NOMURA HOLDINGS INC
Form 424B3
November 15, 2010
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Registration Nos. 333-169682-01
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Product Prospectus Supplement to the Prospectus dated September 30, 2010

Nomura America Finance, LLC

Senior Global Medium-Term Notes, Series A

Fully and Unconditionally Guaranteed

by Nomura Holdings, Inc.

Notes Linked to a Currency, Currency Index or a Basket of Currencies or Indices

GENERAL TERMS

Nomura America Finance, LLC (we or us) may offer and sell currency-linked notes (the notes) from time to time of any maturity. The notes will be linked to the performance of one or more currency exchange rates or currency indices (each, a reference asset) specified in the applicable pricing supplement. If the reference asset of your notes consists of more than one currency exchange rate or currency index, we may refer to each applicable component of the reference asset as a basket component. The prospectus dated September 30, 2010 and this product prospectus supplement describe terms that will apply generally to the notes, including any notes you purchase. A separate pricing prospectus supplement or free writing prospectus, which we refer to as a pricing supplement, will describe terms that will apply specifically to your notes, including any changes to the terms described below. If the terms described in the relevant pricing supplement are inconsistent with those described herein or in the accompanying prospectus, the terms described in the relevant pricing supplement will control. **The notes are not ordinary debt securities and your notes may not bear any interest. You should carefully consider whether the notes are suited to your particular circumstances.**

If so specified in the relevant pricing supplement, the notes may be automatically callable, or at our option, we may redeem the notes, in whole or in part, on any redemption date. If the applicable pricing supplement provides for an automatic call feature or optional early redemption, you must be willing to have your notes automatically called or redeemed for a cash payment per note equal to the principal amount of the notes *plus*, if applicable, an additional amount equal to the principal amount of the notes multiplied by the call premium or redemption premium, as defined below.

All notes we issue will be fully and unconditionally guaranteed by Nomura Holdings, Inc. (Nomura). Each note we issue will have a principal amount of $1,000 and will be denominated in, and will pay principal and interest, if any, in U.S. dollars unless we state otherwise in the applicable pricing supplement. Your notes will mature on the stated maturity date specified in the applicable pricing supplement, subject to adjustment and to any prior automatic call or optional early redemption, if applicable. The applicable pricing supplement also will specify the interest payment date or dates for your notes, if applicable, and other material terms that apply to your notes, including terms we describe in this product prospectus supplement.

Your investment in the notes involves certain risks. See Additional Risk Factors Specific to Your Notes beginning on page PS-7 to read about investment risks relating to the notes.

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

The price at which you purchase the notes may include a selling concession and the costs and profits that we (or one of our affiliates) expect to incur in the hedging of our market risk under the notes. As a result, if the price at which you purchase your notes includes a selling concession or hedging costs, assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your notes prior to maturity will likely be less than your original purchase price.

We may use this product prospectus supplement in the initial sale of the notes. In addition, Nomura Securities International, Inc. or another of our affiliates may use this product prospectus supplement in a market-making transaction in notes after their initial sale. ***Unless we or our agent inform the purchaser otherwise in the confirmation of sale, this product prospectus supplement is being used in a market-making transaction.***

We are not a bank, and the notes will not constitute deposits insured by the U.S. Federal Deposit Insurance Corporation or any other U.S. governmental agency or instrumentality.

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In this product prospectus supplement, when we refer to the notes, including your notes, we mean the notes described in this product prospectus supplement unless the context requires otherwise. Also, references to the accompanying prospectus mean our accompanying prospectus, dated September 30, 2010. References to the relevant pricing supplement or the applicable pricing supplement mean the pricing supplement that describes the specific terms of your notes.

The Notes Are Part of a Series

The notes are part of a series of senior debt securities entitled Senior Global Medium-Term Notes, Series A, that we may issue under our guaranteed senior debt indenture, dated as of September 30, 2010, among us, as issuer, Nomura, as guarantor, and Deutsche Bank Trust Company Americas, as trustee, as amended from time to time (the indenture). The notes are indexed senior debt securities, as defined in the accompanying prospectus. This product prospectus supplement summarizes financial and other terms that apply generally to the notes, including your notes. We describe terms that apply generally to all Series A medium-term notes in *Description of Debt Securities and Guarantee* in the accompanying prospectus. The terms described here supplement those described in the accompanying prospectus and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

Please note that the information about the settlement or trade dates, issue price discounts or commissions and net proceeds to us in the relevant pricing supplement relates only to the initial issuances and sales of the notes. If you purchase your notes in a market-making transaction after any initial issuance and sale, any such relevant information about the sale to you will be provided in a separate confirmation of sale.

Specific Terms Will Be Described in Pricing Supplements

The specific terms of your notes will be described in the relevant pricing supplement accompanying this product prospectus supplement. The terms described there supplement those described here and in the accompanying prospectus. If the terms described in the relevant pricing supplement are inconsistent with those described here or in the accompanying prospectus, the terms described in the relevant pricing supplement are controlling. The applicable pricing supplement will specify, among other things, the stated maturity date of your notes, the aggregate principal amount offered, the type of note and other material terms that will apply to your notes, including terms we describe in this product supplement. You must read the applicable pricing supplement, together with this product prospectus supplement and the accompanying prospectus, to fully understand the terms of and risks associated with any notes in which you are considering an investment.

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Product Prospectus Supplement

Prospectus Dated September 30, 2010

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SUMMARY INFORMATION

Issuer:	Nomura America Finance, LLC.
Guarantor:	Nomura Holdings, Inc.
Agent:	Nomura Securities International, Inc.
Issue:	Senior Global Medium-Term Notes, Series A.
Reference Asset:	The reference asset may consist of an individual currency exchange rate or currency index or a weighted basket composed of currency exchange rates or currency indices (each a basket component), as specified in the relevant pricing supplement. The relevant pricing supplement will specify the component weights of the basket components, as applicable.
Minimum Investment:	Unless otherwise specified in the relevant pricing supplement, $1,000.
Denominations:	Unless otherwise specified in the relevant pricing supplement, the notes will be issued in denominations of $1,000 and integral multiples thereof.
Initial Value:	As specified in the relevant pricing supplement. If the reference asset to which your notes are linked consists of a basket of currency exchange rates or currency indices, the relevant pricing supplement will specify the initial value of each basket component.
Final Value:	Unless the relevant pricing supplement specifies otherwise, for each valuation date the final value of the reference asset (or each basket component, if applicable) will equal the value or level, as applicable, of the reference asset (or each basket component, if applicable) on the applicable valuation date; provided, that if the relevant pricing supplement specifies that an averaging final value is applicable, the final value of the reference asset (or each basket component, if applicable) on the final valuation date will equal the arithmetic average of the values or levels, as applicable, of the reference asset (or each basket component, if applicable) on the averaging observation dates specified for your notes (or if not a business day, the following business day) and the final valuation date.
	If the reference asset to which your notes are linked consists of a basket of currency exchange rates or currency indices, the final value will be calculated for each basket component as if it were a single currency rate or currency index.
Averaging Observation Date(s):	As specified in the relevant pricing supplement, if the relevant pricing supplement specifies that an averaging final value is applicable.
Valuation Date(s):	As applicable, the final valuation date and any applicable call observation date, averaging observation date or business day during the performance observation period specified in the relevant pricing supplement as applicable to your notes.
Interest Rate (coupon) (if any):	As specified in the relevant pricing supplement, if applicable.
Interest Payment Dates:	As specified in the relevant pricing supplement, if applicable.
Cash Settlement Amount:	If an automatic call or early redemption of the notes has not occurred, the cash settlement amount that will be paid on the notes on the maturity date will be the principal amount of the notes *plus* the additional amount, if any.

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Additional Amount:	Unless specified otherwise in the applicable pricing supplement, if an automatic call or early redemption of the notes has not occurred, and subject to a cap or floor, if applicable, the additional amount that will be paid on the notes on the maturity date will be calculated as follows:

If neither a performance participation level nor performance termination level is specified in the relevant pricing supplement:

if the relevant notes are bullish notes, if the reference asset performance on the final valuation date is less than or equal to 0%, the additional amount will equal $0; and if the reference asset performance on the final valuation date is greater than 0%, the additional amount will equal the product of (i) the principal amount of your notes *times* (ii) the reference asset performance on the final valuation date *times* (iii) the participation rate specified in the relevant pricing supplement; and

if the relevant notes are bearish notes, if the reference asset performance on the final valuation date is greater than or equal to 0%, the additional amount will equal $0; and if the reference asset performance on the final valuation date is less than 0%, the additional amount will equal the product of (i) the principal amount of your notes *times* (ii) the absolute value of the reference asset performance on the final valuation date *times* (iii) the participation rate specified in the relevant pricing supplement.

If a performance participation level is specified in the relevant pricing supplement:

if a performance participation event has not occurred, the additional amount will equal the non-participation amount; and

if a performance participation event has occurred, the additional amount will be calculated as described above as if a performance participation level were not specified in the relevant pricing supplement.

If a performance termination level is specified in the relevant pricing supplement:

if a performance termination event has not occurred, the additional amount will be calculated as described above as if a performance termination level were not specified in the relevant pricing supplement; and if a performance termination event has occurred, the additional amount will equal the non-participation amount.

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Reference Asset Performance:	Unless specified otherwise in the relevant pricing supplement, the reference asset performance for a single currency exchange rate or currency index will be equal to (i) (a) the final value of the reference asset *minus* (b) the initial value of the reference asset, *divide*d by (ii) the initial value of the reference asset. Unless specified otherwise in the relevant pricing supplement, the reference asset performance for a basket of currency exchange rates or currency indices will be equal to the sum, for all basket components, of the following amounts for each basket component: the product of (i)(a)(1) the final value of such basket component *minus* (2) the initial value of such basket component, *divided* by (b) the initial value of such basket component, *times* (ii) such basket component s component weighting.
	The reference asset performance may be positive or negative. Subject to any automatic call, early redemption, cap, floor, performance participation event, performance termination event or other applicable limitation, generally if your notes are bullish, a more positive reference asset performance will increase the cash settlement amount, and if your notes are bearish, a more negative reference asset performance will increase the cash settlement amount.
Participation Rate:	The participation rate indicates the extent to which your notes will participate in the reference asset performance. The participation rate will be a percentage specified in the relevant pricing supplement.
Early Redemption at Option of Issuer:	If the relevant pricing supplement specifies that the notes are Not redeemable, then your notes may not be redeemed before maturity by the issuer. If the relevant pricing supplement specifies that the notes are Redeemable, then the following provisions will apply:

Early Redemption:	Your notes will be redeemable by us, at our option, in whole or in part, on any redemption date, at a price equal to the redemption payment amount, payable on the redemption date.
Redemption Payment Amount:	Either (i) the principal amount of the notes *plus* accrued and unpaid interest, if your notes bear interest, to the redemption date or (ii) if the relevant pricing supplement specifies a redemption premium, (a) the principal amount of the notes *plus* accrued and unpaid interest, if your notes bear interest, to the redemption date *plus* (b) the principal amount of the notes multiplied by the redemption premium.
Redemption Premium:	As specified in the relevant pricing supplement, if applicable.
Optional Redemption Date:	As specified in the relevant pricing supplement, one or more business days during the term of the notes on which we may exercise our early redemption option.
Redemption Date:	Unless otherwise specified in the relevant pricing supplement, the third business day after the relevant optional redemption date or, if the relevant optional redemption date is the final valuation date, the stated maturity date, subject to postponement as described under *General Terms of the Currency-Linked Notes Stated Maturity Date*.

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Automatic Call:	If the relevant pricing supplement specifies that the notes are Not automatically callable, then your notes may not be automatically called. If the relevant pricing supplement specifies that the notes are Automatically callable, then the following provisions will apply:	
	Automatic Call:	If, on any call observation date, the final value of the reference asset or the reference asset performance, as applicable, is greater than or equal to the call barrier level (in the case of bullish notes) or less than or equal to the call barrier level (in the case of bearish notes), then the notes will automatically be called, for a cash payment per note equal to the call payment amount, payable on the call settlement date.
	Call Payment Amount:	As specified in the relevant pricing supplement, either (i) the principal amount of the notes *plus* accrued and unpaid interest, if your notes bear interest, to the call settlement date or (ii) if the relevant pricing supplement specifies a call premium, (a) the principal amount of the notes *plus* accrued and unpaid interest, if your notes bear interest, to the call settlement date *plus* (b) the principal amount of the notes multiplied by the call premium.
	Call Premium:	As specified in the relevant pricing supplement, if applicable.
	Call Observation Date:	As specified in the relevant pricing supplement, one or more business days during the term of the notes on which the final value of the reference asset or the reference asset performance is observed for purposes of determining whether an automatic call will occur, subject to postponement as described under *General Terms of the Currency-Linked Notes Market Disruption Events* in this product prospectus supplement.
	Call Barrier Level:	As specified in the relevant pricing supplement, if applicable. Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a single currency exchange rate or currency index, the call barrier level will be a specified value or level of the reference asset or a specified reference asset performance, and if the reference asset consists of a basket of currency exchange rates or currency indices, the call barrier level will be expressed as a specified reference asset performance.
	Call Date:	The day upon which an automatic call occurs.
	Call Settlement Date:	Unless otherwise specified in the relevant pricing supplement, the third business day after the relevant call date or, if the relevant call date is the final valuation date, the stated maturity date, subject to postponement as described under *General Terms of the Currency-Linked Notes Stated Maturity Date* and *General Terms of the Currency-Linked Notes Market Disruption Events*.

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Maximum Amount or Cap :	As specified in the relevant pricing supplement, if applicable. The maximum amount will be expressed as a percentage of the principal amount of the notes. If the relevant pricing supplement specifies that a maximum amount or cap applies, the additional amount, if any, will be the lesser of (i) the additional amount determined as described above and (ii) the principal amount multiplied by the maximum amount.
Minimum Amount or Floor :	As specified in the relevant pricing supplement, if applicable. The minimum amount will be expressed as a percentage of the principal amount of the notes. If the relevant pricing supplement specifies that a minimum amount or floor applies, the additional amount, if any, will be the greater of (i) the additional amount determined as described above and (ii) the principal amount multiplied by the minimum amount.
Performance Participation Event:	Unless specified otherwise in the relevant pricing supplement, a performance participation event, if applicable, will occur if the final value of the reference asset or the reference asset performance, as applicable, rises to or is above, or falls to or is below, as applicable, the performance participation level (i) if fixing level monitoring is applicable, at a fixed time on any business day during the applicable performance observation period, or (ii) if continuous monitoring is applicable, at any time on any business day during the applicable performance observation period.
	Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a basket of currency exchange rates or currency indices, fixing level monitoring will apply for purposes of determining whether a performance participation event has occurred. If the reference asset consists of a single currency exchange rate or currency index, the relevant pricing supplement will specify whether fixing level monitoring or continuous monitoring will apply for purposes of determining whether a performance participation event has occurred. See *General Terms of the Currency-Linked Notes Common Reference Assets* and *General Terms of the Currency-Linked Notes Continuous Monitoring.*
Performance Participation Level:	As specified in the relevant pricing supplement, if applicable. Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a single currency exchange rate or currency index, the performance participation level will be a specified value or level of the reference asset or a specified reference asset performance, and if the reference asset consists of a basket of currency exchange rates or currency indices, the performance participation level will be expressed as a specified reference asset performance.
Performance Termination Event:	Unless specified otherwise in the relevant pricing supplement, a performance termination event, if applicable, will occur if the final value of the reference asset or the reference asset performance, as applicable, rises to or is above, or falls to or is below, as applicable, the performance termination level (i) if fixing level monitoring is applicable, at a fixed time on any business day during the applicable performance observation period, or (ii) if continuous monitoring is applicable, at any time on any business day during the applicable performance observation period.

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	Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a basket of currency exchange rates or currency indices, fixing level monitoring will apply for purposes of determining whether a performance termination event has occurred. If the reference asset consists of a single currency exchange rate or currency index, the relevant pricing supplement will specify whether fixing level monitoring or continuous monitoring will apply for purposes of determining whether a performance termination event has occurred. See *General Terms of the Currency-Linked Notes Common Reference Assets* and *General Terms of the Currency-Linked Notes Continuous Monitoring.*
Performance Termination Level:	As specified in the relevant pricing supplement, if applicable. Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a single currency exchange rate or currency index, the performance termination level will be a specified value or level of the reference asset or a specified reference asset performance, and if the reference asset consists of a basket of currency exchange rates or currency indices, the performance termination level will be expressed as a specified reference asset performance.
Non-Participation Amount:	As specified in the relevant pricing supplement, if applicable.
Performance Observation Period:	As specified in the relevant pricing supplement, if applicable.
Final Valuation Date:	Unless otherwise specified in the relevant pricing supplement, the final valuation date will be the third business day prior to the stated maturity date specified in the relevant pricing supplement, subject to extension for market disruption events as described under *General Terms of the Currency-Linked Notes Market Disruption Events.*
Trade Date:	As specified in the relevant pricing supplement.
Original Issue Date:	As specified in the relevant pricing supplement.
Stated Maturity Date:	As specified in the relevant pricing supplement. The actual maturity date of your notes may be different if adjusted as described under *General Terms of the Currency-Linked Notes Stated Maturity Date*, unless otherwise specified in the relevant pricing supplement.
CUSIP:	As specified in the relevant pricing supplement.
Clearance and Settlement:	Unless otherwise specified in the applicable pricing supplement, DTC global (including through its indirect participants Euroclear and Clearstream, Luxembourg as described under *Description of Debt Securities and Guarantee Legal Ownership and Book-Entry Issuance Global Security* in the accompanying prospectus).
Listing:	Unless otherwise specified in the applicable pricing supplement, your notes will not be listed on any securities exchange.
Calculation Agent:	Unless otherwise specified in the applicable pricing supplement, Nomura Securities International, Inc.

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ADDITIONAL RISK FACTORS SPECIFIC TO YOUR NOTES

An investment in your notes is subject to the risks described below, as well as the risks described under Risk Factors in the accompanying prospectus, dated September 30, 2010. Your notes are not secured debt and are riskier than ordinary unsecured debt securities. Also, investing in your notes is not equivalent to investing directly in the reference asset to which your notes are linked. ***You should carefully consider whether the notes are suited to your particular circumstances.***

Please note that references to holders mean those who own notes registered in their own names, on the books that we, Nomura or the trustee maintain for this purpose, and not those who own beneficial interests in notes registered in street name or in notes issued in book-entry form through The Depository Trust Company (DTC) or another depositary. Owners of beneficial interests in the notes should read the section entitled Description of Debt Securities and Guarantee Legal Ownership and Book-Entry Issuance in the accompanying prospectus.

This product prospectus supplement should be read together with the accompanying prospectus, dated September 30, 2010, and any relevant pricing supplement. The information in the accompanying prospectus is supplemented by, and to the extent inconsistent therewith replaced and superseded by, the information in this product prospectus supplement and in any relevant pricing supplement. ***This section describes the most significant risks relating to an investment in the notes. We urge you to read the following information about these risks, together with the other information in this product prospectus supplement, the accompanying prospectus and the applicable pricing supplement before investing in the notes.***

You Are Subject to Nomura s Credit Risk, and the Value of Your Notes May Be Adversely Affected by Negative Changes in the Market s Perception of Nomura s Creditworthiness

By purchasing the notes, you are making, in part, a decision about Nomura s ability to repay you the amounts you are owed pursuant to the terms of your notes. Substantially all of our assets will consist of loans to and other receivables from Nomura and its subsidiaries. Our obligations under your notes are also guaranteed by Nomura. Therefore, as a practical matter, our ability to repay you amounts we owe on the notes is directly or indirectly linked solely to Nomura s creditworthiness. In addition, the market s perception of Nomura s creditworthiness generally will directly impact the value of your notes. If Nomura becomes or is perceived as becoming less creditworthy following your purchase of notes, you should expect that they will decline in value in the secondary market, perhaps substantially. If you attempt to sell your notes in the secondary market in such an environment, you may incur a substantial loss.

Because Nomura is a Holding Company, Your Right to Receive Payments on Nomura s Guarantee of the Notes is Subordinated to the Liabilities of Nomura s Other Subsidiaries

The ability of Nomura to make payments, as guarantor, on the notes, depends upon Nomura s receipt of dividends, loan payments and other funds from subsidiaries. In addition, if any of Nomura s subsidiaries becomes insolvent, the direct creditors of that subsidiary will have a prior claim on its assets, and Nomura s rights and the rights of Nomura s creditors, including your rights as an owner of the notes, will be subject to that prior claim.

Nomura s subsidiaries are subject to various laws and regulations that may restrict Nomura s ability to receive dividends, loan payments and other funds from subsidiaries. In Japan, Nomura Securities Co., Ltd., as a securities company, is required to maintain an adjusted capital ratio at specified levels. In the United States, Nomura Securities International, Inc. is subject to certain minimum net capital requirements and capital adequacy requirements. In the United Kingdom, Nomura International plc is regulated by the U.K. Financial Services Authority and is subject to the capital requirements of that authority. In addition, certain of Nomura s other subsidiaries are subject to securities and banking regulations and capital adequacy requirements promulgated by

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the regulatory and exchange authorities of the countries in which such subsidiaries operate. As a result, Nomura s ability to receive funds from those subsidiaries may be limited, and Nomura s ability to pay on its guarantee of the notes may also be limited.

