

October 31, 2006

To whom it may concern:

Corporate name: Toyota Tsusho Corporation  
Representative: Junzo Shimizu, President  
(Security Code No. 8015, Tokyo and Nagoya  
Stock Exchanges, First Section)  
Contact: Yusuke Chino, General Manager  
Corporate Communications Office  
Phone: +81-52-584-5011

## **Notice Concerning the Issuance of New Shares and Secondary Offering of Issued Shares**

Notice is hereby provided to announce that the Board of Directors of Toyota Tsusho Corporation (the "Company"), at its meeting held on October 31, 2006, resolved as described below with respect to the issuance of new shares and secondary offering of the shares of the Company in Japan.

### **1. Issuance of new shares by way of public offering**

(1) Class and number of shares to be offered:

19,500,000 shares of common stock of the Company

(2) Determination of amount to be paid in:

Amount to be paid in is to be determined on any day between Monday, November 13, 2006 and Thursday, November 16, 2006 (the "Issue Price Determination Date"), according to the method prescribed in Article 7-2 of the Fair Business Practice Regulations No. 14 set forth by the Japan Securities Dealers Association.

(3) Amount of increase in capital and capital surplus:

Amount of increase in capital shall be one-half of the amount to be paid in per share to be determined in accordance with (2) above, with any fraction less than one yen being rounded up to the nearest yen. The amount of increase in capital surplus shall be the amount obtained by subtracting the amount of increase in capital from the amount to be paid in per share.

(4) Method of offering:

The offering is to be made by public offering in Japan and the Company will cause Nomura Securities Co., Ltd., Mitsubishi UFJ Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd. (collectively, the "underwriters") to subscribe and purchase all shares to be issued.

The issue price (offer price) in the public offering is to be determined based on the provisional price, which is equal to the closing price of the shares of Company at the Tokyo Stock Exchange, Inc. on the Issue Price Determination Date (if the closing price is not available on such day, the closing price of the nearest preceding day will apply) multiplied by a number between 0.90 and 1.00, with any fraction less than one yen being disregarded, taking into consideration market demand, according to the method prescribed in Article 7-2 of the Fair Business Practice Regulations No. 14 set forth by the Japan Securities Dealers Association.

#### **Attention**

This document is a translation of a press release that was announced on the Tokyo Stock Exchange on October 31, 2006 by Toyota Tsusho Corporation. The purpose of this press release is to make a general public announcement of the public offering of new shares and the secondary offering of the shares. It has not been prepared for the purpose of soliciting investments in the shares.

(5) Commissions payable to the underwriters:

The Company will pay no commission fee to the underwriters, and in lieu of a commission fee, the difference between the issue price (offer price) in the public offering and the amount to be paid in by the underwriters to the Company will be retained by the underwriters.

(6) Offering period:

From Friday, November 17, 2006 to Tuesday, November 21, 2006. The period is subject to acceleration, based on market demand, and the earliest period shall be from Tuesday, November 14, 2006 to Thursday, November 16, 2006.

(7) Payment date:

Any day between Tuesday, November 21, 2006 and Monday, November 27, 2006. Specifically, as mentioned in (6) above, the offering period is subject to acceleration based on marked demand, and, in the event of such acceleration, the earliest payment date will be Tuesday, November 21, 2006.

(8) Unit of offering:

100 shares

(9) The Company authorizes Junzo Shimizu, its President, or Katsunori Takahashi, its Senior Managing Director, to determine the amount to be paid in, the amount of increase in capital and capital reserve, and any other matter necessary for the issuance of new shares by way of public offering described above.

(10) The issuance of new shares by way of public offering described above is conditional upon the effectiveness of the registration made under the Securities Registration Statement filed by the Company pursuant to the Securities and Exchange Law of Japan.

## **2. Issuance of new shares by way of third party allotment**

(1) Class and number of shares to be offered:

5,390,000 shares of common stock of the Company

(2) Determination of amount to be paid in:

Amount to be paid in is to be determined on the Issue Price Determination Date. Amount to be paid in shall be equal to the issue price (offer price) in the public offering.

