

SECURITIES AND EXCHANGE COMMISSION

FORM 424B3

Prospectus filed pursuant to Rule 424(b)(3)

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FILER

TOYOTA MOTOR CREDIT CORP

CIK: **834071** | IRS No.: **953775816** | State of Incorpor.: **CA** | Fiscal Year End: **0930**
Type: **424B3** | Act: **33** | File No.: **033-50674** | Film No.: **94500732**
SIC: **6141** Personal credit institutions

Mailing Address
19001 S WESTERN AVE
TORRANCE CA 90509

Business Address
19001 S WESTERN AVE
TORRANCE CA 90509-2958
3107153700

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Pricing Supplement dated January 3, 1994
(To Prospectus dated September 1, 1992 and
Prospectus Supplements dated September 1, 1992
and January 3, 1994)

Rule 424 (b) (3)
File No. 33-50674

TOYOTA MOTOR CREDIT CORPORATION

Medium-Term Note - Indexed

Face Amount: \$10,000,000	Trade Date: January 3, 1994
Issue Price: 100%	Original Issue Date: January 10, 1994
Interest Rate: 8.05%	Net Proceeds to Issuer: \$9,985,000
Interest Payment Dates: July 10, 1994 and January 10, 1995	Agent's Discount or Commission: 0.15%
Stated Maturity Date: January 10, 1995	

Calculation Agent: Morgan Stanley & Co. Incorporated

Day Count Convention:

- 30/360 for the period from January 10, 1994 to January 10, 1995
- Actual/Actual for the period from _____ to _____
- Other (see attached) _____ to _____

Redemption:

- The Notes cannot be redeemed prior to the Stated Maturity Date.
- The Notes may be redeemed prior to Stated Maturity Date.
Initial Redemption Date: _____
Initial Redemption Percentage: _____ %
Annual Redemption Percentage Reduction: _____ % until Redemption
Percentage is 100% of the Principal Amount.

Repayment:

- The Notes cannot be repaid prior to the Stated Maturity Date.
- The Notes can be repaid prior to the Stated Maturity Date at the option of
the holder of the Notes.
Optional Repayment Date(s): _____
Repayment Price: _____ %

Currency:

Specified Currency: U.S. dollars
(If other than U.S. dollars, see attached)
Minimum Denominations:
(Applicable only if Specified Currency is other than U.S. dollars)

Original Issue Discount: Yes No
Total Amount of OID:
Yield to Maturity:
Initial Accrual Period:

Morgan Stanley & Co. Incorporated

ADDITIONAL TERMS OF THE NOTES

Principal Payment at Maturity

Principal payable on the Medium-Term Notes offered by this Pricing Supplement (the "Indexed Principal Amount") will be payable in the U.S. dollars on the date of Maturity in an amount equal to the lesser of: (i) 100% of the Face Amount of the Notes, and (ii) the amount determined in accordance with the following formula:

$$100\% \text{ of Face Amount} \times [1 - (3 \times [(114.55 - Fx)/Fx])];$$

provided however, that in no event shall the Indexed Principal amount be less than zero and provided, further, that in the event that the open market spot bid rate at which a Reference Dealer would purchase U.S. dollars in exchange for Japanese yen (expressed in terms of Japanese yen per U.S. dollar) at any time on any Business Day from January 3, 1994 up to but not including the date that is two Business Days prior to the date of Maturity, as determined by the Calculation Agent in good faith, in its sole discretion, is greater than or equal to 114.55 (such an event, herein a "Reference Security Event"), the Indexed Principal Amount shall equal 100% of the Face Amount of the Notes.

The Notes will be issued in minimum denominations of \$25,000 and integral multiples of \$1,000 in excess thereof.

For purposes of these Notes, "Fx" means the open market spot bid rate at which a Reference Dealer would purchase U.S. dollars in exchange for Japanese yen (expressed in terms of Japanese yen per U.S. dollar) determined by the Calculation Agent. In determining Fx, the Calculation Agent will request each of three Reference Dealers to provide the Calculation Agent with its bid quotation for the purchase of U.S. dollars in exchange for Japanese yen. Fx will be the arithmetic mean (rounded to the second decimal place, rounding up if the third decimal place, without regard to rounding, is five or higher and otherwise truncating after the second decimal place) of the three quotations.

In the event a Reference Security Event has not occurred (as determined by the Calculation Agent in good faith, in its sole discretion) at any time on any Business Day from January 3, 1994 up to but not including the date that is two Business Days prior to the date of Maturity, Fx will be

determined by the Calculation Agent at 10:00 a.m. (New York City time) on the second Business Day preceding the date of Maturity.