You May Not Realize a Gain on the Notes

If the reference asset performance for your notes is zero or negative (in the case of bullish notes) or zero or positive (in the case of bearish notes), the additional amount payable at maturity with respect to the notes will be $0, or limited to the non-participation amount, if applicable. This will be true even if the value or level of the reference asset has increased as of some date or dates before decreasing to a value or level below the initial value or level on the final valuation date and, if applicable, the averaging observation dates (or the reverse, in the case of bearish notes), because the additional amount, if any, payable at maturity will be calculated solely on the basis of the reference asset performance on the final valuation date and, if applicable, the averaging observation dates. Moreover, even if the value or level of the reference asset increases from the initial value or level (in the case of bullish notes) or decreases from the initial value or level (in the case of bearish notes) during the term of the notes, if a performance participation level is specified in the relevant pricing supplement and a performance participation event does not occur, the additional amount, if any, you will receive at maturity will be based on the non-participation amount, which may result in the additional amount being small or even $0. Similarly, if a performance termination level is specified in the relevant pricing supplement and a performance termination event occurs, the additional amount, if any, you will receive at maturity will be based on the non-participation amount, which may result in the additional amount being small or even $0. You should therefore be prepared to realize no positive return on the principal amount of your notes during the term of the notes.

Your Notes May Bear Interest at a Low Rate or They May Bear No Interest at All

The relevant pricing supplement will state whether your notes bear interest. Your notes may bear no interest at all. If your notes do bear interest, they may do so at a rate that is below the prevailing market rate for our debt securities that are not linked to currencies. Consequently, unless the amount payable on your notes on the maturity date substantially exceeds the amount you paid for your notes, the overall return you earn on your notes could be less than what you would have earned by investing in non currency-linked debt securities that bear interest at prevailing market rates.

Your Return May Be Lower Than the Return on Other Debt Securities of Comparable Maturity

The return that you will receive on your notes may be less than the return you could earn on other investments. Your return may be less than the return you would earn if you bought a traditional interest-bearing debt security with the same stated maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Owning the Notes Is Not the Same as Owning the Reference Asset or Its Components or a Security Directly Linked to the Performance of the Reference Asset or Its Components

The return on your notes will not reflect the return you would realize if you actually owned the reference asset or its components or a security directly linked to the performance of the reference asset or its underlying components and held that investment for a similar period because, for example, your notes may be subject to a cap, in which case the additional amount, if any, payable at maturity will be limited by the maximum amount set forth in the relevant pricing supplement, or subject to a performance participation event or performance termination event, in which case the additional amount, if any, you will receive at maturity if a performance participation event does not occur or if a performance termination event occurs will be based on the non-participation amount.

Your notes may trade quite differently from the reference asset. Changes in the value or level of the reference asset may not result in comparable changes in the market value of your notes. Even if the value or level of the reference asset increases from the initial value or level (in the case of bullish notes) or decreases from the initial value or level (in the case of bearish notes) during the term of the notes, the market value of the notes prior to maturity may not increase to the same extent. It is also possible for the market value of the notes prior to maturity to decrease while the value or level of the reference asset increases (in the case of bullish notes) or decreases (in the case of bearish notes).

Your Potential Payment at Maturity May Be Limited

If your notes are subject to a cap, they will provide less opportunity to participate in the changes in the value of the reference asset than an investment in a security linked to the reference asset providing full participation in those changes, because the additional amount, if any, payable at maturity will be limited by the maximum amount specified in the relevant pricing supplement. Additionally, even if the notes are not subject to a cap, if a performance participation level is specified in the relevant pricing supplement and a performance participation event does not occur, the additional amount, if any, you will receive at maturity will be based on the non-participation amount, which may result in your receiving a lower payment at maturity than if a performance participation event occurred or if a performance participation level were not specified in the relevant pricing supplement. Similarly, if a performance termination level is specified in the relevant pricing supplement and a performance termination event occurs, the additional amount, if any, you will receive at maturity will be based on the non-participation amount, which may result in your receiving a lower payment at maturity than if a performance termination event had not occurred or if a performance termination level were not specified in the relevant pricing supplement. Accordingly, your return on the notes may be less than your return would be if you made an investment in a security directly linked to the performance of the reference asset.

If Your Notes Are Linked to a Reference Asset That Consists of a Basket of Currency Exchange Rates or Currency Indices, Changes in the Value or Level of One or More Basket Components May Be Offset by Changes in the Value or Level of One or More Other Basket Components

Your notes may be linked to a reference asset that consists of a basket of currency exchange rates or currency indices. In such a case, a change in the values or levels of one or more basket components may not correlate with changes in the values or levels of one or more other basket components. The value or level of one or more basket components may increase, while the value or level of one or more other basket components may not increase as much, or may even decrease. Therefore, in determining the value of such a reference asset as of any time, increases in the value or level of one basket component may be moderated, or wholly offset, by lesser increases or decreases in the value or level of one or more other basket components. If the weightings of the applicable basket components are not equal, changes in the value or level of the basket components which are more heavily weighted could have a disproportionately adverse impact upon your notes.

The Inclusion in the Purchase Price of the Notes of a Selling Concession and of Our Cost of Hedging Our Market Risk Under the Notes is Likely to Adversely Affect the Value of the Notes Prior to the Maturity Date

The price at which you purchase the notes includes a selling concession (including a broker s commission), as well as the costs that we (or one of our affiliates) expect to incur in the hedging of our market risk under the notes. Such hedging costs include the expected cost of undertaking this hedge, as well as the profit that we (or our affiliates) expect to realize in consideration for assuming the risks inherent in providing the hedge. As a result, assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your notes prior to maturity will likely be less than your original purchase price.

There May Not Be an Active Trading Market for the Notes Sales in the Secondary Market May Result in Significant Losses

There may be little or no secondary market for the notes. Unless specified otherwise in the applicable pricing supplement, the notes will not be listed on any securities exchange. Nomura Securities International, Inc.

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and other affiliates of ours currently intend to make a market for the notes, although they are not required to do so. Nomura Securities International, Inc. or any other affiliate of ours may stop any such market-making activities at any time. Even if a secondary market for the notes develops, it may not provide significant liquidity or trade at prices advantageous to you. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial.

Furthermore, if you sell your notes, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

If you sell your notes before the maturity date, you may have to do so at a substantial discount from the issue price and as a result you may suffer substantial losses.

Our or Our Affiliates Trading Activities May Adversely Affect the Market Value of the Notes

In addition to the costs of our or our affiliates hedging activities described above, those hedging activities may have additional effects on the market value of the notes. As described below under *Use of Proceeds and Hedging,* we or one or more affiliates may hedge our obligations under the notes by purchasing securities, futures, options or other derivative instruments with returns linked or related to changes in the level of the applicable currency exchange rate or currency index, and we or they may adjust these hedges by, among other things, purchasing or selling securities, futures, options or other derivative instruments at any time. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities while the market value of the notes declines. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the reference asset. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the notes.

Changes that Affect an Index Included in the Reference Asset Will Affect the Market Value of the Notes and the Amount You Will Receive at Maturity

The policies of a sponsor of any index that may be included in the reference asset (the index sponsor) concerning the calculation of that index, additions, deletions or substitutions of the components of that index and the manner in which changes affecting those components may be reflected in the index and could affect the additional amount, if any, payable on the notes at maturity, whether the notes are automatically called, and the market value of the notes prior to maturity. The additional amount, if any, payable on the notes, whether the notes are automatically called, and the market value of the notes could also be affected if the index sponsor changes these policies, for example, by changing the manner in which it calculates the index, or if the index sponsor discontinues or suspends calculation or publication of the index, in which case it may become difficult to determine the market value of the notes. If events such as these occur, or if the level of the index is not available on a valuation date because of a market disruption event or for any other reason and no successor index is selected, the calculation agent (which may be out affiliate) may determine the level of the index and thus the additional amount, if any, payable at maturity, and whether an automatic call or performance participation event or performance termination event has occurred in a manner it considers appropriate, in its sole discretion.

We Have No Affiliation with Any Index Sponsor and Will Not Be Responsible for Any Actions Taken by an Index Sponsor

Unless otherwise specified in the relevant pricing supplement, no index sponsor is an affiliate of ours or will be involved in any offerings of the notes in any way. Consequently, we have no control over the actions of any index sponsor, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. No index sponsor has any obligation of any sort with respect to the notes. Thus, no index sponsor has any obligation to take your interests into consideration for any reason, including in taking any

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actions that might affect the value of the notes. None of our proceeds from any issuance of the notes will be delivered to any index sponsor, except to the extent that we are required to pay an index sponsor licensing fees with respect to an index included in the reference asset.

If Your Notes Are Callable, the Appreciation Potential of Your Notes May Be Limited

Some notes that we issue may be callable, either at our option or automatically, prior to the maturity date. If your notes are so called, the amount that you will realize will be limited to the amount determined in accordance with the relevant pricing supplement. If the automatic call feature is applicable to your notes, once the final value of the reference asset, or the reference asset performance, as applicable, is greater than or equal to the call barrier level (in the case of bullish notes) or less than or equal to the call barrier level (in the case of bearish notes) on any call observation date, the appreciation potential of the notes is limited to the call payment amount. If your notes are callable, it is possible that while the value or level of the reference asset may have substantially increased (in the case of bullish notes) or decreased (in the case of bearish notes), your return may not take into account the full extent of such increase or decrease. Your return on the notes may be less than the change in the value or level of the reference asset. In addition, the call feature of the notes may shorten the term of your investment, and if a call occurs, you may also receive the proceeds from the redemption at a time when market conditions do not permit you to obtain a new investment with your desired rate of return.

The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors

In addition to the hedging and trading risks described above, and our and Nomura s creditworthiness, the value of the notes in the secondary market will be affected by the supply of and demand for the notes, the value of each of the applicable currencies, as measured by the relevant exchange rates, and a number of other factors. Some of these factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following describes what we expect to be the impact on the market value of the notes of a change in a specific factor, assuming all other conditions remain constant.

Applicable exchange rates. We expect that the market value of the notes at any given time will likely depend substantially on the changes, if any, in the value or level of the reference asset from its starting value depending on the terms of the notes and whether they are bullish or bearish with respect to one or more currencies. For example, if your notes are bullish, increases in the value or level of the reference asset may cause an increase in the market value of the notes because of the expectation that the amount payable on the notes will increase. Conversely, if your notes are bullish, decreases in the value or level of the reference asset may cause a decrease in the market value of the notes because of the expectation that the payment on maturity of the notes will decrease. If you choose to sell notes when the value or level of the reference asset has decreased, you may receive less than the amount you originally invested. The value or level of the reference asset will be influenced by complex and interrelated political, economic, financial and other factors that can affect the currency markets where those currencies are traded.

Volatility of the reference asset. Volatility is the term used to describe the size and frequency of market fluctuations. If the implied volatility of the value or level of the reference asset changes, the market value of the notes may change.

Interest rates. The interactions of interest rates and currency rates are unpredictable. Investors in the notes must make their own determinations as to how the possible future effects of changes in interest rates in the countries issuing the applicable currencies will affect such currencies and the notes. In addition, changes in market interest rates in one or more of the applicable countries as compared to one or more of the other applicable countries may impact the applicable exchange rates. Finally, interest rates may also affect the economies of the United States or the countries issuing the applicable currencies and, in turn, the value of the reference asset.

Time premium or discount. As a result of a time premium or discount, the notes may trade at a value above or below that which would be expected based on the level of interest rates and the value or level of the reference asset the longer the time remaining to maturity. A time premium or discount results from expectations concerning the value of the reference asset prior to the maturity of the notes. However, as the time remaining to maturity decreases, this time premium or discount may diminish, thereby increasing or decreasing the market value of the notes.

In addition, economic, financial, political, military, regulatory, legal and other events that affect the applicable currency markets generally, and the U.S. markets in particular, may affect the value or level of the reference asset and therefore the value of the notes.

These factors may influence the market value of your notes if you sell your notes before maturity. If you sell your notes prior to maturity, you may receive less than the principal amount of your notes.

The Value of the Notes May Be Adversely Affected by the Actions of the Governments that Issued the Applicable Currencies

Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations, including the United States, are permitted to fluctuate in value relative to other currencies. However, governments sometimes do not allow their currencies to float freely in response to economic forces. For example, until 2005, the Chinese yuan was pegged to the U.S. dollar. In July 2005, it was revalued and the peg to the U.S. dollar was removed. The People s Bank of China announced that henceforth the yuan would be pegged to a basket of foreign currencies, rather than being strictly tied to the U.S. dollar, and would trade within a narrow band against this basket of currencies. China has stated that the basket is dominated by a group of international currencies including the U.S. dollar, euro, Japanese yen and South Korean won, with a smaller proportion made up of the British pound, Thai baht and Russian ruble. Thus, notes linked to the Chinese yuan are subject to foreign exchange risk with respect to the entire basket of currencies to which the yuan is now linked.

Governments, including those of the United States, use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the notes is that their liquidity, trading value and amounts payable could be affected by the actions of sovereign governments which could change or interfere with currency valuations, fluctuations in response to other market forces and the movement of currencies across borders. There will be no adjustment or change in the terms of the notes in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of the issuance of a replacement currency or in the event of other developments affecting the U.S. dollar, or any other applicable currency.

Even Though Currencies Trade Around the Clock, Your Notes Will Not

The interbank market in foreign currencies is a global, around-the-clock market. Therefore, the hours of trading for the notes will not conform to the hours during which the applicable currencies are traded. Significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the market value of the notes. The possibility of these movements should be taken into account in relating the value of the notes to those in the relevant foreign exchange markets.

There is no systematic reporting of last-sale information for foreign currencies. Reasonably current bid and offer information is available in certain brokers offices, in bank foreign currency trading offices and to others who wish to subscribe to this information, but this information will not necessarily be reflected in the value of the applicable currencies used to calculate the additional amount, if any, payable on your notes at maturity. There is no regulatory requirement that those quotations be firm or revised on a timely basis. The

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absence of last-sale information and the limited availability of quotations to individual investors may make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

We Will Not Hold Any Currency Comprising the Reference Asset or a Basket Component for Your Benefit

The indenture and the terms governing your notes do not contain any restriction on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any portion of the currencies that may comprise the reference asset that we or they may acquire. Neither we nor our affiliates will pledge or otherwise hold any assets for your benefit, including any reference asset or basket component. Consequently, in the event of our bankruptcy, insolvency or liquidation, any of those assets that we own will be subject to the claims of our creditors generally and will not be available for your benefit specifically.

Our or Our Affiliates Business Activities May Create Conflicts of Interest

As noted above under Our or Our Affiliates Trading Activities May Adversely Affect the Market Value of the Notes, we and our affiliates expect to engage in trading activities related to the reference asset or its components that are not for the account of holders of the notes or on their behalf. These trading activities may present a conflict between the holders interests in the notes and the interests we and our affiliates will have in our and their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the value or level of the reference asset or its components, could be adverse to the interests of the holders of the notes. Any of these activities by us or one or more of our affiliates may affect the market level of the reference asset or its components and, therefore, the market value of the notes.

There Are Potential Conflicts of Interest Between You and the Calculation Agent

The calculation agent will, among other things, determine the amount of your payment at maturity on the notes. We have initially appointed our affiliate, Nomura Securities International, Inc., to act as the calculation agent. We may change the calculation agent after the original issue date without notice to you. For a fuller description of the calculation agent s role, see *General Terms of the Currency-Linked Notes Role of Calculation Agent.* The calculation agent will exercise its judgment when performing its functions. For example, the calculation agent may have to determine whether a market disruption event affecting the reference asset has occurred. This determination may, in turn, depend on the calculation agent s judgment whether the event has materially interfered with our ability or the ability of one of our affiliates to unwind our hedge positions. Since this determination by the calculation agent will affect the payment at maturity on the notes, the calculation agent may have a conflict of interest if it needs to make a determination of this kind.

The Calculation Agent Can Postpone the Determination of the Final Value of the Reference Asset or Any Basket Component if a Market Disruption Event or Non-Business Day Occurs or Is Continuing on a Valuation Date

Unless otherwise specified in the applicable pricing supplement, the determination of the final value of the reference asset (or any basket component, if applicable) may be postponed if the calculation agent determines that, on the final valuation date, an averaging observation date or a call observation date, a market disruption event has occurred or is continuing or that such day is not a business day. If such a postponement occurs with respect to the final valuation date, an averaging observation date or a call observation date, the calculation agent will use the value or the fixing level, as applicable, of the reference asset (or the relevant basket component, if applicable) on the first subsequent business day on which no market disruption event occurs or is continuing. In no event, however, will the final valuation date, an averaging observation date or a call observation date be

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postponed by more than five business days. As a result, if a market disruption event occurs or is continuing on the final valuation date, an averaging observation date or a call observation date, the maturity date for the notes, call settlement date or redemption date could also be postponed, although not by more than five business days.

If a market disruption event has occurred or is continuing on each business day to and including the fifth business day following such originally scheduled final valuation date, averaging observation date or call observation date, that day will nevertheless be the date on which the final value of the reference asset (or the relevant basket component, if applicable) will be determined by the calculation agent. In such an event, the calculation agent will make a good faith estimate in its sole discretion of the final value or final values, as applicable, that would have prevailed in the absence of the market disruption event. See *General Terms of the Currency-Linked Notes Market Disruption Events.*

Additionally, if the calculation agent determines that a market disruption event has occurred or is continuing on any business day during the performance observation period, a performance participation event or performance termination event will not occur on such day, notwithstanding the final value of the reference asset or the reference asset performance on such day; *provided,* that the maximum number of consecutive days on which a performance participation event or performance termination event could not occur because of a market disruption event is five consecutive business days. If a market disruption event occurs or is continuing for greater than five consecutive business days during the performance observation period, the final value of the reference asset or the reference asset performance, as applicable, will be determined by the calculation agent on each succeeding consecutive business day on which a market disruption event occurs or is continuing after five such consecutive business days. In such an event, the calculation agent will make a good faith estimate in its sole discretion of the final value of the reference asset or the reference asset performance on such day that would have prevailed in the absence of the market disruption event. *General Terms of the Currency-Linked Notes Market Disruption Events*.

In addition, if continuous monitoring applies for purposes of determining whether a performance participation event or performance termination event has occurred, and (i) a market disruption event occurs or is continuing on any business day during the performance observation period or (ii) the final value of the reference asset or the reference asset performance is not available on a continuous basis on any business day during the performance observation period, then the notes will for that business day be subject to fixing level monitoring. See *General Terms of the Currency-Linked Notes Performance Participation Event and Performance Termination Event*.

If the Relevant Pricing Supplement Specifies Continuous Monitoring for Purposes of Determining Whether a Performance Participation Event or Performance Termination Event Has Occurred, it is Possible That a Performance Participation Event or Performance Termination Event Could Occur Under Circumstances That Would Not Result in the Occurrence of a Performance Participation Event or Performance Termination Event if Fixing Level Monitoring Were Specified in the Relevant Pricing Supplement

If continuous monitoring is applicable for purposes of determining whether a performance participation event or performance termination event has occurred, a performance participation event or performance termination event will occur if the final value of the reference asset or the reference asset performance is greater than or equal to, or less than or equal to, as applicable, the applicable performance participation level or performance termination level at any time on any business day during the performance observation period, even if a performance participation event or performance termination event would not have occurred if the final value of the reference asset or the reference asset performance was measured at a specified time on such business day, including those times specified under *General Terms of the Currency-Linked Notes Common Reference Assets* below.

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The Historical Performance of the Reference Asset or Its Components Should Not Be Taken as an Indication of Their Future Performance

The final value of the reference asset will determine the additional amount, if any, to be paid on the notes at maturity and the extent to which there may occur an automatic call, if applicable, prior to the maturity date. The historical performance of the reference asset or its components, which may be included in the applicable pricing supplement, should not be taken as an indication of their future performance. Changes in the value or level of the reference asset will affect the trading price of the notes, but it is impossible to predict whether the value or level of the reference asset will rise or fall during the term of the notes. The value or level of the reference asset and its components will be influenced by complex and interrelated political, economic, financial and other factors.

Certain Considerations for Insurance Companies and Employee Benefit Plans

Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call ERISA, or the Internal Revenue Code of 1986, as amended, including an IRA or a Keogh plan (or a governmental plan to which similar prohibitions apply), and that is considering purchasing the notes with the assets of the insurance company or the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the notes could become a prohibited transaction under ERISA, the Internal Revenue Code or any substantially similar prohibition in light of the representations a purchaser or holder in any of the above categories is deemed to make by purchasing and holding the notes. This is discussed in more detail under *Employee Retirement Income Security Act* below.

U.S. Taxpayers Will Be Required to Pay Taxes on the Notes Each Year, and Any Gain Recognized Will Be Ordinary Income

The notes will, unless stated otherwise in the applicable pricing supplement, be treated as debt instruments subject to special rules governing contingent payment debt obligations for U.S. federal income tax purposes. Accordingly, if you are a U.S. individual or taxable entity, you generally will be required to pay taxes on ordinary income over the term of the notes based on the comparable yield for the notes, even though the comparable yield may exceed the rate at which interest, if any, is actually paid on the notes. This comparable yield is determined solely to calculate the amounts you will be taxed on prior to maturity and is neither a prediction nor a guarantee of what the actual yield will be. Any gain you may recognize upon the sale, redemption, repurchase or maturity of the notes will be ordinary income. If you are a secondary purchaser of the notes, the tax consequences to you may be different. You should consult your tax advisor about your own tax situation.