(3) Amount of increase in capital and capital surplus:

Amount of increase in capital shall be one-half of the amount to be paid in (which shall be equal to the issue price (offer price) in the public offering) per share to be determined in accordance with (2) above, with any fraction less than one yen being rounded up to the nearest yen. The amount of increase in capital surplus shall be the amount obtained by subtracting the amount of increase in capital from the amount to be paid in per share.

(4) Party to receive allocation and number of shares to be allocated:

Toyota Motor Corporation      5,390,000 shares

(5) Offering period:

From the business day immediately following the Issue Price Determination Date to the third business day following the Issue Price Determination Date. The offering period shall be the same as that for the public offering.

(6) Payment date:

Any day between Tuesday, November 21, 2006 and Monday, November 27, 2006; provided that such date shall be the sixth business day following the Issue Price Determination Date. The payment date shall be the same date as that for the public offering.

(7) Unit of offering:

100 shares

(8) The Company authorizes Junzo Shimizu, its President, or Katsunori Takahashi, its Senior Managing Director, to determine the amount to be paid in, the amount of increase in capital and capital reserve, and any other matter necessary for the issuance of new shares by way of third party allotment.

(9) The issuance of new shares by way of third party allotment described above is conditional upon the effectiveness of the registration made under the Securities Registration Statement filed by the Company pursuant to the Securities and Exchange Law of Japan.

### **3. Secondary offering by way of over-allotment**

(See "(Reference) 1. Secondary offering by way of over-allotment")

(1) Class and number of shares to be offered and sold:

1,950,000 shares of common stock of the Company

The number of shares mentioned above is the maximum number of shares to be sold through secondary offering by way of over-allotment. This number may decrease or the secondary offering by way of over-allotment itself may be cancelled based on market demand. The number of shares to be sold shall be determined on the Issue Price Determination Date, taking into consideration market demand.

(2) Selling shareholder:

Nomura Securities Co., Ltd.

(3) Offer price:

To be determined (the offer price is to be determined on the Issue Price Determination Date and shall be equal to the issue price (offer price) in the public offering).

(4) Method of secondary offering:

Taking into consideration market demand for the public offering of new shares, Nomura Securities Co., Ltd. shall make the secondary offering of shares of up to 1,950,000 shares, which it will borrow from shareholder(s) of the Company.

(5) Offering period:

The offering period shall be the same as that for the public offering set forth above.

(6) Delivery date:

The delivery date shall be the next business day following the payment date for the public offering set forth above.

(7) Unit of offering:

100 shares

(8) The Company authorizes Junzo Shimizu, its President, or Katsunori Takahashi, its Senior Managing Director, to determine the offer price and any other matter necessary for the secondary offering.

(9) The secondary offering described above is conditional upon the effectiveness of the registration made under the Securities Registration Statement filed by the Company pursuant to the Securities and Exchange Law of Japan.

#### **4. Issuance of new shares by way of third party allotment**

(See "(Reference) 1. Secondary offering by way of over-allotment")

(Issuance of new shares by way of third party allotment to be made in connection with "3. Secondary offering by way of over-allotment")

(1) Class and number of shares to be offered:

1,950,000 shares of common stock of the Company

(2) Determination of amount to be paid in:

Amount to be paid in is to be determined on the Issue Price Determination Date. Amount to be paid in shall be equal to the issue price (offer price) in the public offering.

(3) Amount of increase in capital and capital surplus:

Amount of increase in capital shall be one-half of the amount to be paid in (which shall be equal to the issue price (offer price) in the public offering) per share to be determined in accordance with (2) above, with any fraction less than one yen being rounded up to the nearest yen. The amount of increase in capital surplus shall be the amount obtained by subtracting the amount of increase in capital from the amount to be paid in per share.

