign exchange gain or loss on the receipt of a payment of accrued interest income. Such exchange gain or loss will generally be measured by the difference between (a) the U.S. dollar equivalent of the interest received translated at the spot rate in effect on the date of payment, and (b) the U.S. dollar equivalent of the accrued interest income translated at the average exchange rates used to include such accrued interest in income. Cash basis taxpayers will generally translate interest income and OID into U.S. dollars at the spot exchange rate in effect on the date of payment. No foreign exchange gain or loss will be realized with respect to the receipt of such interest income or OID (other than the gain or loss which may be realized upon disposition of any foreign currency received).

Treatment of Principal. With respect to payments of principal on a Foreign Currency Note, a U.S. Holder (regardless of such U.S. Holder's method of accounting) recognizes foreign exchange gain or loss measured by the difference between (a) the U.S. dollar equivalent of the principal payment received translated at the spot rate on the date of each payment, and (b) the U.S. dollar equivalent of the principal amount paid translated at the spot rate in effect on the date such U.S. Holder acquired the Note.

Market Discount. Market discount on a Foreign Currency Note is first determined in the relevant foreign currency. Accrued market discount which, under the rules discussed above, is taken into income upon the receipt of a principal payment or upon the retirement or disposition of the Foreign Currency Note, is translated into U.S. dollars on the disposition date and no part of such accrued market discount is treated as exchange gain or loss. Where a U.S. Holder makes an election to include accrued market discount on a current basis, the market discount is translated into U.S. dollars on the basis of the average exchange rate in effect during such accrual period, and the exchange gain or loss is determined upon the receipt of any principal payment or upon the disposition of the Foreign Currency Note in a manner similar to that described above with respect to accrued interest.

Acquisition Premium. Acquisition premium is computed in the relevant foreign currency, and reduces OID accordingly. Exchange gain or loss is realized with respect to such acquisition premium by treating the portion of premium amortized with respect to any period as a return of principal. Accordingly, exchange gain or loss will be computed by comparing the relevant exchange rate at the date of purchase and the dates on which the acquisition premium reduces OID.

Treatment of Foreign Exchange Gains and Losses. In general, foreign exchange gain realized under the rules described above will be considered ordinary income and includible in the taxable income of a U.S. Holder as interest income. Foreign exchange loss realized under the rules described above will generally be considered an ordinary loss deductible from taxable income as interest expense to the extent otherwise provided for in the Code.

Dispositions of Foreign Currency. Foreign currency received by a U.S.Holder with respect to a Foreign Currency Note will have a tax basis equal to its U.S. dollar value at the time such foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to its U.S. dollar cost of acquisition. Any gain or loss recognized on a sale or disposition of foreign currency will be ordinary income or loss.

Dual and Multi-Currency Notes. Notes may be issued in circumstances where interest payments on the Notes are denominated in or determined by reference to one currency and the principal portion of the Notes may be denominated in or determined by reference to another currency ("Dual Currency Notes"). In addition, Notes may be issued in circumstances where interest or principal are denominated in or determined by reference to more than one currency ("Multi-Currency Notes"). The federal income tax treatment of Dual and Multi-Currency Notes will be described in an applicable Pricing Supplement.

U.S. Tax Considerations for Foreign Purchasers

Set forth below is a summary of certain U.S. federal income tax consequences for U.S. Alien Holders of the Notes. For purposes of this discussion, "U.S. Alien" means any person who, for U.S. federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for U.S. federal income tax purposes, a foreign corporation, a nonresident alien individual, or a nonresident alien fiduciary of a foreign estate or trust.

Assuming certain certification requirements are satisfied (which generally can be satisfied by providing Internal Revenue Service Form W-8, identifying the beneficial owner of the instrument as a U.S. Alien and disclosing the U.S. Alien's name and address), under current U.S. federal income and estate tax laws:

(i) Payments of principal and interest (including OID) on a Note to a Holder of a Note who is a U.S. Alien will not be subject to U.S. federal income tax or withholding tax, provided that, in the case of interest and OID, (a) the payments are not effectively connected with a U.S. trade or business, (b) the Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of TMCC entitled to vote, (c) the Holder is not a controlled foreign corporation related to TMCC through stock ownership, and (d) the Holder is not a bank receiving interest pursuant to a loan agreement entered into in the ordinary course of its trade or business;

(ii) A U.S. Alien Holder of a Note will not be subject to U.S. federal income tax on gain realized on the sale, exchange or redemption of a Note if such gain is not effectively connected with a U.S. trade or business and, in the case of a U.S. Alien Holder who is an individual, such Holder is not present in the United States for a total of 183 days or more during the taxable year in which such gain is realized; and

(iii) A Note held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, unless the individual actually or constructively owns 10% or more of the total combined voting power of all classes of stock of TMCC entitled to vote or the interest received on such Note is effectively connected with the conduct by such Holder of a U.S. trade or business.

Backup Withholding

Under current U.S. federal income tax law, a 31% "backup" withholding tax is applied to certain interest and principal payments made to, and to the proceeds of sales before maturity by, certain U.S. persons if such persons fail to supply taxpayer identification numbers and other information. Interest paid with respect to a Note and received by a U.S. Alien will not be subject to backup withholding if the person required to withhold has received appropriate certification statements. The applicable certification procedures require that the Holder certify as to its status as a U.S. Alien and provide its name and address.