Non-U.S. Investors May Be Subject to Certain Additional Risks

If you are a non-U.S. investor who purchases U.S. dollar denominated notes with a currency other than U.S. dollars, changes in rates of exchange of the U.S. dollar and the currency with which you purchase the notes may have an adverse effect on the value or price of, or returns on, your investment.

This product prospectus supplement contains a general description of certain U.S. tax considerations relating to the notes. If you are a non-U.S. investor, you should consult your tax advisors as to the consequences, under the tax laws of the country where you are resident for tax purposes, of acquiring, holding and disposing of the notes and receiving payments of principal or other amounts under the notes.

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GENERAL TERMS OF THE CURRENCY-LINKED NOTES

The following description of the terms of the notes supplements the description of the general terms of the debt securities set forth under the heading Description of Debt Securities and Guarantee in the accompanying prospectus. A separate pricing supplement will describe terms that apply specifically to your notes, including any changes to the terms specified below. If the terms described in the relevant pricing supplement are inconsistent with those described herein or in the accompanying prospectus, the terms described in the relevant pricing supplement shall control.

Please note that in this section entitled General Terms of the Currency-Linked Notes, references to holders mean those who own notes registered in their own names, on the books that we, Nomura or the trustee maintain for this purpose, and not those who own beneficial interests in notes registered in street name or in notes issued in book-entry form through The Depository Trust Company (DTC) or another depositary. Owners of beneficial interests in the notes should read the section entitled Description of Debt Securities and Guarantee Legal Ownership and Book-Entry Issuance in the accompanying prospectus.

In addition to the terms described on the front and inside cover of this product prospectus supplement, the following general terms will apply to the notes, including your notes:

Specified Currency

Unless otherwise specified in the relevant pricing supplement, all payments on the notes will be made in U.S. dollars ($ or USD).

Form and Denomination

Unless otherwise specified in the relevant pricing supplement, the notes will be issued only in global form through DTC (including through its indirect participants Euroclear and Clearstream, Luxembourg as described under *Description of Debt Securities and Guarantee Legal Ownership and Book-Entry Issuance Global Security* in the accompanying prospectus). Unless otherwise specified in the relevant pricing supplement, the denomination of each note will be $1,000 and integral multiples thereof.

Listing

Unless otherwise specified in the applicable pricing supplement, your notes will not be listed on any securities exchange or other electronic trading platform or system.

Defeasance, Other Terms

Neither full defeasance nor covenant defeasance will apply to your notes. The following will apply to your notes:

- the default amount will be payable on any acceleration of the maturity of your notes as described under *Default Amount on Acceleration* below;

- a business day for your notes will have the meaning described under *Special Calculation Provisions* below.

Please note that the information about the settlement or trade dates, issue price discounts or commissions and net proceeds to us in the relevant pricing supplement relates only to the initial issuances and sales of your notes. If you have purchased your notes in a market-making transaction after any initial issuance and sale, any such relevant information about the sale to you will be provided in a separate confirmation of sale.

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Payment of Cash Settlement Amount on the Maturity Date

If an automatic call or early redemption of the notes has not occurred, at maturity you will receive a cash settlement amount that is equal to the principal amount of the notes *plus* the additional amount, if any, which will be based on the reference asset performance, which may be positive or negative.

Additional Amount

Unless specified otherwise in the applicable pricing supplement, if an automatic call or early redemption of the notes has not occurred, and subject to a cap or floor, if applicable, the additional amount that will be paid on the notes on the maturity date will be calculated as follows:

If neither a performance participation level nor performance termination level is specified in the relevant pricing supplement:

if the relevant notes are bullish notes, if the reference asset performance on the final valuation date is less than or equal to 0%, the additional amount will equal $0; and if the reference asset performance on the final valuation date is greater than 0%, the additional amount will equal the product of (i) the principal amount of your notes *times* (ii) the reference asset performance on the final valuation date *times* (iii) the participation rate specified in the relevant pricing supplement; and

if the relevant notes are bearish notes, if the reference asset performance on the final valuation date is greater than or equal to 0%, the additional amount will equal $0; and if the reference asset performance on the final valuation date is less than 0%, the additional amount will equal the product of (i) the principal amount of your notes *times* (ii) the absolute value of the reference asset performance on the final valuation date *times* (iii) the participation rate specified in the relevant pricing supplement.

If a performance participation level is specified in the relevant pricing supplement:

if a performance participation event has not occurred, the additional amount will equal the non-participation amount; and

if a performance participation event has occurred, the additional amount will be calculated as described above as if a performance participation level were not specified in the relevant pricing supplement.

If a performance termination level is specified in the relevant pricing supplement:

if a performance termination event has not occurred, the additional amount will be calculated as described above as if a performance termination level were not specified in the relevant pricing supplement; and

if a performance termination event has occurred, the additional amount will equal the non-participation amount.

Unless the relevant pricing supplement specifies otherwise, the reference asset performance for a single currency exchange rate or currency index will be equal to (i) (a) the final value of the reference asset *minus* (b) the initial value of the reference asset, *divided* by (ii) the initial value of the reference asset. Unless the relevant pricing supplement specifies otherwise, the reference asset performance for a basket of currency exchange rates or currency indices will be equal to the sum, for all basket components, of the following amounts

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for each basket component: the product of (i)(a)(1) the final value of such basket component *minus* (2) the initial value of such basket component, *divided* by (b) the initial value of such basket component, *times* (ii) such basket component s component weighting.

The reference asset performance may be positive or negative. Subject to any automatic call, early redemption, cap, floor, performance participation level, performance termination level or other applicable limitation, generally if your notes are bullish, a more positive reference asset performance will increase the cash settlement amount, and if your notes are bearish, a more negative reference asset performance will increase the cash settlement amount.

Unless the relevant pricing supplement specifies otherwise, for each valuation date the final value of the reference asset (or each basket component, if applicable) will equal the value or level, as applicable, of the reference asset (or each basket component, if applicable) on the applicable valuation date; provided, that if the relevant pricing supplement specifies that an averaging final value is applicable, the final value of the reference asset (or each basket component, if applicable) on the final valuation date will equal the arithmetic average of the values or levels, as applicable, of the reference asset (or each basket component, if applicable) on the averaging observation dates specified for your notes (or if not a business day, the following business day) and the final valuation date.

If the reference asset to which your notes are linked consists of a basket of currency exchange rates or currency indices, the final value will be calculated for each basket component as if it were a single currency rate or currency index.

The initial value of each basket component and the component weightings of the basket components will be specified in the relevant pricing supplement.

The valuation dates for your notes will be the final valuation date and any applicable call observation date, averaging observation date or business day during the performance observation period specified in the relevant pricing supplement as applicable to your notes.

If continuous monitoring is specified in the relevant pricing supplement as applicable to your notes for purposes of determining whether a performance participation event or performance termination event has occurred, for each business day during the performance observation period the final value will (solely for purposes of determining whether a performance participation event or performance termination event has occurred) be determined by reference to a continuously observed value or level of the reference asset of such day.

Maximum Amount and Minimum Amount

The maximum amount or minimum amount will be expressed as a percentage of the principal amount of the notes. If the applicable pricing supplement specifies that a maximum amount or cap applies, the additional amount, if any, will be the lesser of (i) the additional amount determined as described above and (ii) the principal amount multiplied by the maximum amount. If the applicable pricing supplement specifies that a minimum amount or floor applies, the additional amount, if any, will be the greater of (i) the additional amount determined as described above and (ii) the principal amount multiplied by the minimum amount.

Participation Rate

The participation rate indicates the extent to which your notes will participate in the reference asset performance, subject to any automatic call, early redemption, cap, floor, performance participation level, performance termination level or other applicable limitation. The participation rate may be less than, equal to, or

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greater than 100%. If the participation rate is less than 100%, your notes will participate in less than the full reference asset performance. If the participation rate is greater than 100%, your notes will participate in the reference asset performance on a leveraged basis. The participation rate will be specified in the relevant pricing supplement.

Performance Participation Event and Performance Termination Event

Unless specified otherwise in the relevant pricing supplement, a performance participation event, if applicable, will occur if the final value of the reference asset or the reference asset performance, as applicable, rises to or is above, or falls to or is below, as applicable, the performance participation level (i) if fixing level monitoring is applicable, at a fixed time on any business day during the applicable performance observation period, or (ii) if continuous monitoring is applicable, at any time on any business day during the applicable performance observation period.

Unless specified otherwise in the relevant pricing supplement, a performance termination event, if applicable, will occur if the final value of the reference asset or the reference asset performance, as applicable, rises to or is above, or falls to or is below, as applicable, the performance termination level (i) if fixing level monitoring is applicable, at a fixed time on any business day during the applicable performance observation period, or (ii) if continuous monitoring is applicable, at any time on any business day during the applicable performance observation period.

Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a basket of currency exchange rates or currency indices, fixing level monitoring will apply for purposes of determining whether a performance participation event or performance termination event has occurred. Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a single currency exchange rate or currency index, the relevant pricing supplement will specify whether fixing level monitoring or continuous monitoring will apply for purposes of determining whether a performance participation event or performance termination event has occurred; provided, that if (i) a market disruption event occurs or is continuing on any business day during the performance observation period, or (ii) the final value of the reference asset or the reference asset performance is not available on a continuous basis on any business day during the performance observation period, then the notes will for that business day be subject to fixing level monitoring. See *Common Reference Assets* and *Continuous Monitoring* below for information on fixing level monitoring and continuous monitoring for certain reference assets that may be specified in the relevant pricing supplement.

The performance participation level, performance termination level, non-participation amount and performance observation period will be specified in the relevant pricing supplement, if applicable. Unless specified otherwise in the relevant pricing supplement, if the reference asset consists of a single currency exchange rate or currency index, the performance participation level or performance termination level, as applicable, will be a specified value or level of the reference asset or a specified reference asset performance, and if the reference asset consists of a basket of currency exchange rates or currency indices, the performance participation level or performance termination level, as applicable, will be a specified reference asset performance.

Final Valuation Date

Unless otherwise specified in the relevant pricing supplement, the final valuation date will be the third business day before the stated maturity date specified in the relevant pricing supplement. If the calculation agent determines that a market disruption event occurs or is continuing on the originally scheduled final valuation date, the final value of the reference asset (or the relevant basket component, if applicable) will be determined as described under *Market Disruption Events* below.

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Stated Maturity Date

The maturity date will be the date specified in the relevant pricing supplement, unless that date is not a business day, in which case the maturity date will be the next following business day. The maturity date will be postponed by the same number of business days as the final valuation date if a market disruption event occurs or is continuing as described under *Market Disruption Events* below. No interest will accrue past the stated maturity date specified in the relevant pricing supplement.

Interest Payments

Your notes may bear interest if so specified in the applicable pricing supplement. Interest will accrue on the principal amount of your notes and will be calculated and paid as described in the accompanying prospectus with regard to fixed rate notes or floating rate notes, except that the interest rate and the interest payment dates will be those specified in the relevant pricing supplement and, as long as your notes are in global form, the regular record date for each interest payment date will be the fifth business day preceding such interest payment date, unless otherwise specified in the relevant pricing supplement. If the maturity date does not occur on the date specified in the relevant pricing supplement, however, the interest payment date scheduled for that date will instead occur on the postponed maturity date. No interest will accrue from and including the originally scheduled stated maturity date to and including the postponed maturity date, if the maturity date is so postponed.

If an automatic call or optional early redemption occurs with respect to your notes and your notes bear interest, no interest will accrue from and including the call settlement date or redemption date, respectively, and any accrued and unpaid interest will be paid on the call settlement date or redemption date, respectively.

Unavailability of the Value or Level of the Reference Asset

Reference Assets Consisting of One or More Currencies

With respect to reference assets consisting of individual currency exchange rates (except for the following currencies, for which the alternative calculation mechanism is described below: the Australian dollar (AUD), Canadian dollar (CAD), Swiss Franc (CHF), Danish Krone (DKK), Euro (EUR), British pound (GBP), Japanese Yen (JPY), Norwegian Krone (NOK), New Zealand dollar (NZD), Swedish Krona (SEK)), if any of the Reuters pages used as sources for the applicable exchange rate on a valuation date, or the successor page thereto, are not available on such date, then the applicable exchange rate for such date will be calculated by the calculation agent as the arithmetic mean of the applicable offer-side spot quotations received by the calculation agent from two leading banks (which may include one of our affiliates), selected in the sole discretion of the calculation agent, for the relevant currencies. If these spot quotations are available from fewer than two banks, then the calculation agent, in its sole discretion, shall determine which quotation is available and reasonable to be used. If no such spot quotation is available, the calculation agent shall determine the applicable exchange rate for such date in a commercially reasonable manner.

Where the applicable currency exchange rate is any of AUD, CAD, CHF, DKK, EUR, GBP, JPY, NZD, NOK or SEK, and the applicable exchange rate is not available on the applicable Reuters page on a valuation date, then such exchange rate will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the calculation agent at approximately 10:00 a.m., New York City time, on such date for the purchase or sale by three reference dealers (which may include one of our affiliates) selected by the calculation agent of the relevant currency in an amount equal to US $1,000,000 for settlement two business days later. If fewer than two such reference dealers provide such spot quotations, then such exchange rates will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the calculation agent at approximately 10:00 a.m. New York City time, on such date from three leading banks in New York selected by the calculation agent (and which may include one of our affiliates), for the sale by such banks of the relevant currency in an amount equal to US $1,000,000 for settlement two business days later. If these spot quotations are available from fewer than three banks, then the calculation agent, in its sole discretion, shall determine which

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spot rate is available and reasonable to be used. If no spot quotation is available, then such exchange rate will be the rate the calculation agent, in its sole discretion, determines to be fair and reasonable under circumstances at approximately 10:00 a.m., New York City time, on that date.

If the currency included in the reference asset is replaced by the applicable government with a successor currency, the calculation agent will adjust the calculation of the reference asset performance in order to equitably reflect that change. Notwithstanding these alternative arrangements, replacement of a currency comprising a part of the reference asset may adversely affect the market value of your notes.

Reference Assets Consisting of One or More Currency Indices

With respect to a reference asset consisting of one or more currency indices, if the index sponsor discontinues publication of or otherwise fails to publish any index comprising a part of the reference asset and that index sponsor or another entity publishes a successor or substitute index that the calculation agent determines to be comparable to the discontinued index (that index being referred to in this section as a successor index), then the index level will be determined by reference to the level of that successor index on the applicable valuation date.

Upon any selection by the calculation agent of a successor index, the calculation agent will provide written notice to the trustee of the selection, and the trustee will furnish written notice thereof, to the extent the trustee is required to under the senior debt indenture, to each noteholder, or in the case of global notes, the depositary, as holder of the global notes.

If a successor index is selected by the calculation agent, that successor index will be used as a substitute for the reference asset for all purposes, including for purposes of determining whether a market disruption event exists with respect to that index.

If (i) the index comprising a part of the reference asset is discontinued or (ii) the index sponsor fails to publish any such index, in either case, prior to, and such discontinuance is continuing on a valuation date, and the calculation agent determines in its sole discretion that no successor index is available at the time, then the calculation agent will determine the value to be used for the level of the index. The value to be used for the level of the index will be computed by the calculation agent in the same general manner previously used by the applicable index sponsor and will reflect the performance of that index through the business day on which that index was last in effect preceding the date of discontinuance. In that case, the calculation agent will treat any business day on which the primary exchange for futures or options contracts relating to that index is open for trading as a business day for that index for purposes of the determination of the level of the index. In that event, the calculation agent will provide written notice to the trustee of these calculations and adjustments, and the trustee will furnish written notice thereof, to the extent the trustee is required to under the senior debt indenture, to each noteholder, or in the case of global notes, the depositary, as holder of the global notes.

Notwithstanding these alternative arrangements, discontinuance of the publication of an index comprising a part of the reference asset may adversely affect the market value of your notes.

Adjustments Relating to Notes Linked to a Reference Asset That Consists of a Basket of Currency Exchange Rates or Currency Indices

If the calculation agent substitutes a successor currency or a successor index, as the case may be, or otherwise affects or modifies a basket component, then the calculation agent will make those calculations and adjustments as, in the judgment of the calculation agent, may be necessary in order to arrive at a basket comparable to the original basket (including without limitation changing the component weights of the basket components), as if those changes or modifications had not been made, and will calculate the final value of the reference asset with reference to that basket or the successor basket (as described below), as adjusted.

In this event, the calculation agent will provide written notice to the trustee of these calculations and adjustments, and the trustee will furnish written notice thereof, to the extent the trustee is required to under the senior debt indenture, to each noteholder, or in the case of global notes, the depositary, as holder of the global notes.

In the event of the adjustment described above, the newly composed basket is referred to in this section as the successor basket and will be used as a substitute for the original basket for all purposes.

If the calculation agent determines that the available successor basket or basket components as described above do not fairly represent the value or level of the original basket or basket components, as the case may be, then the calculation agent will determine the value or level of the applicable basket components for the applicable valuation date as described under *Unavailability of the Value or Level of the Reference Asset Reference Assets Consisting of One or More Currencies* with respect to currency exchange rates comprising the basket components and *Unavailability of the Value or Level of the Reference Asset Reference Assets Consisting of One or More Currency Indices* with respect to currency indices comprising the basket components.

Notwithstanding these alternative arrangements, discontinuance of trading on the applicable exchanges or markets in any basket component may adversely affect the market value of the notes.

Market Disruption Events

Unless the relevant pricing supplement specifies otherwise, if a market disruption event occurs or is continuing on a day that would otherwise be the final valuation date, an averaging observation date or a call observation date, the final value or final values, as applicable, will be calculated based on the value or level, as applicable, of the reference asset (or the relevant basket component, if applicable) on the first business day following such originally scheduled final valuation date, averaging observation date or call observation date on which the calculation agent determines that a market disruption event is not continuing. If a market disruption event occurs or is continuing on each business day to and including the fifth business day following such originally scheduled final valuation date, averaging observation date or call observation date, the final value or final values, as applicable, will be determined (or, if not determinable, estimated by the calculation agent in a manner which is considered commercially reasonable under the circumstances) by the calculation agent on that fifth business day, regardless of the occurrence or continuation of a market disruption event on that day. In such an event, the calculation agent will make a good faith estimate in its sole discretion of the final value or final values, as applicable, that would have prevailed in the absence of the market disruption event. In the event that the final valuation date is postponed as described above, the maturity date will also be postponed by the same number of business days as the final valuation date. In the event that a call observation date is postponed as described above, the applicable call settlement date will also be postponed by the same number of business days as the corresponding call observation date.

Unless the relevant pricing supplement specifies otherwise, if a market disruption event occurs or is continuing on any business day during the performance observation period, a performance participation event or performance termination event will not occur on any such day, notwithstanding the final value of the reference asset or the reference asset performance on such day; *provided,* that the maximum number of consecutive days on which a performance participation event or performance termination event could not occur because of a market disruption event is five consecutive business days. If a market disruption event occurs or is continuing for greater than five consecutive business days during the performance observation period, the final value of the reference asset or the reference asset performance, as applicable, will be determined (or, if not determinable, estimated by the calculation agent in a manner which is considered commercially reasonable under the circumstances) by the calculation agent on each succeeding consecutive business day on which a market disruption event occurs or is continuing after five such consecutive business days. In such an event, the calculation agent will make a good faith estimate in its sole discretion of the final value of the reference asset or the reference asset performance on such day that would have prevailed in the absence of the market disruption event.

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A market disruption event means any event, circumstance or cause which we determine, and the calculation agent confirms, has or will have a material adverse effect on our ability to perform our obligations under the notes or to hedge our position in respect of our obligations to make payment of amounts owing thereunder and more specifically includes the following events to the extent that they have such effect:

a) with respect to individual currency exchange rates that constitute the reference asset or a basket component:

- a suspension, absence or material limitation of trading in the spot, futures contracts, forward contracts or options contracts related to one or more of the currencies that comprise the reference asset on any relevant exchange or in the over-the-counter currency markets or a limitation on trading in the spot, futures, forward or options contracts on any relevant exchange on any one day by reason of movements in prices that exceed the price permitted by such exchanges;

- the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for us to perform our obligations under the notes or for dealers to execute, maintain or modify a hedge in a position in respect of one or more of the currencies that comprise the reference asset;

- the taking of any action by any governmental, administrative, legislative or judicial authority or power of the United States of America, Japan or the European Union or any political subdivision thereof which has a material adverse effect on the financial markets thereof; or

- any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on our ability to perform our obligations under the notes or on the ability of a dealer to execute, maintain or modify a hedge of a position with respect to one or more of the currencies that comprise the reference asset or a material and adverse effect on the economy of the United States of America, Japan or the European Union or the trading of currencies; and

b) with respect to a currency index that constitutes the reference asset or a basket component:

- a suspension, absence or material limitation of trading in a material number of the currencies underlying the index for more than two hours or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;

- a suspension, absence or material limitation of trading in option or futures contracts relating to the currencies underlying the index, or a material number of the currencies underlying the index, in the primary market for those contracts for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;

- one or more of the currency indices is not published, as determined by the calculation agent in its sole discretion; or

- in any other event, if the calculation agent determines in its sole discretion that the event materially interferes with our ability or the ability of any of our affiliates to unwind all or a material portion of a hedge with respect to the notes that we or our affiliates have effected or may effect as described below under *Use of Proceeds and Hedging*.