(4) Party to receive allocation and number of shares to be allocated:

Nomura Securities Co., Ltd. 1,950,000 shares

(5) Offering period (offering date):

Any day from Monday, December 18, 2006 to Friday, December 22, 2006; provided that such date shall be the next business day following the thirtieth day from the day immediately following the last day of the offering period for the public offering and the secondary offering.

(6) Payment date:

Any day between Tuesday, December 19, 2006 and Monday, December 25, 2006; provided that such date shall be the second business day following the thirtieth day from the day immediately following the last day of the offering period for the public offering and the secondary offering.

(7) Unit of offering:

100 shares

(8) Shares which are not subscribed by the offering period (offering date) set forth in (5) above will not be issued.

(9) The Company authorizes Junzo Shimizu, its President, or Katsunori Takahashi, its Senior Managing Director, to determine the amount to be paid in, the amount of increase in capital and capital reserve, and any other matter necessary for the issuance of new shares by way of third party allotment.

(10) The issuance of new shares by way of third party allotment described above is conditional upon the effectiveness of the registration made under the Securities Registration Statement filed by the Company pursuant to the Securities and Exchange Law of Japan.

(11) In case the issuance of new shares by way of public offering is cancelled, the issuance of new shares by way of third party allotment will be cancelled as well.

## **(Reference)**

### **1. Secondary offering by way of over-allotment**

The secondary offering by way of over-allotment mentioned in "3. Secondary offering by way of over-allotment" will be made along with, and taking into consideration market demand for, the public offering of new shares set out in "1. Issuance of new shares by way of public offering" above, by Nomura Securities Co., Ltd., the lead manager of the public offering, by utilizing shares of up to 1,950,000 shares, which it will borrow from shareholder(s) of the Company. The number of shares to be offered and sold through secondary offering by way of over-allotment is expected to be 1,950,000 shares, which is the maximum number of shares to be sold. This number may decrease or the offering of shares by way of over-allotment itself may be cancelled based on market demand.

In connection with the secondary offering by way of over-allotment, at a meeting held on Tuesday, October 31, 2006, the Board of Directors of the Company resolved to issue 1,950,000 shares of common stock of the Company to Nomura Securities Co., Ltd. by way of third party allotment, in order for Nomura Securities Co., Ltd. to return such borrowed shares to the relevant shareholder(s). The payment date for the issuance of new shares by way of third party allotment is the second business day following the thirtieth day from the day immediately following the last day of the offering period for the public offering and the secondary offering.

Nomura Securities Co., Ltd. may purchase shares (the "Syndicate Cover Transactions") on the Tokyo Stock Exchange, Inc., up to the number of shares offered in the secondary offering by way of over-allotment. Such purchase may be made during the period between the day immediately following the last day of the offering period for the secondary offering by way of over-allotment and five business days prior to the payment date for the issuance of new shares by way of third party allotment (the "Syndicate Cover Transaction Period"). All of the shares purchased through the Syndicate Cover Transactions will be used to return the borrowed shares. During the Syndicate Cover Transaction Period, there may be no Syndicate Cover Transactions at all, or Syndicate Cover Transactions may be ceased before the maximum number of shares is purchased, at the discretion of Nomura Securities Co., Ltd.

Nomura Securities Co., Ltd. may also conduct stabilizing transactions in connection with the public offering of new shares and the secondary offering by way of over-allotment. Some or all of the shares of common stock of the Company purchased through such stabilizing transactions may be used to return the borrowed shares.

Nomura Securities Co., Ltd. will subscribe new shares to be issued by way of third party allotment with respect to the number of shares obtained by deducting the number of shares to be used to return the borrowed shares after purchase through stabilizing transactions and Syndicate Cover Transactions, from the number of shares to be offered by way of over-allotment. Therefore, some or all of the new shares to be issued by way of third party allotment may not be subscribed by Nomura Securities Co., Ltd. and, consequently, the number of new shares to be issued by way of third party allotment may be decreased or the issuance of new shares by way of third party allotment itself may be cancelled.