In the event the Calculation Agent is unable to obtain quotations from at least three Reference Dealers, Fx will be determined by the Calculation Agent by such method as the Calculation Agent determines, in good faith, in its sole discretion.

"Reference Dealer" means any major bank or banking corporation selected in good faith by the Calculation Agent which will provide quotations on Fx or the yen/dollar exchange rate.

"Business Day" means any day that is a Tokyo Business Day and a New York Business Day.

"Tokyo Business Day" means any day, other than a Saturday or Sunday, that is a day on which commercial banks are generally open for business (including dealing in foreign exchange and foreign currency) in Tokyo, Japan.

"New York Business Day" means any day, other than a Saturday or Sunday, that is a day on which commercial banks are generally open for business (including dealings in foreign exchange and foreign currency) in New York, New York.

Certain U.S. Tax Considerations

The following is a summary of the principal U.S. federal income tax consequences of ownership of the Notes. The summary concerns U.S. Holders (as defined in the Prospectus Supplement) who hold the Notes as capital assets and does not deal with tax consequences to special classes of holders such as dealers in securities or currencies, 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 whose functional currency is other than the U.S. dollar. The discussion below is based upon the Internal Revenue Code of 1986, as amended, and final, temporary and proposed U.S. Treasury Regulations. Persons considering the purchase of the Notes should consult with and rely solely upon 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 domestic or foreign taxing jurisdiction.

Except where otherwise indicated below, this summary supplements and, to the extent inconsistent, replaces the discussion under the caption "United States Federal Taxation" in the Prospectus Supplement.

General. There are no regulations (except the 1986 Proposed Regulations described below), published rulings or judicial decisions involving the characterization, for United

States federal income tax purposes, of securities with terms substantially the same as the Notes. Although the matter is not entirely free from doubt and the Notes may be subject to different characterizations by the Internal Revenue Service (the "IRS"), this discussion assumes that the Notes will be treated as debt in their entirety. The Company intends to treat the Notes as debt obligations of the Company for United States federal income tax purposes and when required, intends to file information returns with the IRS in accordance with such treatment in the absence of any change or clarification in the law, by regulation or otherwise, requiring a different characterization. If the Notes are not in fact treated as debt obligations of the Company for United States federal income tax purposes, then the United States federal income tax treatment of the purchase, ownership and disposition of the Notes could differ from that discussed below.

U.S. Holders. Under general principles of current United States federal income tax law, payments of interest on a debt instrument generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received in accordance with the U.S. Holder's regular method of tax accounting. In addition, under Section 988 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder, in the case of a debt instrument that provides for payments the amounts of which are determined by reference to the value of one or more nonfunctional currencies (generally, a currency other than the U.S. dollar), any gain or loss realized with respect to such debt instrument by reason of changes in foreign currency exchange rates generally must be treated as foreign currency gain or loss and must be treated as ordinary income or ordinary loss as the case may be, to the extent such foreign currency gain or loss does not exceed the total gain or loss realized on such debt instrument. Although Code Section 988 and the regulations promulgated thereunder do not specifically address the proper treatment of instruments such as the Notes and therefore the matter is not free from doubt, under the foregoing principles, the amount payable with respect to a Note at the 8.05% Interest Rate (the "Interest Payments") should be includible in income by a cash method U.S. Holder as ordinary interest at the time the Interest Payments are received and a cash method U.S. Holder should not be required to recognize any foreign currency gain or loss with respect to the Interest Payments. A U.S. Holder that reports income for United States federal income tax purposes under the accrual method, however would be required to include in income ordinary interest in an amount equal to the Interest Payments as such payments accrue over the term of the Note.

Upon retirement of a Note, the excess of the Indexed Principal Amount over the Face Amount (the "Supplemental Redemption Amount"), if any, should be treated as contingent interest and generally should be includible in income by a U.S. Holder as ordinary interest on the date that the Indexed Principal Amount is accrued (i.e., determined) or when such

amount is received (in accordance with the U.S. Holder's regular method of tax accounting). However, any portion of the Supplemental Redemption Amount that is attributable to changes in foreign currency exchange rates occurring between the Original Issue Date and the date on which the Indexed Principal Amount is determined (the "Determination Date") should constitute foreign currency gain under Section 988 of the Code and should be treated as ordinary income (other than ordinary interest income). If, however, the Indexed Principal Amount is equal to or less than the Face Amount, then, under general principles of current United States Federal income tax law, a Note should be treated as retired on the Stated Maturity Date for an amount equal to the Indexed Principal Amount. A U.S. Holder generally would recognize a short-term capital loss under such circumstances in an amount equal to the excess of the U.S. Holder's tax basis in the Note (i.e., the Face Amount) over the Indexed Principal Amount. However, any portion of such loss that is attributable to changes in foreign currency exchange rates occurring between the Original Issue Date and the Determination Date should constitute foreign currency loss under Section 988 of the Code and should be treated as ordinary loss. Upon the sale or exchange of a Note prior to the date of Maturity, a U.S. Holder should recognize taxable gain or loss equal to the difference between the amount realized upon such sale or exchange (other than amounts representing accrued and unpaid interest) and the Face Amount. Such gain or loss generally should be short-term capital gain or loss. Nevertheless, any such gain or loss realized upon the sale or exchange of a Note prior to the date of Maturity by reason of changes in foreign currency exchange rates occurring between the Original Issue Date and the date of such sale or exchange should constitute foreign currency gain or loss under Section 988 of the Code and should be treated as ordinary income or loss, as the case may be.