Common Reference Assets

Some of the reference assets that may be applicable to your notes are described below. The pricing supplement applicable to your notes will specify which exchange rate and reference asset will apply to your notes (which may or may not be one of the reference assets described below). In the event of a conflict between the applicable pricing supplement and this product prospectus supplement, the applicable pricing supplement will control.

If a reference asset is composed of more than one currency exchange rate, each such currency exchange rate is a basket component. To the extent that amounts payable on the notes are based on a reference asset composed of one or more of the currency exchange rates below, the level with respect to that exchange rate on any day will equal the currency exchange rate as determined by the calculation agent. The reference price or fixing level for each reference asset or basket component referred to in the table below will be determined on each valuation date as set forth in the column marked Fixing Reference for such reference asset below. If the applicable pricing supplement specifies that continuous monitoring applies with respect to a performance participation level or performance termination level, see *Continuous Monitoring* below regarding the determination of the final value of the reference asset or the reference asset performance with respect to a performance participation level or performance termination level.

Reference Asset/Basket Component	**Screen Reference**	**Fixing Reference**	**Principal Financial Center**
Argentine peso (ARS)	EMTA	(a) one, *divided by* (b) the Argentine peso/U.S. dollar spot rate for U.S. dollars, expressed as the amount of Argentine pesos per one U.S. dollar, for settlement on the same day, as published on EMTA s web site (www.emta.org) at approximately 1:00 p.m. (Buenos Aires time), or as soon thereafter as practicable, on the applicable valuation date	Buenos Aires
Australian dollar (AUD)	WMR	the U.S. dollar/Australian dollar fixing rate, expressed as the amount of U.S. dollars per one Australian dollar, for settlement in two business days, which appears on Reuters Screen USDAUDFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Sydney and Melbourne
Brazilian real (BRL)	BRFR	(a) one, *divided by* (b) the Brazilian real/U.S. dollar offered rate for U.S. dollars, expressed as the amount of Brazilian reals per one U.S. dollar, for settlement in two business days, as reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (Consulta de Cambio or Exchange Rate Inquiry), Option 5 (Cotacões para Contabilidade or Rates for Accounting Purposes), which appears on Reuters screen BRFR by approximately 6:00 p.m., São Paolo time, on the applicable valuation date	Brasilia, Rio de Janeiro or São Paolo
Canadian dollar (CAD)	WMR	(a) one, *divided by* (b) the U.S. dollar/Canadian dollar fixing rate, expressed as the amount of Canadian dollars per one U.S. dollar, for settlement in one business day which appears on Reuters Screen USDCADFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Toronto

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Swiss franc (CHF)	WMR	(a) one, *divided by* (b) the U.S. dollar/Swiss franc fixing rate, expressed as the amount of Swiss francs per one U.S. dollar, for settlement in two business days which appears on Reuters Screen USDCHFFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Zurich
Chilean peso (CLP)	CLPOB=	(a) one, *divided by* (b) the Chilean peso/U.S. dollar (*observado*) rate, expressed as the amount of Chilean pesos per one U.S. dollar, for settlement on the same business day as reported by the Banco Central de Chile, which appears on the Reuters Screen CLPOB=Page below the caption Value at approximately 10:00 a.m., Santiago time, on the first business day following the applicable valuation date	Santiago
Chinese renminbi (CNY)	SAEC	(a) one, *divided by* (b) the Chinese renminbi/U.S. dollar official fixing rate, expressed as the amount of Chinese renminbi per one U.S. dollar, for settlement in two business days reported by The State Administration of Foreign Exchange of the People s Republic of China, Beijing, which appears on the Reuters Screen SAEC Page opposite the symbol USDCNY= at approximately 5:00 p.m., Beijing time, on the applicable valuation date	Beijing
Colombian peso (COP)	CO/COL03	(a) one, *divided by* (b) the Colombian peso/U.S. dollar fixing rate, expressed as the amount of Colombian pesos per one U.S. dollar, for settlement on the same day reported by the Colombian Banking Superintendency, which appears on the Reuters Screen CO/COL03 Page to the right of the caption TCRM (Tasa de Cierre Representative del Mercado or closing market price) below the heading Hoy at approximately 9:30 a.m., Bogota time, on the first business day following the applicable valuation date	Bogotá
Czech koruna (CZK)	WMR	(a) one, *divided by* (b) the U.S. dollar/Czech koruna fixing rate, expressed as the amount of Czech koruna per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDCZKFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Prague
Danish kroner (DKK)	WMR	(a) one, *divided by* (b) the U.S. dollar/Danish kroner fixing rate, expressed as the amount of Danish kroner per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDDKKFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Copenhagen
euro (EUR)	WMR	the U.S. dollar/euro fixing rate, expressed as the amount of U.S. dollars per one euro, for settlement in two business days, which appears on Reuters Screen EURUSDFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	TARGET

British pound (GBP)	WMR	the U.S. dollar/British pound fixing rate, expressed as the amount of U.S. dollars per one British pound, for settlement in two business days, which appears on Reuters Screen USDGBPFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	London
Hong Kong dollar (HKD)	HKDFIX=	(a) one, *divided by* (b) the U.S. dollar/Hong Kong dollar fixing rate, expressed as the amount of Hong Kong dollars per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen HKDFIX= at approximately 11:00 a.m., Hong Kong time, on the applicable valuation date	Hong Kong
Hungarian forint (HUF)	WMR	(a) one, *divided by* (b) the U.S. dollar/Hungarian forint fixing rate, expressed as the amount of Hungarian forints per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDHUFFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date;	Budapest
Indonesian rupiah (IDR)	ABSIRFIX01	(a) one, *divided by* (b) the Indonesian rupiah/U.S. dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Indonesian rupiah per one U.S. dollar, for settlement in two business days, reported by the Association of Banks in Singapore, which appears on the Reuters Page ABSIRFIX01 to the right of the caption Spot under the column IDR at approximately 11:30 a.m., Singapore time, on the applicable valuation date	Jakarta
Israeli shekel (ILS)	WMR	(a) one, *divided by* (b) the U.S. dollar/Israeli shekel fixing rate, expressed as the amount of Israeli shekels per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDILSFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Tel Aviv
Indian rupee (INR)	RBIB	(a) one, *divided by* (b) the Indian rupee/U.S. dollar reference rate, expressed as the amount of Indian rupees per one U.S. dollar, for settlement in two business days reported by the Reserve Bank of India which appears on the Reuters Screen RBIB Page at approximately 2:30 p.m., Mumbai time, or as soon thereafter as practicable, on the applicable valuation date	Mumbai
Japanese yen (JPY)	WMR	(a) one, *divided by* (b) the U.S. dollar/Japanese yen fixing rate, expressed as the amount of Japanese yen per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDJPYFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Tokyo

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Korean won (KRW)	KFTC18	(a) one, *divided by* (b) the Korean won/U.S. dollar market average rate, expressed as the amount of Korean won per one U.S. dollar, for settlement in one business day reported by the Korea Financial Telecommunications and Clearing Corporation which appears on the Reuters Screen KFTC18 Page to the right of the caption USD Today at approximately 5:30 p.m., Seoul time, on the applicable valuation date, or as soon thereafter as practicable, but in no event later than 9:00 a.m., Seoul time, on the first business day following the applicable valuation date	Seoul
Mexican peso (MXN)	WMR	(a) one, *divided by* (b) the U.S. dollar/Mexican peso fixing rate, expressed as the amount of Mexican pesos per one U.S. dollar, for settlement in two business days, which appears on the Reuters Screen USDMXNFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Mexico City
Malaysian ringgit (MYR)	ABSIRFIX01	(a) one, *divided by* (b) the Malaysian ringgit/U.S. dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Malaysian ringgit per one U.S. dollar, for settlement in two business days, reported by the Association of Banks in Singapore, which appears on the Reuters Page ABSIRFIX01 to the right of the caption Spot under the column MYR at approximately 11:30 a.m., Singapore time, on the applicable valuation date	Kuala Lumpur
Norwegian kroner (NOK)	WMR	(a) one, *divided by* (b) the U.S. dollar/Norwegian kroner fixing rate, expressed as the amount of Norwegian kroner per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDNOKFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Oslo
New Zealand dollar (NZD)	WMR	the U.S. dollar/New Zealand dollar fixing rate, expressed as the amount of U.S. dollars per one New Zealand dollar, for settlement in two business days, which appears on Reuters Screen USDNZDFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Wellington and Auckland
Peruvian sol (PEN)	PEN=BCRP	(a) one, *divided by* (b) the Peruvian sol/U.S. dollar average exchange rate in the interbank market, expressed as the amount of Peruvian new sols per one U.S. dollar, for settlement on the same day, reported by the Banco Central de Reserva del Peru (www.bcrp.gob.pe) as the Tipo de Cambio Interbancario Promedio, which appears on Reuters screen PEN=BCRP at approximately 2:00 p.m., Lima time, on the applicable valuation date	Lima

Philippine peso (PHP)	PDSPESO	(a) one, *divided by* (b) the U.S. dollar/Philippine peso morning weighted average rate, expressed as the amount of Philippine pesos per one U.S. dollar, for settlement in one business day reported by the Philippine Dealing System PDEX which appears on the Reuters Screen PDSPESO Page to the right of the caption AM WT AVE at approximately 11:30 a.m., Manile time, or as soon thereafter as practicable, on the applicable valuation date	Manila
Polish zloty (PLN)	WMR	(a) one, *divided by* (b) the U.S. dollar/Polish zloty fixing rate, expressed as the amount of Polish zloty per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDPLNFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Warsaw
Romanian leu (RON)	WMR	(a) one, *divided by* (b) the U.S. dollar/Romanian leu fixing rate, expressed as the amount of Romanian leu per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDRONFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Bucharest
Russian ruble (RUB)	EMTA	(a) one, *divided by* (b) the Russian ruble/U.S. dollar specified rate, expressed as the amount of Russian rubles per one U.S. dollar, for settlement in one business day, calculated by the Chicago Mercantile Exchange and as published on CME s website, which appears on Reuters Screen EMTA Page at approximately 1:30 p.m., Moscow time, on the applicable valuation date	Moscow
Swedish krona (SEK)	WMR	(a) one, *divided by* (b) the U.S. dollar/Swedish krona fixing rate, expressed as the amount of Swedish krona per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDSEKFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Stockholm
Singapore dollar (SGD)	ABSIRFIX01	(a) one, *divided by* (b) the Singapore dollar/U.S. dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Singapore dollars per one U.S. dollar, for settlement in two business days, as reported by the Association of Banks in Singapore which appears on the Reuters Page ABSIRFIX01 to the right of the caption Spot under the column SGD at approximately 11:30 a.m., Singapore time, on the applicable valuation date	Singapore
Thai baht (THB)	ABSIRFIX01	(a) one, *divided by* (b) the Thai baht/U.S. dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Thai baht per one U.S. dollar, for settlement in two business days, reported by the Association of Banks in Singapore which appears on the Reuters Page ABSIRFIX01 to the right of the caption Spot under the column THB at approximately 11:30 a.m., Singapore time, on the applicable valuation date	Bangkok

Turkish lira (TRY)	WMR	(a) one, *divided by* (b) the U.S. dollar/Turkish lira fixing rate, expressed as the amount of Turkish lira per one U.S. dollar, for settlement in one business day, which appears on Reuters Screen USDTRYFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Ankara
Taiwanese dollar (TWD)	TAIFX1	(a) one, *divided by* (b) the Taiwanese dollar/U.S. dollar spot rate, expressed as the amount of Taiwanese dollars per one U.S. dollar, for settlement in two business days, as reported by the Taipei Forex Inc. which appears on the Reuters Screen TAIFX1 Page under the heading Spot as of 11:00 a.m., Taipei time, on the applicable valuation date, or if no rate appears as of 11:00 a.m., Taipei time, the rate that first appears in any of the next succeeding 15 minute intervals after such time, up to and including 12:00 noon, Taipei time, on the applicable valuation date	Taipei
South African rand (ZAR)	WMR	(a) one, *divided by* (b) the U.S. dollar/South African rand fixing rate, expressed as the amount of South African rand per one U.S. dollar, for settlement in two business days, which appears on Reuters Screen USDZARFIXM=WM at approximately 4:00 p.m., London time, on the applicable valuation date	Johannesburg

Continuous Monitoring

If a performance participation level or performance termination level is specified in the relevant pricing supplement and the reference asset consists of a single currency exchange rate or currency index, the relevant pricing supplement will specify whether fixing level monitoring or continuous monitoring will apply for purposes of determining whether a performance participation event or performance termination event has occurred. If continuous monitoring applies, some of the continuously observed currency exchange rates that may be applicable solely to the determination of whether a performance participation event or performance termination event has occurred are described below. In the event of a conflict between the applicable pricing supplement and this product prospectus supplement, the applicable pricing supplement will control.

The reference price for each reference asset referred to in the table below to which continuous monitoring applies will be determined during the performance observation period, if applicable, for purposes of determining whether a performance participation event or performance termination event has occurred, as set forth in the column marked Continuous Reference for such reference asset below:

Reference Asset/Basket Component	**Screen Reference**	**Continuous Reference**	**Principal Financial Center**
Australian dollar (AUD)	AUD=EBS	the most recently traded U.S. dollar/Australian dollar exchange rate, expressed as the amount of U.S. dollars per one Australian dollar, observed on the continuous trading Electronic Broking Services (EBS) Spot Dealing System, which appears on Reuters screen AUD=EBS, at any time on any business day during the applicable performance observation period	Sydney and Melbourne

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Brazilian real (BRL)	N/A	(a) one, *divided by* (b) either (i) the Brazilian real/U.S. dollar exchange rate for a transaction of a commercial size (which shall be not less than $3,000,000), expressed as the amount of Brazilian reals per one U.S. dollar, determined by reference to the wholesale financial market in Brazil or on the Brazilian Mercantile & Futures Exchange (the BM&F) or (ii) the implied Brazilian real/U.S. dollar exchange rate for a transaction of a commercial size (which shall be not less than $3,000,000), expressed as the amount of Brazilian reals per one U.S. dollar, equal to the Brazilian real/U.S. dollar exchange rate for the shortest dated contract for Brazilian real/U.S. dollar futures traded on the BM&F expiring after 4:00 p.m. (São Paulo time) on such day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in São Paulo, Brasilia or Rio de Janeiro (a Brazil Business Day) (but on the last Brazil Business Day of any month, then the exchange rate for the second shortest dated futures contract) *minus* the last-traded casado (and if the last traded casado is outside the current bid-offer spread, then the mid-market casado), where casado means the difference between (X) the Brazilian real/U.S. dollar exchange rate for the shortest dated contract for Brazilian real/U.S. dollar futures traded on the BM&F (but on the last Brazil Business Day of any month, then the exchange rate for the second shortest dated futures contract) and (Y) the Brazilian real/U.S. dollar exchange rate determined in accordance with subparagraph (i) above for a transaction of a commercial size (which shall be not less than $3,000,000), expressed as the amount of Brazilian reals per one U.S. dollar, determined by reference to the wholesale financial market in Brazil or on the BM&F, as determined by the calculation agent during the hours of 9:00 a.m. and 6:00 p.m. (São Paulo time) on any Brazil Banking Day, provided, however, that on the expiration date of this transaction, the spot exchange rate for these purposes shall be determined no later than 4:00 p.m. (São Paulo time)	Brasilia, Rio de Janeiro or São Paolo
Canadian dollar (CAD)	CAD=EBS	(a) one, *divided by* (b) the most recently traded U.S. dollar/Canadian dollar exchange rate, expressed as the amount of Canadian dollars per one U.S. dollar, observed on the continuous trading EBS Spot Dealing System, which appears on Reuters screen CAD=EBS, at any time on any business day during the applicable performance observation period	Toronto
Swiss franc (CHF)	CHF=EBS	(a) one, *divided by* (b) the most recently traded U.S. dollar/Swiss franc exchange rate, expressed as the amount of Swiss francs per one U.S. dollar, observed on the continuous trading EBS Spot Dealing System, which appears on Reuters screen CHF=EBS, at any time on any business day during the applicable performance observation period	Zurich

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euro (EUR)	EUR=EBS	the most recently traded U.S. dollar/euro exchange rate, expressed as the amount of U.S. dollars per one euro, observed on the continuous trading EBS Spot Dealing System, which appears on Reuters screen EUR=EBS, at any time on any business day during the applicable performance observation period	TARGET[1]
British pound (GBP)	GBP=EBS	the most recently traded U.S. dollar/British pound exchange rate, expressed as the amount of U.S. dollars per one British pound, observed on the continuous trading EBS Spot Dealing System, which appears on Reuters screen GBP=EBS, at any time on any business day during the applicable performance observation period	London
Israeli shekel (ILS)	ILS=D2	(a) one, *divided by* (b) the most recently traded U.S. dollar/Israeli shekel exchange rate, expressed as the amount of Israeli shekels per one U.S. dollar, observed on the continuous trading Reuters Dealing Link Spot Dealing System, which appears on Reuters screen ILS=D2, at any time on any business day during the applicable performance observation period	Tel Aviv
Japanese yen (JPY)	JPY=EBS	(a) one, *divided by* (b) the most recently traded U.S. dollar/Japanese yen exchange rate, expressed as the amount of Japanese yen per one U.S. dollar, observed on the continuous trading EBS Spot Dealing System, which appears on Reuters screen JPY=EBS, at any time on any business day during the applicable performance observation period	Tokyo
Mexican peso (MXN)	MXN=D2	(a) one, *divided by* (b) the most recently traded U.S. dollar/Mexican peso exchange rate, expressed as the amount of Mexican pesos per one U.S. dollar, observed on the continuous trading Reuters Dealing Link Spot Dealing System, which appears on Reuters screen MXN=D2, at any time on any business day during the applicable performance observation period	Mexico City
New Zealand dollar (NZD)	NZD=EBS	the most recently traded U.S. dollar/New Zealand dollar exchange rate, expressed as the amount of U.S. dollars per one New Zealand dollar, observed on the continuous trading EBS Spot Dealing System, which appears on Reuters screen NZD=EBS, at any time on any business day during the applicable performance observation period	Wellington and Auckland
Russian ruble (RUB)	RUBTOM=D2	(a) one, *divided by* (b) the most recently traded U.S. dollar/Russian ruble exchange rate, expressed as the amount of Russian rubles per one U.S. dollar, observed on the continuous trading Reuters Dealing Link Spot Dealing System, which appears on Reuters screen RUBTOM=D2, at any time on any business day during the applicable performance observation period	Moscow

(1) TARGET means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

Turkish lira (TRY)	TRYTOM=D2	(a) one, *divided by* (b) the most recently traded U.S. dollar/Turkish lira exchange rate, expressed as the amount of Turkish lira per one U.S. dollar, observed on the continuous trading Reuters Dealing Link Spot Dealing System, which appears on Reuters screen TRYTOM=D2, at any time on any business day during the applicable performance observation period	Ankara
South African rand (ZAR)	ZAR=D2	(a) one, *divided by* (b) the most recently traded U.S. dollar/South African rand exchange rate, expressed as the amount of South African rand per one U.S. dollar, observed on the continuous trading Reuters Dealing Link Spot Dealing System, which appears on Reuters screen ZAR=D2, at any time on any business day during the applicable performance observation period	Johannesburg

Default Amount on Acceleration

Unless otherwise specified in the relevant pricing supplement, in case an event of default with respect to the notes shall have occurred and be continuing, the amount declared due and payable on the notes upon any acceleration of the notes will be determined by the calculation agent and will be an amount in cash equal to the amount payable as described under the caption *Payment of Cash Settlement Amount on the Maturity Date*, calculated as if the date of acceleration were the final valuation date.

If the maturity of the notes is accelerated because of an event of default, we will, or will cause the calculation agent to, provide written notice to the trustee at its New York office, on which notice the trustee may conclusively rely, and to the depositary, of the cash amount due with respect to the notes as promptly as possible and in no event later than two business days after the date of acceleration.

Role of Calculation Agent

The calculation agent will make all determinations regarding the interest payments, if applicable; the final value of the reference asset (or each basket component, if applicable); reference asset performance; the cash settlement amount; market disruption events; successor reference assets; exchange rates; the maturity date; the final valuation date; averaging observation dates; business days; call observation dates; whether an automatic call has occurred; the performance observation period; whether a performance participation event or performance termination event has occurred; the cash settlement amount; the additional amount, if any; and the amount payable on your notes at maturity or upon redemption; and any other determination as applicable or specified in the relevant pricing supplement. Absent manifest error, all determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent.

Please note that Nomura Securities International, Inc. is currently serving as the calculation agent for the notes, and in the future Nomura Securities International, Inc. or one of its affiliates may act as the calculation agent. We may change the calculation agent for your notes at any time without notice and the calculation agent may resign as calculation agent at any time upon 60 days written notice to us.