#### **Attention**

This document is a translation of a press release that was announced on the Tokyo Stock Exchange on October 31, 2006 by Toyota Tsusho Corporation. The purpose of this press release is to make a general public announcement of the public offering of new shares and the secondary offering of the shares. It has not been prepared for the purpose of soliciting investments in the shares.

## **2. Change in the total number of issued shares as a result of public offering and third party allotment**

|  |                           |
|--|---------------------------|
| Current number of issued shares (at October 30, 2006):   | 327,563,216 shares        |
| Increase in number of shares<br>resulting from the issuance of new shares by way of public offering:   | 19,500,000 shares         |
| Number of issued shares<br>after the issuance of new shares by way of public offering:   | 347,063,216 shares        |
| Increase in number of shares resulting from the issuance of new shares<br>by way of third party allotment<br>(third party allotment to Toyota Motor Corporation):    | 5,390,000 shares          |
| Number of issued shares after the issuance of new shares<br>by way of third party allotment mentioned above:   | 352,453,216 shares        |
| Increase in number of shares resulting from the issuance of new shares<br>by way of third party allotment<br>(third party allotment to Nomura Securities Co., Ltd.): | 1,950,000 shares (Note)   |
| Number of issued shares after the issuance of new shares<br>by way of third party allotment mentioned above:   | 354,403,216 shares (Note) |

### **Note:**

Third party allotment to Nomura Securities Co., Ltd. is an issuance of new shares by way of third party allotment to be made in connection with the secondary offering by way of over-allotment. These numbers are based on the assumption that all of the maximum number of shares to be issued by way of third party allotment described in "4. Issuance of new shares by way of third party allotment" above are subscribed by, and issued to, Nomura Securities Co., Ltd.

## **3. Use of Proceeds**

### **(1) Use of proceeds**

Estimated net proceeds of up to 80,453,000,000 yen from the issuance of new shares will be used entirely for loans and investments to subsidiaries, etc. The Company will invest in the automotive area, which is a stable source of income, in order to respond to active overseas development of each Toyota group companies and to further enhance and expand revenue basis. Specifically, 50,283,000,000 yen will be applied to the businesses such as fine blanking processing business in the Metals segment, maintenance business of facilities and equipments in the Machinery & Electronics segment, and dealership business in the Automotive segment.

Furthermore, the Company will create a new pillar of income through investment in non-automotive areas in order to expand operating basis of those with high potential of growth and profitability. Specifically, 30,170,000,000 yen will be applied to businesses such as coal, petroleum, gas, electric power producer businesses in the Energy & Chemicals segment, silo business in the Produce & Foodstuffs segment, and insurance business in the Consumer Products, Services & Materials segment.

Concurrently, the Company will create financial strength, which will enable us to respond flexibly to positive investment opportunities, and ensure flexible business strategy through this funding.

### **(2) Future effects on business results**

The Company believes that further expansion of revenue base in the future will contribute to business results.

#### 4. Return profits to shareholders

(1) Basic policy

The Company hopes to meet the shareholders' expectations, considering comprehensively the business results, etc., by maintaining stable dividend, as well as striving for securing of long-term stability in management base.

(2) Policy on determination of dividends

Policy on determination of dividends is as set forth in (1) above.

(3) Use of retained earnings

Retained earnings, as well as the funding from this offering, will be invested effectively for active business expansion in the future.