In 1986, the Treasury Department issued proposed regulations (the "1986 Proposed Regulations") under the original issue discount provisions of the Code concerning contingent payment debt obligations. If the Notes were treated as contingent payment debt obligations and if the 1986 Proposed Regulations are ultimately adopted in their current form, such regulations could apply to the Notes and would cause the timing and character of income, gain or loss recognized on a Note to differ from the timing and character of income, gain or loss recognized on a Note discussed above.

The 1986 Proposed Regulations set forth a special set of rules applicable to debt instruments that fail to provide for total noncontingent payments at least equal to their issue price. Under these rules, where the total non-contingent payments on a debt instrument are less than its issue price, the debt instrument will be treated as having contingent interest and principal and payments on the Notes will be taxed as described below regardless of whether such payments are designated as "principal" or "interest." Applying these rules, if the sum of the Interest Payments and the Indexed Principal Amount (the

"Total Redemption Amount") equals or exceeds the Face Amount, then the Notes would be treated as having been retired on the date of Maturity for an amount equal to the Face Amount. The excess of the Total Redemption Amount over the Face Amount (the "Excess Amount"), if any, would be treated as ordinary interest and would be includible in income by a U.S. Holder on the Determination Date, regardless of the U.S. Holder's regular method of tax accounting. In addition, under this set of rules, any portion of the Excess Amount that is attributable to changes in foreign currency exchange rates occurring between the Original Issue Date and the Determination Date should be treated as foreign currency gain under Code Section 988. If, however, the Total Redemption Amount is less than the Face Amount, then a U.S. Holder should recognize a short-term capital loss under this set of rules in an amount equal to the excess of the Face Amount over the Total Redemption Amount. However, any portion of such loss that is attributable to changes in foreign currency exchange rates occurring between the Original Issue Date and the Determination Date should constitute foreign currency loss under Section 988 of the Code and should be treated as ordinary loss.

There is no assurance that the 1986 Proposed Regulations will be adopted or, if adopted, adopted in their current form. On January 19, 1993, the Treasury Department issued proposed regulations (the "1993 Proposed Regulations"), concerning contingent payment debt obligations, which would have replaced the 1986 Proposed Regulations and which would have provided for a set of rules with respect to the timing of income recognition on contingent payment debt obligations that differ from the rules contained in the 1986 Proposed Regulations with respect to the timing of income recognition. The 1993 Proposed Regulations, which would have applied to debt instruments issued 60 days or more after the date the 1993 Proposed Regulations became final, generally provided for several alternative timing methods which would have required annual interest accruals to reflect either a market yield for the debt instrument, determined as of the issue date, or a reasonable estimate of the performance of contingencies. The amount of interest deemed to accrue in a taxable year pursuant to such methods would have been currently includible in income by a U.S. Holder, with subsequent adjustments to the extent that the estimate of income was incorrect. In addition, under the 1993 Proposed Regulations, any gain realized on the sale, exchange or retirement of a contingent payment debt obligation generally would have been treated entirely as ordinary interest income and any loss realized on the sale, exchange or retirement of a contingent payment debt obligation generally would have been treated entirely as a capital loss. However, on January 22, 1993, the United States Government's Office of Management and Budget announced that certain proposed regulations which had not yet been published in the Federal Register, including the 1993 Proposed Regulations, had been withdrawn. In addition, it is unclear to what extent, if any, the 1993 Proposed Regulations would have applied to debt instruments providing for one or more payments determined, in whole or in part, by reference to the value of foreign currency.

Accordingly, it is unclear whether the 1993 Proposed Regulations will be re-proposed or, if re-proposed, what effect if any, such regulations would have on the Notes. It should also be noted that proposed Treasury regulations are not binding upon either the IRS or taxpayers prior to becoming effective as temporary or final regulations. Prospective investors in the Notes are urged to consult their own tax advisors regarding the application of the 1986 Proposed Regulations, if any, and the effect of possible changes to the 1986 Proposed Regulations.