Special Calculation Provisions

Business Day

Unless specified otherwise in the applicable pricing supplement, with respect to notes linked to a single currency, business day will mean a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency

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deposits) in (1) New York City, (2) the designated financial center for the currency to which the note is linked and (3) if the note is denominated in a currency other than US dollars, the designated financial center for that currency.

Unless specified otherwise in the applicable pricing supplement, with respect to notes linked to a basket of currencies, business day will mean a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in (1) New York City, (2) each of the designated financial centers for each of the currencies to which the note is linked and (3) if the note is denominated in a currency other than US dollars, the designated financial center for that currency.

The designated financial center(s) for a currency will be either (1) as set forth under the principal financial center column in the tables above with respect to such currency, or (2) specified in the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, with respect to notes linked to a single currency index or a basket of currency indices, business day will mean a day that is (1) a New York business day as defined in the accompanying prospectus, (2) a day on which each such index is calculated and published by the applicable index sponsor and (3) if the note is denominated in a currency other than US dollars, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the designated financial center for the currency in which the note is denominated.

Fixing Level

Unless otherwise specified in the applicable pricing supplement, with respect to any reference asset that is an index, the fixing level on any business day will be the official fixing level of the index or any successor index published by the index sponsor at the regular weekday close of trading on the primary exchange for the currencies comprising the index on the relevant business day.

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HYPOTHETICAL RETURNS ON YOUR NOTES

The relevant pricing supplement may include a table or chart showing a hypothetical cash settlement amount for your notes that will be paid at maturity, based on a range of hypothetical reference asset performances and on various key assumptions (including whether the notes would be subject to an automatic call or optional early redemption) shown in the relevant pricing supplement.

Any table or chart showing hypothetical amounts will be provided for purposes of illustration only. It should not be viewed as an indication or prediction of future investment results. Rather, it is intended merely to illustrate the impact that various hypothetical market levels of the reference asset on the applicable valuation date, as calculated in the manner described in the relevant pricing supplement and assuming all other variables remained constant. The hypothetical amounts listed in the relevant pricing supplement will be entirely hypothetical. They will be based on market levels for the reference asset or basket components comprising the reference asset that may not be achieved on the applicable valuation date, and on assumptions that may prove to be erroneous.

As calculated in the relevant pricing supplement, the hypothetical amounts on your notes at maturity may bear little or no relationship to the actual market value of your notes on that date or at any other time, including any time you might wish to sell your notes. In addition, you should not view the hypothetical amounts as an indication of the possible financial return on an investment in your notes, since the financial return will be affected by various factors, including taxes, that the hypothetical information does not take into account. Moreover, whatever the financial return on your notes might be, it may bear little relation to and may be much less than the financial return that you might achieve were you to invest in the reference asset. Among other things, the financial return on the reference asset would not be limited by the principal amount of your notes and an investment in the reference asset is likely to have tax consequences that are different from an investment in your notes.

We describe various risk factors that may affect the market value of your notes, and the unpredictable nature of that market value, under *Additional Risk Factors Specific to Your Notes* above.

We cannot predict the market levels of the reference asset or, therefore, the final reference asset performance for your notes or whether your notes would be subject to an automatic call, if applicable. Moreover, the assumptions we make in connection with any hypothetical information in the relevant pricing supplement may not reflect actual events. Consequently, that information may give little or no indication of the amount that will be delivered in respect of your notes at maturity, nor should it be viewed as an indication of the financial return on your notes or of how that return might compare to the financial return on an investment directly in the reference asset.

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USE OF PROCEEDS AND HEDGING

We will use the net proceeds we receive from the sale of the notes for the purposes we describe in the accompanying prospectus under *Use of Proceeds*. We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the notes as described below.

In connection with the sale of each issuance of the securities, our affiliates may enter into hedging transactions involving purchases of securities or over-the-counter derivative instruments linked to the applicable currency exchange rate or currency index prior to or on the pricing date. From time to time, we or our affiliates may enter into additional hedging transactions or unwind those we have entered into.

Our affiliates may acquire a long or short position in securities similar to the securities from time to time and may, in their sole discretion, hold or resell those similar securities. Our affiliates may close out our or their hedge on or before the maturity date.

The price at which you purchase the notes includes the costs and profits of the hedging activity discussed above, as well as a selling concession (including a broker s commission). As a result, assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your notes prior to maturity will likely be less than your original purchase price. See *Additional Risk Factors Specific To Your Notes The Inclusion in the Purchase Price of the Notes of a Selling Concession and of Our Cost of Hedging Our Market Risk Under the Notes is Likely to Adversely Affect the Value of the Notes Prior to the Stated Maturity Date*.

The hedging activity discussed above may adversely affect the market value of the notes from time to time. See Additional Risk Factors Specific to Your Notes Our or Our Affiliates Business Activities May Create Conflicts of Interest in this product prospectus supplement for a discussion of these adverse effects.

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HISTORICAL TRADING LEVEL INFORMATION

We may provide historical level information on the relevant reference asset or basket components that comprise the reference asset in the relevant pricing supplement. You should not take any such historical levels as an indication of the future performance. The actual performance of the reference asset over the life of the notes, as well as the amount payable at maturity, may bear little relation to the historical levels of the reference asset or basket components that comprise the reference asset. We cannot predict the future performance of the reference asset or basket components that comprise the reference asset, and we cannot give you any assurance that the final value of the reference asset (or a basket component, if applicable) will not fall below its initial level (in the case of bullish notes) or rise above its initial level (in the case of bearish notes), thus reducing your return on the notes.

Because the additional amount, if any, payable on your notes is linked to the reference asset performance on the final valuation date and, if applicable, the averaging observation dates, and is to be determined under a formula that may cap the rate of return on your notes if a maximum amount or performance participation level or performance termination level is specified in the relevant pricing supplement, and because your notes may be subject to an automatic call or optional early redemption, the rate of return on your notes may be less than that on the reference asset over a comparable period. See *Additional Risk Factors Specific to Your Notes Your Return May Be Lower Than the Return on Other Debt Securities of Comparable Maturity*, *Your Potential Payment at Maturity May Be Limited* and *Owning the Notes Is Not the Same as Owning the Reference Asset or Its Components or a Security Directly Linked to the Performance of the Reference Asset or Its Components* above for more information about this risk.

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SUPPLEMENTAL DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES

This section supplements the discussion of U.S. federal income taxation in the accompanying prospectus. It applies to you only if you hold notes as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a tax-exempt organization;
- a life insurance company;
- a person that owns notes that are a hedge or that are hedged against interest rate or currency risks;
- a person that holds debt securities as part of a straddle or conversion transaction;
- a U.S. holder whose functional currency is not the U.S. dollar;
- a person subject to the alternative minimum tax; or
- a bank.

This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. This discussion deals only with notes that have a term that exceeds one year and that are due to mature no more than 30 years from their date of issue. The U.S. federal income tax treatment of any notes that have a term of one year or less will be discussed in the applicable pricing supplement.

If a partnership holds the notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in the notes.

You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the notes in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

This discussion is only applicable to you if you are a U.S. holder. You are a U.S. holder if you are a beneficial owner of a note and you are: (i) a citizen or resident of the United States; (ii) a domestic corporation; (iii) an estate whose income is subject to U.S. federal income tax regardless of its source; or (iv) a trust if a U.S. court can exercise primary supervision over the trust s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

In the opinion of Sullivan & Cromwell LLP, our U.S. federal income tax counsel, unless stated otherwise in the relevant pricing supplement the notes will be treated as debt instruments subject to the special tax rules governing contingent payment debt obligations for U.S. federal income tax purposes. Any particular offering of notes may also have features or terms that cause the U.S. federal income tax treatment of the notes to differ materially from the discussion below. If such features are applicable to any particular offering, the applicable pricing supplement will so state and discuss the U.S. federal income treatment of that offering. In all cases, you should consult with your own tax advisor concerning the consequences of investing in and holding any particular note you propose to purchase.

Under these rules, the amount of interest you are required to take into account for each accrual period will be determined by constructing a projected payment schedule for the notes, and applying the rules similar to those for accruing original issue discount on a hypothetical noncontingent debt instrument with that projected payment schedule. This method is applied by first determining the yield at which we would issue a noncontingent

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fixed rate debt instrument with terms and conditions similar to the notes (the comparable yield) and then determining a payment schedule as of the original issue date that would produce the comparable yield. The projected payment schedule will include, if applicable, the rate at which interest, if any, will be paid on the notes. These rules could possibly have the effect of requiring you to include amounts in income in respect of the notes prior to your receipt of cash attributable to that income. We will provide the comparable yield and projected payment schedule for the notes in the applicable pricing supplement. The amount of interest that you will be required to include in income in each accrual period for the notes will equal the product of the adjusted issue price for the notes at the beginning of the accrual period and the comparable yield for the notes for such period. The adjusted issue price of the notes will equal the original offering price for the notes plus any interest that has accrued on the notes (under the rules governing contingent payment debt obligations) less any noncontingent interest payments that have been made on the notes and the projected amount of any contingent payments previously made on the notes.

In addition to accruing interest income in accordance with the comparable yield provided by us, you will be required to make adjustments (as described below) if the actual amount you receive in any taxable year differs from the projected payment schedule.

If, during any taxable year, you receive actual payments with respect to your notes that, in the aggregate, exceed the total amount of projected payments for that taxable year, you will incur a net positive adjustment under the contingent debt regulations equal to the amount of such excess. You will treat a net positive adjustment as additional interest income in that taxable year.

If you receive in a taxable year actual payments with respect to the notes that, in the aggregate, are less than the amount of projected payments for that taxable year, you will incur a net negative adjustment under the contingent debt regulations equal to the amount of such deficit. This net negative adjustment will (a) reduce your interest income on the notes for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of your interest income on the notes during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments. Any net negative adjustment in excess of the amounts described in (a) and (b) will be carried forward as a negative adjustment to offset future interest income with respect to the notes or to reduce the amount realized on a sale, exchange, redemption or repurchase of the notes. A net negative adjustment is not subject to the two percent floor limitation on miscellaneous itemized deductions.

You are required to use the comparable yield and projected payment schedule provided by us in determining your interest accruals in respect of the notes, unless you timely disclose and justify on your federal income tax return the use of a different comparable yield and projected payment schedule.

The comparable yield and projected payment schedule are not provided to you for any purpose other than the determination of your interest accruals in respect of the notes, and we make no representations regarding the amount of contingent payments with respect to the notes. Any Form 1099-OID accrued interest will be based on such comparable yield and projected payment schedule.

Secondary Purchasers. If you purchase the notes for an amount that differs from the notes adjusted issue price at the time of the purchase, you must determine the extent to which the difference between the price you paid for your notes and their adjusted issue price is attributable to a change in expectations as to the projected payment schedule, a change in interest rates, or both, and allocate the difference accordingly.

If you purchase the notes for an amount that is less than the adjusted issue price of the notes, you must (a) make positive adjustments increasing the amount of interest that you would otherwise accrue and include in income each year to the extent of amounts allocated to a change in interest rates under the preceding paragraph and (b) make positive adjustments increasing the amount of ordinary income (or decreasing the amount of loss) that you would otherwise recognize upon the receipt, if any, of each remaining contingent payment with respect to the notes to the extent of amounts allocated to a change in expectations as to the projected payment schedule under the preceding paragraph. If you purchase the notes for an amount that is greater than the adjusted issue price of the notes, you must (a) make negative adjustments decreasing the amount of interest that you would otherwise accrue and include in income each year to the extent of amounts allocated to a change in interest rates under the preceding paragraph and (b) make negative adjustments decreasing the amount of ordinary income (or increasing the amount of loss) that you would otherwise recognize upon the receipt, if any, of each remaining contingent payment with respect to the notes to the extent of amounts allocated to a change in expectations as to the projected payment schedule under the preceding paragraph. Adjustments allocated to the interest amount are not made until the date the daily portion of interest accrues.

If a performance termination event occurs on a day that is more than 6 months before maturity, applicable Treasury regulations provide that holders should adjust the prior and future interest inclusions in respect of their notes in a reasonable manner. Although not entirely clear, we think it would be reasonable for an initial holder of a note who has accrued more interest than the non-participation amount on the note to make such adjustments by (i) recognizing a net ordinary loss equal to the excess of the interest previously accrued on the note over the performance termination event and (ii) not accruing any additional interest over the term of the note. You should consult your tax advisor about any adjustments that may be reasonable if you have accrued less than the non-participation amount in respect of a note prior to the occurrence of a performance termination event. If a performance termination event occurs on a day that is more than 6 months before maturity, any gain or loss recognized from a subsequent sale of the notes should generally be characterized as capital gain or loss.

Because any Form 1099-OID that you receive will not reflect the effects of positive or negative adjustments resulting from your purchase of the notes at a price other than the adjusted issue price determined for tax purposes, you are urged to consult with your tax advisor as to whether and how adjustments should be made to the amounts reported on any Form 1099-OID.

Treatment Upon Sale, Redemption, Repurchase or Maturity. You will recognize gain or loss upon the sale, redemption, repurchase or maturity of the notes in an amount equal to the difference, if any, between the amount received at such time (including the fair market value of any common stock that you receive at such time) and your adjusted basis in the notes. In general, your adjusted basis in the notes will equal the amount you paid for the notes, increased by the amount of interest you previously accrued with respect to the notes (in accordance with the comparable yield for the notes), increased or decreased by the amount of any positive or negative adjustment that you are required to make with respect to your notes under the rules set forth above under *Secondary Purchasers* and decreased by the amount of any noncontingent interest payment and the projected amount of any contingent payments previously made to you with respect to the notes.

Any gain you may recognize upon the sale, redemption, repurchase or maturity of the notes will be ordinary interest income. Any loss you may recognize upon the sale of the notes will be ordinary loss to the extent the interest you included as income in the current or previous taxable years in respect of the notes exceeded the total net negative adjustments you took into account as ordinary loss, and thereafter will be capital loss. If you are a noncorporate holder, you would generally be able to use such ordinary loss to offset your income only in the taxable year in which you recognize that ordinary loss and would generally not be able to carry such ordinary loss forward or back to offset income in other taxable years.

Additionally, it is possible that the scheduled payment on the notes, determined as of a date that is more than six months prior to the notes scheduled maturity, will exceed the projected amount payable at maturity for U.S. federal income tax purposes, regardless of the future level of the reference asset or basket. This situation could occur as a result of increases in the value of the reference asset or basket prior to the final valuation date. In such a case, the Internal Revenue Service could take the position that holders must include additional amounts in income on a current basis or over the remaining term of the notes, based on the minimum amounts that are expected to be payable on the notes at maturity. Holders should consult their tax advisors regarding the risk that the Internal Revenue Service could take such a position.

Medicare Tax. See *United States Taxation United States Holders Medicare Tax* in the accompanying prospectus for a discussion of the potential application of the Medicare tax to income with respect to the notes.

United States Alien Holders

If you are a United States alien holder (as defined in the accompanying prospectus) see *United States Taxation United States Alien Holders* in the accompanying prospectus for a discussion of the U.S. federal income tax consequences of acquiring, holding, and disposing of the notes.

Backup Withholding and Information Reporting

See the discussion under *United States Taxation Backup Withholding and Information Reporting* in the accompanying prospectus for a description of the applicability of the backup withholding and information reporting rules to U.S. and non-U.S. holders with respect to payments made on your notes, and a discussion of recently enacted legislation with respect to foreign financial assets.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

This section is only relevant to you if you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh Plan) proposing to invest in the notes.

The U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA) and the U.S. Internal Revenue Code of 1986, as amended (the Code), prohibit certain transactions (prohibited transactions) involving the assets of an employee benefit plan that is subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code (including individual retirement accounts, Keogh plans and other plans described in Section 4975(e)(1) of the Code) (a Plan) and certain persons who are parties in interest (within the meaning of ERISA) or disqualified persons (within the meaning of the Code) with respect to the Plan; governmental plans may be subject to similar prohibitions unless an exemption applies to the transaction. The assets of a Plan may include assets held in the general account of an insurance company that are deemed plan assets under ERISA or assets of certain investment vehicles in which the Plan invests. Each of Nomura and certain of its affiliates may be considered a party in interest or a disqualified person with respect to many Plans, and, accordingly, prohibited transactions may arise if the notes are acquired by or on behalf of a Plan unless those notes are acquired and held pursuant to an available exemption. In general, available exemptions are: transactions effected on behalf of that Plan by a qualified professional asset manager (prohibited transaction exemption 84-14) or an in-house asset manager (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), transactions involving bank collective investment funds (prohibited transaction exemption 91-38) and transactions with service providers under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code where the Plan receives no less and pays no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code). The person making the decision on behalf of a Plan or a governmental plan shall be deemed, on behalf of itself and the plan, by purchasing and holding the notes, or exercising any rights related thereto, to represent that (a) the plan will receive no less and pay no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code) in connection with the purchase and holding of the notes, (b) none of the purchase, holding or disposition of the notes or the exercise of any rights related to the notes will result in a nonexempt prohibited transaction under ERISA or the Code (or, with respect to a governmental plan, under any similar applicable law or regulation), and (c) neither Nomura nor any of its affiliates is a fiduciary (within the meaning of Section 3(21) of ERISA) or, with respect to a governmental plan, under any similar applicable law or regulation) with respect to the purchaser or holder in connection with such person s acquisition, disposition or holding of the notes, or as a result of any exercise by Nomura or any of its affiliates of any rights in connection with the notes, and no advice provided by Nomura or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser or holder in connection with the notes and the transactions contemplated with respect to the notes.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh plan), and propose to invest in the notes, you should consult your legal counsel.

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PROSPECTUS

Nomura America Finance, LLC

Senior Debt Securities

up to an aggregate initial offering price of U.S.$1,000,000,000 or the

equivalent thereof in other currencies.

Fully and Unconditionally Guaranteed by

Nomura Holdings, Inc.

Nomura America Finance, LLC (which we refer to as we, us or the Company) from time to time may offer to sell our senior debt securities. All amounts payable under our securities will be fully and unconditionally guaranteed by Nomura Holdings, Inc. (which we refer to as Nomura). We are a 100% indirectly owned finance subsidiary of Nomura.

This prospectus describes some of the general terms that may apply to our securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus.

We may offer and sell the securities on a continuous or delayed basis directly to investors or through dealers or agents, including the firm named below, or through a combination of these methods. The names of any dealers or agents will be included in a prospectus supplement. If any dealers or agents are involved in the sale of any securities, the applicable prospectus supplement will set forth any applicable commissions or discounts.

Investing in our securities involves certain risks. You should carefully consider the risk factors beginning on page 7 of, and incorporated by reference into, this prospectus and in any applicable prospectus supplement(s) before you invest in any of the securities.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The securities are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

The price at which you purchase the securities may include a selling concession and the costs and profits that we (or one of our affiliates) expect to incur in the hedging of our market risk under the securities. As a result, if the price at which you purchase your securities includes a selling concession or hedging costs, assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your securities prior to maturity will likely be less than your original purchase price.

We may use this prospectus in the initial sale of the senior debt securities. In addition, Nomura Securities International, Inc. or any other of our affiliates may use this prospectus in a market-making transaction in any of these or similar securities after its initial sale. ***Unless we or our agent inform the purchaser otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.***

Nomura

The date of this prospectus is September 30, 2010.

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You should rely only on the information contained in or incorporated by reference into this prospectus or any prospectus supplement. Neither we nor Nomura has authorized anyone to provide you with information different from that contained in or incorporated by reference into this prospectus or any prospectus supplement. We are offering to sell the securities only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference into this prospectus or any prospectus supplement is accurate only as of the date on the front of those documents, regardless of the time of delivery of the documents or any sale of the securities.

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ABOUT THIS PROSPECTUS

When we use the term securities in this prospectus, we mean any of the securities we may offer with this prospectus, unless we say otherwise. This prospectus describes the general terms that may apply to the securities; the specific terms of any particular securities that we may offer will be described in a separate supplement to this prospectus.

Nomura will fully and unconditionally guarantee any securities we issue pursuant to the registration statement of which this prospectus forms a part.

Nomura s financial statements, which are incorporated by reference into this prospectus, have been prepared in accordance with accounting principles generally accepted in the United States of America, which we refer to as U.S. Generally Accepted Accounting Principles, or GAAP. Nomura s financial statements are denominated in Japanese yen, the legal tender of Japan. When we refer to yen or ¥, we mean Japanese yen. When we refer to $, we mean U.S. dollars.

This prospectus is part of a registration statement on Form F-3 that we and Nomura filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. The specific terms of any securities we offer will be included in a supplement to this prospectus. A supplement to this prospectus may be in the form of one or more prospectus supplements, product supplements, pricing supplements or free writing prospectuses, any and all of which we refer to as a prospectus supplement or supplement to this prospectus. The prospectus supplement will also describe the specific manner in which we will offer the securities. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading Where You Can Find More Information.