(4) Status of dividends for the last three fiscal years

|                              | Year ended<br>March 31, 2004 | Year ended<br>March 31, 2005 | Year ended<br>March 31, 2006 |
|------------------------------|------------------------------|------------------------------|------------------------------|
| Net income per share         | 37.04 yen                    | 55.53 yen                    | 86.42 yen                    |
| Annual dividend per share    | 8.00 yen                     | 12.00 yen                    | 18.00 yen                    |
| Actual dividend payout ratio | 21.60%                       | 21.61%                       | 20.83%                       |
| Return on Equity             | 6.54%                        | 8.44%                        | 11.06%                       |
| Dividend on Equity           | 1.38%                        | 1.78%                        | 2.26%                        |

Notes:

1. Return on equity is the net income for the fiscal year divided by shareholders' equity (the average of the total shareholders' equity at the beginning of the fiscal year and the total shareholders' equity at the end of the fiscal year).
2. Dividend on equity is the aggregate annual dividend for the fiscal year divided by shareholders' equity (the average of the total shareholders' equity at the beginning of the fiscal year and the total shareholders' equity at the end of the fiscal year).

#### 5. Reason for the issuance of new shares by way of third party allotment

The issuance of new shares by way of third party allotment will be made, in conjunction with the offering mentioned in "1. Issuance of New Shares by Way of Public Offering", in order to maintain the shareholding ratio of Toyota Motor Corporation, a shareholder of the Company and to which equity method is applied.

#### 6. Outline of Toyota Motor Corporation, to whom third party allotment is to be made

As provided in the Exhibit.

#### 7. Submission of assurance in the issuance of new shares by way of third party allotment

The Company will request to Toyota Motor Corporation, to whom third party allotment is to be made, a submission of assurance to report to the Company in case Toyota Motor Corporation wishes to transfer new shares to be allocated within two years after issuance thereof.

#### 8. Others

(1) Designation of allottees

Not applicable. Provided, however, an issuance of new shares by way of third party allotment to Toyota Motor Corporation will be made in conjunction with the offering mentioned in "1. Issuance of New Shares by Way of Public Offering". With respect to the issuance of new shares by way of third party allotment, the Company complies with the requirements for underwriters in the public offering pursuant to Article 9-2 of the Fair Business Practice Regulations No. 14 set forth by the Japan Securities Dealers Association.

(2) Information on dilution due to residual securities

The Company adopts stock option plans by way of stock acquisition rights pursuant to the provisions of Articles 280-20 and 280-21 of the former Commercial Code of Japan, which were resolved at the Shareholders' meetings held on June 27, 2003, June 24, 2004 and June 24, 2005. The Company also adopts a stock option plan by way of stock acquisition rights pursuant to the provisions of Articles 236, 238 and 239 of the Corporation Act of Japan, which was resolved at the Shareholders' meeting held on June 27, 2006. The ratio of the remaining number of new shares to be issued mentioned below to the total number of issued shares after the issuance of new shares is expected to be 1.0%.

Status of stock options granted (as of September 30, 2006)

| Resolution at Shareholders' Meeting | Resolution for Issuance at Board Meeting | Remaining number of new shares to be issued | Amount to be paid in upon exercise of a stock acquisition right | Amount to be transferred to paid-in capital | Exercise Period                      |
|-------------------------------------|--|---|---|---|--------------------------------------|
| June 27, 2003                       | July 22, 2003                            | 588,000 shares                              | 780 yen   | 390 yen                                     | From August 1, 2005 to July 31, 2007 |
| June 24, 2004                       | July 27, 2004                            | 1,298,000 shares                            | 1,170 yen   | 585 yen                                     | From August 1, 2006 to July 31, 2008 |
| June 24, 2005                       | July 26, 2005                            | 970,000 shares                              | 1,915 yen   | 958 yen                                     | From August 1, 2007 to July 31, 2009 |
| June 27, 2006                       | July 25, 2006                            | 764,000 shares                              | 2,805 yen   | 1,403 yen                                   | From August 1, 2008 to July 31, 2010 |

(3) Equity finance conducted during the last three years

(a) Status of previous equity finance

Not applicable.