LIMITATIONS ON ENFORCEMENT OF U.S. LAWS

Nomura is a global financial services company domiciled in Japan. Many of its directors and executive officers (as well as certain of our directors, managers and executive officers), and certain experts named in this prospectus, do not reside in the United States, and all or a substantial portion of Nomura s assets and the assets of those directors, executive officers and managers are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon Nomura or its directors and executive officers (as well as certain of our directors, managers and executive officers) or to enforce against Nomura or such persons judgments obtained in the United States courts predicated upon the civil liability provisions of United States securities laws. We and Nomura have been advised by our Japanese counsel, Anderson Mori & Tomotsune, that there is doubt as to the enforceability in Japan, in original actions or in actions to enforce judgments of United States courts, of civil liabilities based solely on United States securities laws.

Nomura s agent for service of process is Nomura Holding America Inc., 2 World Financial Center, Building B, New York, New York 10281.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

Nomura files annual reports and other information with the SEC. You may read and copy any document Nomura files at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. In addition, the SEC maintains an Internet site at http://www.sec.gov that contains information regarding issuers that file electronically with the SEC. Reports and other information concerning the business of Nomura may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

We do not, and do not expect to, file periodic reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, with the SEC.

We, together with Nomura, have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus. This prospectus is part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document, please be aware that the reference is not necessarily complete and that you should refer to the exhibits that are part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC s Public Reference Room in Washington, D.C. as well as through the SEC s internet site noted above.

Incorporation of Documents by Reference

The SEC allows us to incorporate by reference the information Nomura files with the SEC, which means that Nomura can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that Nomura files after the date of this prospectus with the SEC and which is incorporated by reference will automatically update and supersede the information contained in this prospectus or incorporated by reference in this prospectus.

We and Nomura incorporate by reference the documents listed below and any filings Nomura makes with the SEC on Form 20-F after the date of this prospectus and prior to the termination of this offering. Nomura s reports on Form 6-K submitted to the SEC after the date of this prospectus (or portions thereof) will be incorporated by reference in this prospectus only to the extent that the reports expressly state that Nomura incorporates them (or such portions) by reference in this prospectus. Nomura hereby incorporates by reference the following:

- its annual report on Form 20-F for the fiscal year ended March 31, 2010 filed with the SEC on June 29, 2010;

- its amended annual report on Form 20-F/A for the fiscal year ended March 31, 2010 filed with the SEC on July 28, 2010; and

- its reports of foreign private issuer on Form 6-K submitted to the SEC on August 31, 2010 and September 30, 2010.

We will provide at no cost and to each person, including any beneficial owner, to whom this prospectus is delivered a copy of items incorporated by reference in this prospectus. You may request a copy of such items by writing or telephoning Nomura at its registered head office at the following address:

Nomura America Finance, LLC

2 World Financial Center, Building B

New York, New York 10281-1198

Telephone: (212) 667-1928

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Nomura Holdings, Inc.

9-1 Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

Telephone: 81-3-5255-1000

Except as described above, no other information is incorporated by reference in this prospectus, including, without limitation, information on Nomura s website.

FORWARD-LOOKING STATEMENTS

This prospectus, any prospectus supplement and the information incorporated by reference in this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. You should not place undue reliance on these statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- Nomura s and our plans, objectives or goals;
- Nomura s future economic performance or prospects;
- the potential effect on Nomura s future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as believe, anticipate, expect, intend and plan and similar expressions are intended to identify forward-looking statements but ar not the exclusive means of identifying such statements. Neither Nomura nor we intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We and Nomura caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- market and interest rate fluctuations;
- the strength of the global economy in general and the strength of the economies of the countries in which Nomura conducts its operations in particular;

the ability of counterparties to meet their obligations to Nomura;

the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;

political and social developments, including war, civil unrest or terrorist activity;

the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which Nomura conducts its operations;

changes in the monetary and interest rate policies of the Bank of Japan and other central banks;

- the ability to maintain sufficient liquidity and access to capital markets;
- operational factors such as systems failure, human error or the failure to properly implement procedures;
- actions taken by regulators with respect to Nomura s business and practices in one or more of the countries in which it conducts its operations;
- the effects of changes in laws, regulations or accounting policies or practices;
- competition in geographic and business areas in which Nomura conducts its operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote Nomura s brands;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate successfully acquired businesses;
- the adverse resolution of litigation and other contingencies; and
- Nomura s success at managing the risks involved in the foregoing.

We and Nomura caution you that the foregoing list of important factors is not exhaustive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, the risk factors and other information contained in or incorporated by reference in this prospectus, as well as the risk factors relating to Nomura and us, a particular security offered by this prospectus or a particular offering discussed in the applicable prospectus supplement.

PROSPECTUS SUMMARY

This summary highlights key information described in greater detail elsewhere, or incorporated by reference, in this prospectus. You should read carefully the entire prospectus and the documents incorporated by reference and any applicable prospectus supplement before making an investment decision.

Nomura Holdings, Inc.

Nomura is one of the leading financial services firms in Japan and has worldwide operations. As of March 31, 2010, Nomura operated offices in over 30 countries and regions including Japan, the United States, the United Kingdom, Singapore and Hong Kong. For further information, see Information on the Company in item 4 of our most recent annual report on Form 20-F, which is incorporated by reference into this prospectus.

Nomura will fully and unconditionally guarantee any securities we issue that are offered by this prospectus.

Nomura America Finance, LLC

We are a Delaware limited liability company, which was formed for the purpose of issuing debt securities, the proceeds of which will be advanced to, or otherwise invested in, subsidiaries or affiliates of Nomura. We have no other operations.

The Securities We Are Offering

We may offer from time to time our senior debt securities, which will be fully and unconditionally guaranteed by Nomura.

The Guarantee

Nomura will fully and unconditionally guarantee the payment of principal of, and any interest and premium on, our securities, when and if due and payable, whether at the stated maturity, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of the security, the guaranteed senior debt indenture and the applicable prospectus supplement accompanying this prospectus. The guarantee will remain in effect until the entire principal, if any, of, and interest and premium, if any, on, the securities has been paid in full or discharged in accordance with the provisions of the indenture, or otherwise fully defeased by Nomura.

Because Nomura is a holding company, its ability to perform its obligations on the guarantees of our senior debt securities will depend in part on its ability to participate in distributions of assets from its subsidiaries. We discuss these matters below under Risk Factors Risks Relating to Us and Our Corporate Structure Because Nomura is a holding company, your right to receive payments on Nomura s guarantee of the securities is subordinated to the liabilities of Nomura s other subsidiaries.

The Securities

We may issue several different types of senior debt securities. For any particular senior debt securities we offer, the applicable prospectus supplement will describe the terms of the securities, and will include for each series or tranche of securities the initial public offering price, original issue price, designation, aggregate principal amount (including whether determined by reference to an index), currency, denomination, premium, maturity, interest rate (whether fixed or floating or calculated in some other manner, including by reference to an index), time of payment of any interest, any terms for mandatory or optional redemption, whether the survivor s option applies and any other specific terms. We will issue the securities under a guaranteed senior debt indenture among us, as Issuer, Nomura, as Guarantor, and Deutsche Bank Trust Company Americas, as Trustee. Our securities will be denominated in U.S. dollars unless the prospectus supplement states otherwise. We have summarized the general features of the indenture under the heading Description of Debt Securities and Guarantee.

Form of Securities

We will issue the securities in book-entry form through one or more depositaries, such as The Depository Trust Company, or DTC, Euroclear Bank S.A./N.V., or Euroclear, or Clearstream Banking, société anonyme, or Clearstream, named in the applicable prospectus supplement. Each sale of a security in book-entry form will settle in immediately available funds through the applicable depositary, unless otherwise stated. We will issue the securities in registered form, without coupons.

Payment Currencies

Any amounts payable in respect of the securities will be payable in U.S. dollars, unless the applicable prospectus supplement says otherwise.

Listing

The applicable prospectus supplement will contain information, if applicable, about any listing on any stock exchange of the securities covered by that prospectus supplement.

Use of Proceeds and Hedging

We intend to use the net proceeds from the sales of the securities to invest in or loan to Nomura or its subsidiaries and affiliates additional funds for their operations, for hedging our exposure under the securities, and for other general corporate purposes.

Manner of Offering

The securities will be offered in connection with their initial issuance or in market-making transactions involving subsidiaries of Nomura after initial issuance. When we issue new securities, we may offer them for sale to or through agents and dealers, including subsidiaries of Nomura, or directly to purchasers. The applicable prospectus supplement will include any required information about the firms we use and the discounts or commissions we may pay them for their services.

Conflicts of Interest

The initial offerings of our securities will be distributed by Nomura Securities International, Inc., a subsidiary of Nomura. Each such offering of securities will be conducted in compliance with the requirements of NASD Rule 2720 of the Financial Industry Regulatory Authority, Inc., or FINRA, regarding a FINRA member firm s distribution of securities of an affiliate. See Plan of Distribution Initial Offering and Sale of Securities.

Corporate Offices

The registered head office of Nomura is located at 9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-9645, Japan. You can reach Nomura by phone at +81-(3)-5255-1000 or by facsimile at +81-(3)-3274-4496. Nomura s website is located at http://www.nomura.com. The information contained on Nomura s website is not part of this prospectus.

Our principal executive offices are located at 2 World Financial Center, Building B, New York, New York, 10281-1198. You can reach us by phone at 212-667-9300.

RISK FACTORS

Investing in the securities offered using this prospectus involves risk. You should consider carefully the risks described below, together with the risks described in the documents incorporated by reference into this prospectus and any risk factors included in any supplement to this prospectus, before you decide to buy our securities.

Risks Relating to Nomura s Business

For a discussion of the risk factors affecting Nomura and its business, you should also read the Risk Factors section beginning on page 4 of Nomura s most recent annual report on Form 20-F, which is incorporated by reference in this prospectus, or similar sections in subsequent reports incorporated by reference into this prospectus.

Risks Relating to Us and Our Corporate Structure

Because Nomura is a holding company, your right to receive payments on Nomura s guarantee of the securities is subordinated to the liabilities of Nomura s other subsidiaries

The ability of Nomura to make payments, as guarantor, on our guaranteed senior debt securities depends upon Nomura s receipt of dividends, loan payments and other funds from subsidiaries. In addition, if any of Nomura s subsidiaries becomes insolvent, the direct creditors of that subsidiary will have a prior claim on its assets, and Nomura s rights and the rights of Nomura s creditors, including your rights as an owner of our guaranteed senior debt securities, will be subject to that prior claim.

Nomura s subsidiaries are subject to various laws and regulations that may restrict Nomura s ability to receive dividends, loan payments and other funds from subsidiaries. In Japan, Nomura Securities Co., Ltd., as a securities company, is required to maintain an adjusted capital ratio at specified levels. In the United States, Nomura Securities International, Inc. is subject to certain minimum net capital requirements and capital adequacy requirements. In the United Kingdom, Nomura International plc is regulated by the U.K. Financial Services Authority and is subject to the capital requirements of that authority. In addition, certain of Nomura s other subsidiaries are subject to securities and banking regulations and capital adequacy requirements promulgated by the regulatory and exchange authorities of the countries in which such subsidiaries operate. As a result, Nomura s ability to receive funds from those subsidiaries may be limited, and Nomura s ability to pay on its guarantee of the senior debt securities may also be limited.

We have no operations, so Nomura is the only source of payment for your securities

We were formed by Nomura as a finance subsidiary, which means our business activities are generally limited to issuing securities and investing the net proceeds of such issuances in, or lending such proceeds to, Nomura or its subsidiaries. We do not have any independent operations to fund our payment obligations on the securities. If you are considering an investment in the securities, you should carefully consider the fact that the only sources of payment for your securities are our investments in and loans to Nomura and its subsidiaries, and Nomura s guarantee of the securities.

You are subject to Nomura s credit risk, and the value of your securities may be adversely affected by negative changes in the market s perception of Nomura s creditworthiness

By purchasing our securities, you are making, in part, a decision about Nomura s ability to repay you the amounts you are owed, if any, pursuant to the terms of your securities. Substantially all of our assets will consist of loans to and other receivables from Nomura and its subsidiaries. Our obligations under your securities are also guaranteed by Nomura. Therefore, as a practical matter, our ability to repay you amounts we owe on the

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securities is directly or indirectly linked solely to Nomura s creditworthiness. In addition, the market s perception of Nomura s creditworthiness generally will directly impact the value of your securities. If Nomura becomes or is perceived as becoming less creditworthy following your purchase of securities, you should expect that they will decline in value in the secondary market, perhaps substantially. If you attempt to sell your securities in the secondary market in such an environment, you may incur a substantial loss.

Any judgment you obtain against Nomura in the United States may be unenforceable in Japan

Nomura is a global financial services company domiciled in Japan. Many of its directors and executive officers (as well as certain of our directors, executive officers and managers), and certain experts named in this prospectus, do not reside in the United States, and all or a substantial portion of Nomura s assets and the assets of those directors, executive officers and managers are located outside the United States. As a result, it may be difficult for you to serve legal process on Nomura or its directors or executive officers (as well as certain of our directors, executive officers and managers) or have any of them appear in a U.S. court. We and Nomura have been advised by our Japanese counsel, Anderson Mori & Tomotsune, that there is doubt as to the enforceability in Japan, in original actions or in actions to enforce judgments of U.S. courts, of civil liabilities based solely on U.S. securities laws.

The United States and Japan do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, even if you obtain a civil judgment against Nomura from a U.S. court, you may not be able to enforce it in Japan. As a result, if we default on our securities and Nomura defaults on its guarantee of our securities, it may be very difficult, or impossible, for you to recoup your losses.

Risks Relating to All Securities

The value of your securities and any payment on your securities are subject to Nomura s creditworthiness

Your securities are guaranteed by Nomura and are therefore the senior unsecured debt obligations of Nomura, and are not, either directly or indirectly, an obligation of any third party. Because we do not have any independent operations to fund our payments obligations, any payment to be made on the securities depends on the ability of Nomura to satisfy its obligations as they come due. As a result, Nomura s creditworthiness, as represented by Nomura s credit ratings or as otherwise perceived in the market will affect the market value of your securities. In the event Nomura were to default on its obligations, you may not receive any amounts owed to you under the terms of the securities.

There may not be an active trading market for the securities sales in the secondary market may result in significant losses

There may be little or no market for the securities. Unless otherwise specified in the applicable prospectus supplement, the securities will not be listed on any securities exchange. Nomura Securities International, Inc. and other affiliates of ours currently intend to make a market for the securities, although they are not required to do so. Nomura Securities International, Inc. or any other affiliate of ours may stop any such market-making activities at any time. Even if a secondary market for the securities develops, it may not provide significant liquidity or trade at prices advantageous to you. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your securities in any secondary market could be substantial.

Furthermore, if you sell your securities, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

If you sell your securities before the stated maturity date, you may have to do so at a substantial discount from the issue price and as a result you may suffer substantial losses.

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The inclusion in the purchase price of the securities of a selling concession and of our cost of hedging our market risk under the securities is likely to adversely affect the value of the securities prior to the stated maturity date

The price at which you purchase the securities includes a selling concession (including a broker s commission), as well as the costs that we (or one of our affiliates) expect to incur in the hedging of our market risk under the securities. Such hedging costs include the expected cost of undertaking this hedge, as well as the profit that we (or our affiliates) expect to realize in consideration for assuming the risks inherent in providing the hedge. As a result, assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your securities prior to maturity will likely be less than your original purchase price.

Our or our affiliates trading activities may adversely affect the market value of the securities

In addition to the costs of our or our affiliates hedging activities described above, those hedging activities may have additional effects on the market value of the securities. As described below under Use of Proceeds and Hedging on page 14, we or one or more affiliates may hedge our obligations under the securities by purchasing securities, futures, options or other derivative instruments with returns linked or related to changes in the level of the interest rate, and we or they may adjust these hedges by, among other things, purchasing or selling securities, futures, options or other derivative instruments at any time. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities while the market value of the securities declines. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the interest rate for your securities. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the securities.

The market value of your securities may be influenced by unpredictable increases or decreases in, or volatility of, interest rates

In addition to the hedging and trading risks described above, and our and Nomura s creditworthiness, the following additional factors, which are beyond our control, may influence the market value of your securities:

- Changes in U.S. interest rates. In general, if U.S. interest rates increase, the market value of the securities may decrease, and if U.S. interest rates decrease, the market value of the securities may increase.

- Volatility of interest rates in general. If the size and frequency of fluctuations of interest rates increases, the market value of the securities may decrease.

These factors may influence the market value of your securities if you sell your securities before maturity. If you sell your securities prior to maturity, you may receive less than the principal amount of your securities.

Historical levels of interest rates should not be taken as an indication of the future levels of such rates

The historical performance of interest rates, which may be included in the applicable prospectus supplement, should not be taken as an indication of the future performance of interest rates during the term of the securities. Changes in the level of interest rates will affect the trading price of the securities, but it is impossible to predict whether the level of interest rates will rise or fall.

Our or our affiliates business activities may create conflicts of interest

As noted above, we and our affiliates expect to engage in trading activities related to the interest rates that are not for the account of holders of the securities or on their behalf. These trading activities may present a conflict between the holders interest in the securities and the interests we and our affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities could be adverse to the interests of the holders of the securities.

There are potential conflicts of interest between you and the calculation agent

The calculation agent will, among other things, determine the amount of your payment for any interest payment date on the securities. We have initially appointed our affiliate, Nomura Securities International, Inc., to act as the calculation agent. We may change the calculation agent after the original issue date without notice to you. For a fuller description of the calculation agent s role, see Description of Debt Securities and Guarantees Types of Senior Debt Securities Floating Rate Senior Debt Securities Calculation Agent . The calculation agent will exercise its judgment when performing its functions and may take into consideration our or our affiliates ability to unwind any related hedges. Since this determination by the calculation agent will affect payments on the securities, the calculation agent may have a conflict of interest if it needs to make any such determination.

Non-U.S. investors may be subject to certain additional risks

Unless the applicable prospectus supplement otherwise specifies, the securities will be denominated in U.S. dollars. If you are a non-U.S. investor who purchases the securities with a currency other than U.S. dollars, changes in rates of exchange may have an adverse effect on the value, price or income of your investment.

This prospectus contains a general description of certain U.S. and Japanese tax considerations relating to the securities. If you are a non-U.S. investor, you should consult your tax advisors as to the consequences, under the tax laws of the country where you are resident for tax purposes, of acquiring, holding and disposing of the securities and receiving payments of principal or other amounts under the securities.

Risks Relating to Redeemable Securities

You will bear reinvestment risk if the securities are automatically redeemed or redeemed at our option prior to maturity

If specified in the relevant prospectus supplement, the securities may be automatically redeemable prior to maturity or we, at our election, may redeem the securities prior to maturity, in each case on the terms specified in that prospectus supplement. If the securities are redeemed, you will lose the opportunity to continue to accrue and be paid interest from the date your securities are redeemed to the maturity date. If your security is subject to optional redemption, the term of your investment in the securities may be limited to a period that is shorter than the original term of the securities. Because we will generally exercise our right to redeem the securities when interest rates available in the market have fallen or are expected to fall below those payable on the securities, it is likely that you would not be able to reinvest the proceeds from an investment in the securities following such a redemption at a comparable return for a similar level of risk.

Risks Relating to Floating Rate Securities and Securities that Will or May Become Floating Rate Securities

Floating rates of interest are uncertain and could be 0.0%

If your securities are floating rate securities or otherwise directly linked to a floating rate for some portion of the securities term, no interest will accrue on the securities with respect to any interest period for which the applicable floating rate specified in the prospectus supplement is zero on the related interest rate reset date. Floating interest rates, by their very nature, fluctuate, perhaps as low as 0.0%. Also, in certain economic environments, floating rates of interest may be less than fixed rates of interest for instruments with a similar credit quality and term. As a result, the return you receive on your securities may be less than a fixed rate security issued for a similar term by a comparable issuer.

Changes in banks inter-bank lending rate reporting practices or the method pursuant to which LIBOR is determined may adversely affect the value of securities to which LIBOR relates

Concerns have been expressed that some of the member banks recently surveyed by the British Bankers Association (the BBA) in connection with the calculation of daily LIBOR rates may have been under-reporting the inter-bank lending rate applicable to them in order to avoid an appearance of capital insufficiency or adverse reputational or other consequences that may result from reporting higher inter-bank lending rates. If such under-reporting has occurred, it may have resulted in the LIBOR rates being artificially low. If such under-reporting in fact exists and some or all of the member banks discontinue such practice, there may be a resulting sudden or prolonged upward movement in LIBOR rates. In addition, the BBA recently announced that it will change the LIBOR rate-fixing process by increasing the number of banks surveyed to set a LIBOR rate. The BBA also indicated that it will consider adding a second rate-fixing process for U.S. dollar LIBOR after the U.S. market opening, after discussion with the member banks. The BBA is continuing its consideration of ways to strengthen the oversight of the process. The changes announced by the BBA, or future changes adopted by the BBA, in the method pursuant to which the LIBOR rates are determined, may result in a sudden or prolonged increase in the reported LIBOR rates, which could result in lower interest payments and adversely affect the value of the securities.

For securities to which the LIBOR, EURIBOR, USD CMS rate, EUR CMS rate, GBP CMS rate, CMT rate, federal funds rate, prime rate, treasury rate or commercial paper rate relates, such rates and the manner in which they are calculated may change in the future

There can be no assurance that the method by which the LIBOR, EURIBOR, USD CMS rate, EUR CMS rate, GBP CMS rate, CMT rate, federal funds rate, prime rate, treasury rate or commercial paper rate are calculated will not change. Such changes in the method of calculation could reduce the level of such rates. Accordingly, the value of securities to which such rates relate may be significantly reduced. If the applicable LIBOR, EURIBOR, USD CMS rate, EUR CMS rate, GBP CMS rate, CMT rate, federal funds rate, prime rate, treasury rate or commercial paper rate is substantially altered, or is not quoted on the applicable Reuters page (or any substitute page) or on H.15(519) or H.15 daily update, as applicable, on the applicable determination date, a substitute rate may be employed by the calculation agent to determine such rates and that substitution may adversely affect the value of the securities to which such rates relate.

The LIBOR, EURIBOR, USD CMS rate, EUR CMS rate, GBP CMS rate, CMT rate, federal funds rate, prime rate, treasury rate or commercial paper rate may be volatile

The LIBOR, EURIBOR, USD CMS rate, EUR CMS rate, GBP CMS rate, CMT rate, federal funds rate, prime rate, treasury rate and commercial paper rate are subject to volatility, which could adversely impact the value of securities to which such rates relate, due to a variety of factors affecting interest rates generally and the rates of U.S. Treasury securities specifically, including:

- sentiment regarding underlying strength in the U.S., European and global economies;
- expectations regarding the level of inflation;
- sentiment regarding credit quality in U.S., European and global credit markets;
- central banks policies regarding interest rates; and
- the performance of capital markets.

Owning securities linked to the treasury rate or CMT rate is not the same as owning a U.S. Treasury security directly

The return on securities linked to the treasury rate or CMT rate will not reflect the return you would realize if you actually purchased U.S. Treasury securities. The CMT rate is calculated by extrapolating between bid rates for a combination of Treasury securities and does not necessarily reflect the price, or even the existence, of a security with exactly the same rate and maturity reflected in the relevant CMT rate on a trading day or at maturity. The return on securities to which a treasury rate or CMT rate relates will likely vary significantly from the return that you would realize if you invested in U.S. Treasury obligations directly.

Risks Relating to Fixed Rate Securities and Securities that Will or May Become Fixed Rate Securities

Fixed rates of interest may be less attractive than floating rates of interest in certain economic environments

If your securities are fixed rate securities or otherwise directly linked to a fixed rate for some portion of the securities term, your interest rate during the fixed rate portion of the term of your security will not vary based interest rates generally. This means that, if interest rates rise rapidly, you will not participate in that increase in interest rates during the fixed rate portion of the term of your security. As a result, the return you receive on your securities may be less than a floating rate security issued for a similar term by a comparable issuer.

Risks Relating to Foreign Currency

The following risk factors should be primarily considered by investors located in the United States or investors outside the United States wishing to receive payments in U.S. dollars. Similar risks may apply to those investors who invest in currencies other than the currencies of their home jurisdictions or the currencies in which the investors wish to receive payments.

An investment in our securities may involve currency-related risks

An investment in a currency other than the currency of your home jurisdiction or in a currency other than the currency in which you wish to receive funds entails significant risks that are not associated with a similar investment in a security not subject to currency-related risks. These risks include the possibility of significant changes in rates of exchange between currencies or composite currencies and the possibility of the imposition or modification of currency exchange controls or other conditions by the United States, Japan or other non-U.S. governments. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies in the global markets.

Changes in currency exchange rates can be volatile and unpredictable

Rates of exchange between currencies have been highly volatile, and this volatility may continue in the future. Fluctuations in currency exchange rates could adversely affect an investment in a security denominated in, or whose value is otherwise linked to, a specified currency other than U.S. dollars. Depreciation of the specified currency against the U.S. dollar could result in a decrease in the U.S. dollar-equivalent value of payments on the security, including the principal payable at maturity or settlement value payable upon exercise. That, in turn, could cause the market value of the security to fall. Depreciation of the specified currency against the U.S. dollar could result in a loss to you on a U.S. dollar basis.

Government policy can adversely affect currency exchange rates and an investment in a non-U.S. dollar security

Currency exchange rates can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country s central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new

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currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in the country issuing the specified currency for a non-U.S. dollar security or elsewhere could lead to significant and sudden changes in the exchange rate between the U.S. dollar and the specified currency. These changes could affect the value of the security as participants in the global currency markets move to buy or sell the specified currency or U.S. dollars in reaction to these developments.

Governments have imposed from time to time and may in the future impose exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a specified currency that could affect exchange rates as well as the availability of a specified currency for a security at its maturity or on any other payment date. In addition, the ability of a holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

Non-U.S. dollar securities may permit us to make payments in U.S. dollars if we are unable to obtain the specified currency

Securities payable in a currency other than U.S. dollars may provide that, if the other currency is subject to convertibility, transferability, market disruption or other conditions affecting its availability at or about the time when a payment on the securities comes due because of circumstances beyond our control, we will be entitled to make the payment in U.S. dollars. These circumstances could include the imposition of exchange controls or our inability to obtain the other currency because of a disruption in the currency markets. If we made payment in U.S. dollars, the exchange rate we would use would be determined in the manner described under Description of Debt Securities and Guarantee Payments Due in Other Currencies If the Specified Currency Is Not Available. A determination of this kind may be based on limited information and would involve significant discretion on the part of our exchange rate agent, which may be an affiliate of ours. As a result, the value of the payment in U.S. dollars you would receive on the payment date may be less than the value of the payment you would have received in the other currency if it had been available, or may be zero. In addition, a government may impose extraordinary taxes on transfers of a currency. If that happens, we will be entitled to deduct these taxes from any payment on securities payable in that currency.

In a lawsuit for payment on a non-U.S. dollar security, you may bear currency exchange risk

The securities will be governed by New York law. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on a security denominated in a currency other than U.S. dollars would be required to render the judgment in the specified currency; however, the judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on a security denominated in a currency other than U.S. dollars, you would bear currency exchange risk until judgment is entered, which could be a long time.

In courts outside of New York, investors may not be able to obtain judgment in a specified currency other than U.S. dollars. For example, a judgment for money in an action based on a non-U.S. dollar security in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of the currency in which any particular security is denominated into U.S. dollars will depend upon various factors, including which court renders the judgment.

Historical currency exchange rates are not indicative of future performance

If we issue a non-U.S. dollar security, we may include in the applicable prospectus supplement information about historical exchange rates for the relevant non-U.S. dollar currency or currencies. Any information about exchange rates that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in currency exchange rates that may occur in the future. That rate will likely differ from the exchange rate used under the terms that apply to a particular security.

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USE OF PROCEEDS AND HEDGING

We are a finance subsidiary of Nomura and are required, in order to be eligible for an exemption under the Investment Company Act of 1940 and the rules promulgated thereunder, to invest in or lend to Nomura or any company controlled by it at least 85% of the cash proceeds from our sales of securities within six months after we receive such proceeds. We intend to use the net proceeds of the sale of securities to make such investments and loans, to hedge our exposure under the securities (which hedging may take the form of investments in or loans to Nomura or any company controlled by it) and for general corporate purposes.

In connection with the sale of each issuance of the securities, our affiliates may enter into hedging transactions involving purchases of securities or over-the-counter derivative instruments linked to the applicable interest rate prior to or on the pricing date. From time to time, we or our affiliates may enter into additional hedging transactions or unwind those we have entered into.

Our affiliates may acquire a long or short position in securities similar to the securities from time to time and may, in their sole discretion, hold or resell those similar securities. Our affiliates may close out our or their hedge on or before the maturity date.

The price at which you purchase the securities may include the costs and profits of the hedging activity discussed above, as well as a selling concession (including a broker s commission). As a result, if the price at which you purchase your securities includes such hedging costs or a selling commission, assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your securities prior to maturity will likely be less than your original purchase price. See Risk Factors The Inclusion in the Purchase Price of the Securities of a Selling Concession and of Our Cost of Hedging Our Market Risk Under the Securities is Likely to Adversely Affect the Value of the Securities Prior to the Stated Maturity Date.

RATIO OF EARNINGS TO FIXED CHARGES

Nomura s ratios of earnings to fixed charges, and the amount of fixed charge deficiency, for the five years ended March 31, 2010, in accordance with U.S. GAAP, were:

	Fiscal year ended March 31,				
	2006	2007	2008	2009	2010
Ratio of earnings to fixed charges	1.7	1.3			1.5
Fixed charge deficiency (millions of yen)			65,292	767,424	

For the purpose of calculating the ratio of earnings to fixed charges, and the amount of fixed charge deficiency, earnings consist of pre-tax income (loss) from continuing operations before adjustment for income or loss from equity investees, plus (i) fixed charges and (ii) distributed income of equity investees. Fixed charges consist of interest expense. Fixed charges exclude premium and discount amortization as well as interest expense, which are included in net gain (loss) on trading. Fixed charges also exclude interest within rent expense, which is not significant.

For the fiscal years ended March 31, 2008 and 2009, because earnings were insufficient to cover fixed charges, only the yen amounts of the deficiencies are disclosed in the above table.

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NOMURA HOLDINGS, INC.

Nomura is one of the leading financial services groups in Japan and has worldwide operations. As of March 31, 2010, Nomura operated offices in over 30 countries and regions including Japan, the United States, the United Kingdom, Singapore and Hong Kong Special Administrative Region through its subsidiaries. Nomura s clients include individuals, corporations, financial institutions, governments and governmental agencies.

Nomura s business consists of the following three divisions:

- Retail principally investment consultation services to retail clients;
- Wholesale principally serving corporations and institutional investors with a broad range of products and services:
  - Global Markets principally fixed income and equity trading and asset finance businesses;
  - Investment Banking principally M&A advisory, corporate finance, solutions and merchant banking businesses; and
- Asset Management principally development and management of investment trusts, and investment advisory services.

The address of Nomura s registered head office is 9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8645, Japan. Nomura s telephone number is 81-3-5255-1000.

NOMURA AMERICA FINANCE, LLC

We are a Delaware limited liability company, formed for the purpose of issuing debt securities, all of the proceeds of which will be loaned to, or otherwise invested in, Nomura or its subsidiaries or affiliates. We have no other operations. Any securities we issue that are being offered by this prospectus will be fully and unconditionally guaranteed by Nomura.

We do not, and do not expect to, file reports under the Exchange Act with the SEC. We are exempt from the information reporting requirements of the Exchange Act.

There are no separate financial statements for us in this prospectus because:

- Nomura is a reporting company under the Exchange Act and owns, directly or indirectly, all of the voting interests in us;
- we do not have any independent operations and do not propose to engage in any activities other than issuing senior debt securities and investing or loaning the proceeds in Nomura or its subsidiaries or affiliates;
- our obligations under the securities will be fully and unconditionally guaranteed by Nomura and not by any other subsidiary of Nomura; and

Nomura expects to include certain information about us in its financial statements, as may be required by the Exchange Act. Our principal executive offices are located at 2 World Financial Center, Building B, New York, New York 10281-1198. Our telephone number is (212) 667-9300.

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DESCRIPTION OF DEBT SECURITIES AND GUARANTEE

References to holders mean those who own securities registered in their own names, on the books that we or the applicable trustee maintain for this purpose, and not those who own beneficial interests in securities registered in street name or in securities issued in book-entry form through one or more depositaries. When we refer to you in this prospectus, we mean those who invest in the securities being offered by this prospectus, whether they are the holders or only indirect owners of those securities. When we refer to your securities in this prospectus, we mean the securities in which you will hold an indirect interest. Owners of beneficial interests in the securities should read the section below entitled Legal Ownership and Book-Entry Issuance.

We may issue as many distinct series or tranches of senior debt securities as we wish. The provisions of the guaranteed senior debt indenture described below allow us not only to issue senior debt securities with terms different from those previously issued under the indenture, but also to re-open a previous issue of a series or tranche of securities and issue additional securities of that series or tranche. We may issue securities in amounts that exceed the total amount specified on the cover of the applicable prospectus supplement at any time without your consent and without notifying you.

When we refer to securities in this section Description of Debt Securities and Guarantee, we mean the senior debt securities, and when we refer to the indenture, we mean the guaranteed senior debt indenture under which the securities will be issued.

The Guarantee

Our payment obligations under any senior debt securities we issue will be fully and unconditionally guaranteed by Nomura. Nomura will fully and unconditionally guarantee the payment of principal of, and any interest and premium on, the securities, when and if due and payable, whether at the stated maturity, by declaration of acceleration, upon a call for redemption or otherwise, in accordance with the terms of the security, the guaranteed senior debt indenture and the applicable prospectus supplement accompanying this prospectus. The guarantee will remain in effect until the entire principal, if any, of, and interest and premium, if any, on, the securities has been paid in full or discharged in accordance with the provisions of the indenture, or otherwise fully defeased by Nomura.

Because Nomura is a holding company, its ability to perform its obligations on the guarantees of our senior debt securities will depend in part on its ability to participate in distributions of assets from its subsidiaries. We discuss these matters above under Risk Factors Because Nomura is a holding company, your right to receive payments on Nomura s guarantee of the securities is subordinated to the liabilities of Nomura s other subsidiaries.

Ranking

The securities will be senior debt securities. The securities will not be secured by any of our property or assets, any property or assets of Nomura, or the property or assets of any of Nomura s other subsidiaries. Thus, by owning a senior debt security, you will be one of our, and Nomura s, unsecured creditors.

The securities will be issued under our indenture described below and will rank equally with or senior to all of our other unsecured and unsubordinated debt. The indenture does not limit our ability to incur additional unsecured indebtedness.

The guarantee by Nomura of the securities issued under the indenture will (save for obligations in respect of national and local taxes and certain other statutory exceptions) rank equally in right of payment with all senior unsecured indebtedness of Nomura.

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The Guaranteed Senior Debt Indenture

As required by federal law for all bonds and securities of companies that are publicly offered, the securities will be governed by a document called an indenture. The indenture is a contract among us, as issuer, Nomura, as guarantor, and Deutsche Bank Trust Company Americas, as trustee. We, Nomura and the trustee will execute the guaranteed senior debt indenture, a form of which is included as an exhibit to the registration statement of which this prospectus is a part, prior to or at the time we issue any senior debt securities. Any supplemental indentures will be submitted to the SEC on Form 6-K or by a post-effective amendment to the registration statement of which this prospectus is a part.

General

When we refer to your prospectus supplement, we mean the prospectus supplement describing the specific terms of the senior debt security you purchase. The terms used in your prospectus supplement will have the meanings described in this prospectus, unless otherwise specified. The indenture and its associated documents contain the full legal text of the matters described in this section. The indenture and the senior debt securities are governed by New York law. The indenture is qualified under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. A form of the indenture has been filed as an exhibit to our registration statement. See Where You Can Find More Information above for information on how to obtain a copy.

We may issue senior debt securities in one or more series under our indenture. We may also issue the senior debt securities in one or more tranches, which comprise all or any part of the securities of a series. This section summarizes the material terms of the senior debt securities that are common to all the senior debt securities, although the prospectus supplement that describes the terms of each series or tranche of senior debt securities may also describe differences with the material terms summarized here.

We may issue the senior debt securities as original issue discount securities, which will be offered and sold at a substantial discount below their stated principal amount. This prospectus describes, and the prospectus supplement relating to any original issue discount securities will describe, federal income tax consequences and other special considerations applicable to such securities. The senior debt securities may also be issued as indexed securities or securities denominated in non-U.S. dollar currencies or currency units, as described in more detail in the prospectus supplement relating to any of the particular senior debt securities. The prospectus supplement relating to specific senior debt securities will also describe certain additional tax considerations (if any) applicable to such senior debt securities.

The specific terms of your debt security as described in your prospectus supplement and, if applicable, your pricing supplement will supplement and may modify or replace the general terms described in this section. The prospectus supplement and, if applicable, the pricing supplement relating to each series or tranche of debt securities will be attached to this prospectus. If there are any differences between your prospectus supplement and your pricing supplement, if applicable, and this prospectus, your prospectus supplement and, if applicable, your pricing supplement will control. The statements we make in this section may not apply to your debt security.

Issuable Amounts

The indenture does not limit the aggregate principal amount of senior debt securities that we may issue or the number of series or tranches or the aggregate principal amount of any particular series or tranche of senior debt securities. We may issue senior debt securities at any time without your consent and without notifying you.

The indenture and the senior debt securities do not limit our ability to incur other indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the senior debt securities.

Principal Amount, Stated Maturity and Maturity

Unless otherwise stated, the principal amount of a senior debt security means the principal amount payable at its stated maturity, unless such amount is not determinable, in which case the principal amount of a senior debt security is its face amount. Any senior debt securities owned by us or any of our affiliates are not deemed to be outstanding for certain purposes.

The term stated maturity with respect to any senior debt security means the fixed date on which the principal amount of your senior debt security is scheduled to become due and payable. The principal of your senior debt security may become due and payable sooner than the stated maturity, by reason of redemption or acceleration after a default or otherwise in accordance with the terms of your senior debt security. The date on which the principal of your senior debt security actually becomes due and payable, whether at the stated maturity or otherwise, is called the maturity of the principal.

We also use the terms stated maturity and maturity to refer to the dates when other payments become due and payable. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due and payable as the stated maturity of that installment. When we refer to the stated maturity or the maturity of a senior debt security without specifying a particular payment, we mean the stated maturity or maturity, as the case may be, of the principal.

Payment of Additional Amounts

All payments under the guarantee will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of Japan or any political subdivision or authority thereof or therein having power to tax, unless such withholding or deduction is required by law. If any such withholding or deduction is required by Japanese law, Nomura will pay to the holder such additional amounts, or additional amounts, as may be necessary in order that the net amounts received by or on behalf of the holder or the beneficial owner after such withholding or deduction will equal the amounts which would otherwise have been receivable in the absence of such withholding or deduction. However, no such additional amounts will be payable in respect of any payment (a) received by or on behalf of a holder or beneficial owner (i) who fails to comply with the Japanese tax law requirements in respect of the exemption from such withholding or deduction or (ii) who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of his having some connection with Japan other than the mere holding of, or receipt of payments in respect of, any senior debt security, or receipt of payments under the guarantee; (b) where any senior debt security is presented for payment (where presentation is required) more than 30 days after the date on which such payment first becomes due or after the date on which the full amount payable is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such 30-day period; (c) where such withholding or deduction is imposed on a payment to an individual holder and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; (d) received by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant senior debt security to another paying agent; or (e) any combination of (a) through (d) above.

Additional amounts will not be paid with respect to any payment by Nomura under the guarantee to or on behalf of a holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of Japan to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who, in each case, would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of the relevant senior debt security. The obligation to pay additional amounts with respect to any taxes, duties, assessments and other governmental charges will not apply to (A) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment, fee or other governmental charge or (B) any tax, duty, assessment, fee or other governmental charge which is payable otherwise than by deduction or withholding from payments by Nomura under the guarantee.

Consent to Service of Process and Submission to Jurisdiction

Under the indenture, Nomura has designated Nomura Holding America Inc. (or any successor corporation) as its authorized agent for service of process in any legal action or proceeding arising out of or based upon the indenture or any senior debt securities brought in any state or federal court in the Borough of Manhattan, New York, New York, and Nomura has irrevocably submitted to the jurisdiction of those courts.

Currency of Senior Debt Securities

Amounts that become due and payable on our senior debt securities in cash will be payable in a currency, composite currency, basket of currencies or currency unit or units specified in the applicable prospectus supplement. We refer to this currency, composite currency, basket of currencies or currency unit or units as a specified currency. The specified currency for our senior debt securities will be U.S. dollars, unless the applicable prospectus supplement states otherwise. Some senior debt securities may have different specified currencies for principal and interest. You will have to pay for your senior debt securities by delivering the requisite amount of the specified currency for the principal to Nomura Securities International, Inc. or another firm that we name in your prospectus supplement, unless other arrangements have been made between you and us or you and Nomura Securities International, Inc. We will make payments on your senior debt securities in the specified currency, except as described below in Payment Mechanics for Senior Debt Securities.

Form of Senior Debt Securities

We will issue each senior debt security in global, or book-entry, form only, without coupons, unless we specify otherwise in the applicable prospectus supplement. Senior debt securities in book-entry form will be represented by one or more global master securities registered in the name of a depositary, which will be the holder of all the senior debt securities represented by the global master security. Those who own beneficial interests in a global master senior debt security will do so through participants in the depositary s securities clearing system, and the rights of these indirect owners will be governed solely by the applicable procedures of the depositary and its participants. We describe book-entry securities below under Legal Ownership and Book-Entry Issuance.

Types of Senior Debt Securities

We may issue any of the three types of senior debt securities described below fixed rate senior debt securities, floating rate senior debt securities and indexed senior debt securities. A senior debt security may have elements of each of the three types of senior debt securities described below. For example, a senior debt security may bear interest at a fixed rate during some periods and at a floating rate in others. Those periods may be set out in the prospectus supplement or the interest rate may change to another rate specified in the applicable prospectus supplement at our option. Similarly, a senior debt security may provide for a payment of principal at maturity linked to an index and also bear interest at a fixed or floating rate.