(b) Change in stock price, etc. during the last three fiscal years and immediately before the date hereof

|             | Year ended March 31, 2004 | Year ended March 31, 2005 | Year ended March 31, 2006 | Year ending March 31, 2007 |
|-------------|---------------------------|---------------------------|---------------------------|----------------------------|
| Opening     | 542 yen                   | 1,090 yen                 | 1,803 yen                 | 3,200 yen                  |
| High        | 1,244 yen                 | 1,825 yen                 | 3,200 yen                 | 3,620 yen                  |
| Low         | 542 yen                   | 920 yen                   | 1,623 yen                 | 2,180 yen                  |
| Closing     | 1,107 yen                 | 1,801 yen                 | 3,190 yen                 | 3,520 yen                  |
| PER (times) | 29.89                     | 32.43                     | 36.91                     | —                          |

Notes:

1. The share prices for the year ending March 31, 2007 are presented as of October 27, 2006.
2. PER is the share price at the end of the fiscal year (closing price) divided by net income per share for the relevant fiscal year.

(4) Others

Not applicable.

**Attention**

This document is a translation of a press release that was announced on the Tokyo Stock Exchange on October 31, 2006 by Toyota Tsusho Corporation. The purpose of this press release is to make a general public announcement of the public offering of new shares and the secondary offering of the shares. It has not been prepared for the purpose of soliciting investments in the shares.

Exhibit (Outline of Toyota Motor Corporation, to whom third party allotment is to be made)

|  |  |   |                   |
|--|--|---|-------------------|
| Name of company to receive allocation            |  | Toyota Motor Corporation  |                   |
| Number of shares to be allocated                 |  | 5,390,000 shares  |                   |
| Amount to be paid in                             |  | 16,795,000,000 yen<br>(Estimate calculated based on market value as of October 20, 2006)  |                   |
| Description of the company to receive allocation | Location of head office                      | 1 Toyota-Cho, Toyota City, Aichi Prefecture, Japan  |                   |
|  | Name of representative                       | Katsuaki Watanabe, President  |                   |
|  | Amount of capital<br>(as of March 31, 2006)  | 397,049 million yen   |                   |
|  | Description of business                      | Manufacture and sale of automobiles and parts   |                   |
|  | Major shareholders<br>(as of March 31, 2006) | <p>Japan Trustee Services Bank, Ltd. 8.42%</p> <p>The Master Trust Bank of Japan, Ltd. 5.96%</p> <p>Toyota Industries Corporation 5.54%</p> <p>Nippon Life Insurance Co. 3.67%</p> <p>Hero and Company 3.42%</p> <p>(Standing agent: Sumitomo Mitsui Banking Corporation's Funding &amp; Securities Services Division)</p> <p>State Street Bank and Trust Company 3.22%</p> <p>(Standing agent: Mizuho Corporate Bank, Ltd.'s Kabutocho Custody &amp; Proxy Department within the Settlement &amp; Clearing Services Division)</p> <p>Trust &amp; Custody Services Bank, Ltd. 2.82%</p> <p>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. 2.32%</p> <p>Mitsui Sumitomo Insurance Co., Ltd. 1.81%</p> <p>The Chase Manhattan Bank, N.A. London 1.68%</p> <p>(Standing agent: Mizuho Corporate Bank, Ltd.'s Kabutocho Custody &amp; Proxy Department within the Settlement &amp; Clearing Services Division)</p> |                   |
| Relationship with the Company                    | Capital                                      | Number of shares of the company to receive allocation held by the Company (as of September 30, 2006)  | 7,755,730 shares  |
|  |  | Number of shares of the Company held by the company to receive allocation (as of September 30, 2006)  | 70,978,939 shares |
|  | Business                                     | The company to receive allocation sells the products of the Company, and the Company purchases products of the company to receive allocation.   |                   |
|  | Personnel<br>(as of September 30, 2006)      | Three directors and two executive officers of the Company transferred from the company to receive allocation, and two corporate auditors of the Company double as advisers of the company to receive allocation.  |                   |

Note: Information on Capital and Personnel above is presented as of September 30, 2006, because the Company merged with former Tomen Corporation effective as of April 1, 2006.