Fixed Rate Senior Debt Securities

A fixed rate senior debt security will bear interest at a fixed rate described in the applicable prospectus supplement. This type includes zero coupon senior debt securities, which bear no interest and are instead issued at a price lower than the principal amount. See Original Issue Discount Senior Debt Securities below for more information about zero coupon and other original issue discount senior debt securities. This type may also include step up securities, for which the interest rate may increase for certain periods as described in the applicable prospectus supplement.

Each fixed rate senior debt security, except any zero coupon senior debt security, will bear interest from its original issue date or from the most recent date to which interest on the senior debt security has been paid or made available for payment. Interest will accrue on the principal of a fixed rate senior debt security at the fixed rate per annum stated in the applicable prospectus supplement, until the principal is paid or made available for payment or the senior debt security is converted or exchanged. Each payment of interest due on an interest payment date or the date of maturity will include interest accrued from and including the last date to which interest has been paid, or made available for payment, or from the original issue date if none has been paid or made available for payment, to but excluding the interest payment date or the maturity. We will compute interest on fixed rate senior debt securities on the basis of a 360-day year consisting of 12 30-day months (30/360 day count convention), unless your prospectus supplement provides that we will compute interest on a different basis.

If your senior debt security is a zero coupon senior debt security, the applicable prospectus supplement may specify the original issue discount and the information necessary to determine the accreted value. The accreted value will be (1) as of any date prior to the stated maturity, an amount equal to the sum of (A) the original issue price of your senior debt security and (B) the portion of the excess of the principal amount of your senior debt security over the original issue price that shall have been accreted from the original issue price on a daily basis and compounded annually on a date specified in the applicable prospectus supplement, up to and including the stated maturity, at a rate that will be specified in the applicable prospectus supplement from the original issue date, computed on the basis of a 360-day year consisting of 12 30-day months (30/360 day count convention), unless your prospectus supplement provides that we will compute interest on a different basis; and (2) as of any date on or after the stated maturity, the principal amount of your senior debt security.

Floating Rate Senior Debt Securities

A floating rate senior debt security will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. If your senior debt security is a floating rate senior debt security, the formula and any adjustments that apply to the interest rate will be specified in your prospectus supplement. Certain common interest rates to which your securities may be linked are described under Common Interest Rates below.

Each floating rate senior debt security will bear interest from its original issue date or from the most recent date to which interest on the senior debt security has been paid or made available for payment. Interest will accrue on the principal of a floating rate senior debt security at a rate per annum determined according to the interest rate formula stated in the applicable prospectus supplement, until the principal is paid or made available for payment.

Calculation Agent. Calculations relating to floating rate senior debt securities will be made by the calculation agent, an institution that we appoint as our agent for this purpose. That institution may include one of our affiliates. We have initially appointed Nomura Securities International, Inc. to act as our calculation agent with respect to the senior debt securities. The prospectus supplement for a particular floating rate senior debt security will name the institution that we have appointed to act as the calculation agent for that senior debt security as of its original issue date if it is not Nomura Securities International, Inc. We may appoint a different institution to serve as calculation agent from time to time after the original issue date of the debt security without your consent and without notifying you of the change. Absent manifest error, all determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent.

Calculation of Interest. For each floating rate senior debt security, the calculation agent will determine, on the corresponding interest calculation or interest determination date, as described in the applicable prospectus supplement, the interest rate that takes effect on each interest reset date. In addition, the calculation agent will calculate the amount of interest that has accrued during each interest period, *i.e.*, the period from and including an interest payment date (or, with respect to the initial interest period, the original issue date) to but excluding the next succeeding interest payment date. For each interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face or other specified amount of the floating rate senior debt security by an accrued interest factor for the interest period. Unless we specify otherwise in the applicable prospectus supplement, this factor will be equal to the number of days in the applicable interest period divided by 360 (Actual/360 day count convention).

Upon the request of the holder of any floating rate senior debt security, the calculation agent will provide for that senior debt security the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date. The calculation agent s determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error.

All percentages resulting from any calculation relating to any senior debt security will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point. All amounts used in or resulting from any calculation relating to a floating rate senior debt security will be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, or to the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the base rate that applies to a floating rate senior debt security during a particular interest period, the calculation agent may obtain rate quotes from various banks or dealers active in the relevant market, as described in the applicable prospectus supplement. Those reference banks and dealers may include the calculation agent itself and its affiliates, as well as any agent or dealer participating in the distribution of the relevant floating rate senior debt securities and its affiliates, and they may include our affiliates.

Examples of Senior Debt Securities that Combine Types of Senior Debt Securities

As discussed above, a senior debt security may have elements of each of the types of senior debt securities described in this prospectus. A fixed-to-floating rate senior debt security will bear interest at a fixed rate described in the applicable prospectus supplement for the initial interest period described in the applicable prospectus supplement, and will bear interest at a floating rate of interest for any subsequent interest periods, in each case as described with respect to such rates above and as specified in the applicable prospectus supplement. A floating-to-fixed rate senior debt security will bear interest at a floating rate of interest described in the applicable prospectus supplement for the initial interest period described in the applicable prospectus supplement, and will bear interest at a fixed rate for any subsequent interest periods, in each case as described with respect to such rates above and as specified in the applicable prospectus supplement. A switchable senior debt security will bear interest at the rate (either fixed or floating) specified in the applicable prospectus supplement unless we exercise our option to switch the interest rate to another interest rate that will be specified in the applicable prospectus supplement. The dates on which we may exercise our option to switch the interest rate will be specified in the applicable prospectus supplement. The foregoing are examples of these types of securities, but these examples are not meant to be exhaustive. Please read the prospectus supplement applicable to your securities for a description of the terms of your securities.

Indexed Senior Debt Securities

An indexed senior debt security provides that the principal amount payable at its maturity, and/or the amount of interest payable on an interest payment date, will be determined by reference to:

- securities of one or more issuers;

- one or more currencies;

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- one or more commodities;
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance;
- one or more indices; and/or
- one or more baskets of the items described above.

All indexed senior debt securities will be cash settled. If you purchase an indexed senior debt security, your prospectus supplement will include information about the relevant index or indices, about how amounts that are to become payable will be determined by reference to the price or value of that index or indices. Your prospectus supplement will also identify the calculation agent that will calculate the amounts payable with respect to the indexed senior debt security and will have sole discretion in doing so.

Original Issue Discount Senior Debt Securities

A fixed rate senior debt security, a floating rate senior debt security or an indexed senior debt security may be an original issue discount senior debt security. A senior debt security of this type is generally issued at a price lower than its principal amount and may provide that, upon redemption or acceleration of its maturity, an amount less than its principal amount may be payable. An original issue discount senior debt security may be a zero coupon senior debt security. However, a senior debt security may be treated as issued with original issue discount for U.S. federal income tax purposes regardless of whether the senior debt security is issued at a discount to its principal. See, United States Taxation United States Holders Original Issue Discount for a brief description of the U.S. federal income tax consequences of owning a debt security that is treated as issued with original issue discount for U.S. federal income tax purposes. Your applicable prospectus supplement will state whether we intend to treat your senior debt security as issued with original issue discount for U.S. federal income tax purposes.

Information in Your Prospectus Supplement

Your prospectus supplement will describe the specific terms of your senior debt security, which will include some or all of the following:

- the aggregate principal amount of your senior debt security or the senior debt securities of the same series or tranche, as applicable;
- the stated maturity;
- the specified currency or currencies for principal and interest and, if the specified currency is not U.S. dollars, certain other terms relating to your senior debt security;
- the issue price at which we originally issue your senior debt security, expressed as a percentage of the principal amount, and the original issue date;
- whether your senior debt security is a fixed rate senior debt security, a floating rate senior debt security or an indexed senior debt security or any combination thereof;

if your senior debt security is a fixed rate senior debt security, a rate per annum at which your senior debt security will bear interest, if any, and the interest payment dates;

if your senior debt security is a floating rate senior debt security, the interest rate basis; any applicable index currency or index maturity, spread or spread multiplier, leverage multiplier, or

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initial base rate, maximum rate or minimum rate; the interest reset, determination, calculation and payment dates; the day count convention used to calculate interest payments for any period; the business day convention; and the calculation agent;

if your senior debt security is a fixed-to-floating rate senior debt security or a floating-to-fixed rate debt security, the initial interest period; a rate per annum at which your senior debt security will bear interest for the fixed rate period, if any; the interest rate basis for any floating rate period; any applicable index currency or index maturity, spread or spread multiplier, leverage multiplier, or initial base rate, maximum rate or minimum rate; the interest reset, determination and calculation dates; the day count convention used to calculate interest payments for any period; the business day convention; the calculation agent; and the interest payment dates;

if your senior debt security is an indexed senior debt security, the principal amount, if any, we will pay you at maturity, the amount of interest, if any, we will pay you on an interest payment date or the formula we will use to calculate these amounts, if any, the terms on which your senior debt security will be exchangeable for or payable in cash, and the terms, if any, on which it may be redeemed at our or your option;

if your senior debt security is also an original issue discount senior debt security, the yield to maturity;

if applicable, the circumstances under which your senior debt security may be redeemed at our option or repaid at the holder s option before the stated maturity, including any redemption commencement date, repayment date(s), redemption price(s) and redemption period(s);

the authorized denominations, if other than denominations of $1,000, and any integral multiples of $1,000 in excess thereof;

the minimum initial investment amount, if other than $1,000;

the depositary for your senior debt security, if other than DTC, and any circumstances under which the holder may request securities in non-global form, if we choose not to issue your senior debt security in book-entry form only;

the names and duties of any co-trustees, depositaries, authenticating agents, paying agents, transfer agents or registrars for your senior debt security, as applicable;

any change in the actions permitted or required under the indenture to be taken by or on behalf of the holders of the senior debt securities;

whether a survivor s option applies to your senior debt security; and

any other terms of your senior debt security, which could be different from those described in this prospectus.

Market-Making Transactions

One or more of Nomura s subsidiaries may purchase and resell senior debt securities in market-making transactions after their initial issuance, although they are not obligated to do so. Nomura or its subsidiaries may also purchase senior debt securities in the open market or in private transactions to be held by them or cancelled, although they are not obligated to do so.

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Redemption and Repayment

Early Redemption At Our Option

The applicable prospectus supplement will indicate the terms of our option, if any, to redeem the securities, in whole or in part, before their stated maturity. Unless otherwise indicated in your prospectus supplement, your senior debt security will not be entitled to the benefit of any sinking fund that is, we will not deposit money on a regular basis into any separate custodial account to repay your senior debt securities.

If so specified in the applicable prospectus supplement, we, at our election, may redeem the securities in whole or in part on any optional redemption date. The applicable prospectus supplement will indicate the optional redemption dates. Unless stated otherwise in the applicable prospectus supplement, the optional redemption date will be governed by the following business day convention, and interest will not accrue during the period from and after the optional redemption.

If we exercise any early redemption option we have, we will pay you the redemption price per security specified in the applicable prospectus supplement, together with any accrued but unpaid interest thereon to but excluding the optional redemption date. If different redemption prices are specified for different redemption periods, the price we pay will be the price that applies to the redemption period during which your senior debt security is redeemed.

If we exercise an option to redeem any senior debt security (other than an automatically callable security that experiences the relevant call event), we will give to the holder written notice of the principal amount of the senior debt security to be redeemed. Unless the applicable prospectus supplement specifies a shorter period, we will give you notice of our exercise of our option to redeem not less than 30 days nor more than 60 days before the applicable redemption date, or such other period as may be specified in the applicable prospectus supplement. We will give the notice in the manner described below in Notices.

Automatic Redemption

If the applicable prospectus supplement specifies that your securities are automatically redeemable or autocallable, then, unless otherwise specified in the applicable prospectus supplement, if on any call observation date, the level of the interest rate is greater than or equal to the call barrier level, the securities will automatically be redeemed for a cash payment per security equal to the call payment amount, payable on the call settlement date.

The call observation date is one or more trading days during the term of the securities, specified in the applicable prospectus supplement, on which the level of the interest rate is observed for purposes of determining whether an automatic redemption will occur. If a call observation date (including the final call observation date) is not a business day or if the applicable rate is not available on that day, and unless the applicable prospectus supplement specifies otherwise, the applicable call observation date will be the first following business day on which the calculation agent determines that the interest rate is available. In no event, however, will the call observation date be postponed by more than five business days. If the interest rate is not available on such last possible date for any reason, the calculation agent will make an estimate of the interest rate for that date. The applicable prospectus supplement will specify the business days that are applicable to your securities.

The call barrier level is the minimum level of the interest rate that triggers an automatic redemption on a call observation date.

The call payment amount will be either the principal amount of the securities, or the principal amount of the securities plus a call premium. The call premium will be expressed as a percentage of the issue price of the securities and will be specified in the applicable prospectus supplement.

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The call settlement date with respect to any securities that are automatically called is the third business day after the applicable call observation date, unless otherwise specified in the applicable prospectus supplement. If the securities are automatically called on the last possible call observation date, we will redeem the securities and pay you on the maturity date.

Repayment at the Option of the Holder

You will not be entitled to require us to buy your senior debt security from you before its stated maturity, unless your prospectus supplement specifies one or more repayment dates. If your prospectus supplement specifies a repayment date, your senior debt security will be repayable at the holder s option on the specified repayment date at the specified repayment price, together with interest accrued to but excluding the repayment date.

If a senior debt security represented by a global senior debt security is subject to repayment at the holder s option, the depositary or its nominee, as the holder, will be the only person that can exercise the right to repayment. Any indirect owners who own beneficial interests in the global senior debt security and wish to exercise a repayment right must give proper and timely instructions to their banks or brokers through which they hold their interests, requesting that they notify the depositary to exercise the repayment right on their behalf. Different firms have different deadlines for accepting instructions from their customers, and you should take care to act promptly enough to ensure that your request is given effect by the depositary before the applicable deadline for exercise.

Street name and other indirect owners should contact their banks or brokers for information about how to exercise a repayment right in a timely manner.

We or our affiliates may purchase senior debt securities from investors who are willing to sell from time to time, either in the open market at prevailing prices or in private transactions at negotiated prices. Senior debt securities that we or they purchase may, at our discretion, be held, resold or canceled.

Mergers and Similar Transactions

We are generally permitted to consolidate with or merge into another corporation or other entity and another corporation or entity is generally permitted to consolidate with or merge into us. We are also permitted to convey, transfer or lease our properties and assets substantially as an entirety to another corporation or other entity. With regard to any series or tranche of senior debt securities, however, we may not take any of these actions unless all the following conditions are met:

If the successor entity in the transaction is not Nomura, the successor entity must be organized and validly existing as a corporation, partnership or trust and must expressly assume our obligations under the senior debt securities of that series or tranche and the underlying indenture with respect to that series or tranche. The successor entity must be organized under the laws of the United States.

Immediately after giving effect to the transaction, no default under the senior debt securities of that series or tranche has occurred and is continuing. For this purpose, default under the senior debt securities of that series or tranche means an event of default with respect to that series or any event that would be an event of default with respect to that series or tranche if the requirements for giving us default notice and for our default having to continue for a specific period of time were disregarded. We describe these matters below under Default, Remedies and Waiver of Default.

If the conditions described above are satisfied with respect to the senior debt securities of any series or tranche, we will not need to obtain the approval of the holders of those senior debt securities in order to merge or consolidate or to convey, transfer or lease our properties and assets. Also, these conditions will apply only if we

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wish to merge or consolidate with another entity or convey, transfer or lease our properties and assets substantially as an entirety to another entity. We will not need to satisfy these conditions if we enter into other types of transactions, including any transaction in which we acquire the stock or assets of another entity, any transaction that involves a change of control of Nomura, or any share-for share exchange (*kabushiki-kokan*), share transfer (*kabushiki-iten*) or corporate split (*kaisha bunkatsu*) pursuant to the Companies Act of Japan, but in which we do not merge or consolidate and any transaction in which we convey, transfer or lease less than substantially all our properties and assets.

Also, if we merge, consolidate or sell our assets substantially as an entirety, neither we nor any successor would have any obligation to compensate you for any resulting adverse tax consequences relating to your senior debt securities.

Defeasance and Covenant Defeasance

Unless we say otherwise in the applicable prospectus supplement, the provisions for full defeasance and covenant defeasance described below apply to our senior debt securities. In general, we expect these provisions to apply to each senior debt security that has a specified currency of U.S. dollars and is not a floating rate or indexed senior debt security.

Full Defeasance

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on any senior debt securities. This is called full defeasance. For us to do so, each of the following conditions, among others, must occur:

- we must deposit in trust for the benefit of all holders of those senior debt securities (i) money, (ii) U.S. government or U.S. government agency notes or bonds or (iii) a combination thereof, in each case in an amount that will generate enough cash to make interest, principal and any other payments on those senior debt securities on their various due dates;

- there must be a change in current U.S. federal income tax law or an Internal Revenue Service ruling that permits us to make the above deposit without causing the holders to be taxed on those senior debt securities under the then current U.S. federal income tax law any differently than if we did not make the deposit and just repaid those senior debt securities ourselves. Under current U.S. federal income tax law, the deposit and our legal release from your senior debt security would be treated as though we took back your senior debt security and gave you your share of the cash and notes or bonds deposited in trust. In that event, you could recognize gain or loss on your senior debt security; and

- we must deliver to the trustee a legal opinion of our counsel confirming the tax law change described above.

If we ever fully defeased your senior debt security, you would have to rely solely on the trust deposit for payments on your senior debt security. You would not be able to look to us for payment in the event of any shortfall.

Covenant Defeasance

Under current U.S. federal tax law, we can make the same type of deposit described above and be released from any restrictive covenants relating to your senior debt security that may be described in your prospectus supplement. This is called covenant defeasance. In that event, you would lose the protection of those restrictive covenants. In order to achieve covenant defeasance for any senior debt securities, we must do both of the following:

- we must deposit in trust for the benefit of the holders of those senior debt securities (i) money, (ii) U.S. government or U.S. government agency notes or bonds or (iii) a combination thereof, in each case in an amount that will generate enough cash to make interest, principal and any other payments on those senior debt securities on their various due dates; and

- we must deliver to the trustee a legal opinion of our counsel confirming that under then current U.S. federal income tax law we may make the above deposit without causing the holders to be taxed on those senior debt securities any differently than if we did not make the deposit and just repaid those senior debt securities ourselves.

If we accomplish covenant defeasance with regard to your senior debt security, the following provisions of the indenture and your senior debt security would no longer apply:

- the merger covenant described above and any other covenants that your prospectus supplement may state are applicable to your senior debt security; and

- the events of default resulting from a breach of covenants, described below in the fourth bullet point under Default, Remedies and Waiver of Default Events of Default.

Any right we have to redeem will survive covenant defeasance with regard to those senior debt securities.

If we accomplish covenant defeasance on your senior debt security, you can still look to us for repayment of your senior debt security in the event of any shortfall in the trust deposit. You should note, however, that if one of the remaining events of default occurred, such as our bankruptcy, and your senior debt security became immediately due and payable, there may be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Default, Remedies and Waiver of Default

You will have special rights if an event of default with respect to your tranche of senior debt securities occurs and is continuing, as described in this subsection.

Events of Default

Unless your prospectus supplement says otherwise, when we refer to an event of default with respect to any tranche of senior debt securities, we mean any of the following:

- we do not pay the principal or any premium on any senior debt security of that tranche on the due date and the non-payment continues for a period of seven days;

we do not pay interest on any senior debt security of that tranche within 30 days after the due date;

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- we do not deposit a sinking fund payment with regard to any senior debt security of that tranche on the due date, but only if the payment is required under provisions described in the applicable prospectus supplement and non-deposit continues for a period of seven days;

- we default in the performance or remain in breach of any covenant we make in the indenture for the benefit of the relevant tranche, for 90 days after we receive a notice of default stating that we are in default or breach and requiring us to remedy the default or breach. The notice must be sent by the trustee or the holders of at least 25% in principal amount of the relevant tranche of senior debt securities then outstanding;

- we or Nomura file for bankruptcy or other events of voluntary or involuntary bankruptcy, insolvency or reorganization relating to us occur and, if such events are involuntary, continue for more than sixty days;

- the cessation of effectiveness of the guarantee of that tranche or the finding by any judicial proceeding that the guarantee of that tranche is unenforceable or invalid or the denial or disaffirmation by Nomura of its obligations under the guarantee of that tranche; or

- if the applicable prospectus supplement states that any additional event of default applies to the tranche, that event of default occurs.

We may change, eliminate, or add to the events of default with respect to any particular tranche or any particular senior debt security or senior debt securities within a tranche, as indicated in the applicable prospectus supplement.

Remedies If an Event of Default Occurs

Except as otherwise specified in the applicable prospectus supplement, if an event of default has occurred with respect to any tranche of senior debt securities and has not been cured or waived, the trustee or the holders of not less than 25% in principal amount of all senior debt securities of that tranche then outstanding may accelerate the stated maturity of the affected tranche of senior debt securities by declaring the entire principal amount of the senior debt securities of that tranche to be due immediately.

Except as otherwise specified in the applicable prospectus supplement, if the stated maturity of any tranche is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in principal amount of the senior debt securities of that tranche may cancel the acceleration, subject to certain conditions set forth in the indenture.

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of all senior debt securities of the relevant tranche may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee with respect to that tranche. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the senior debt securities of that tranche.

Before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to any senior debt security, all of the following must occur:

- the holder of our senior debt securities must give the trustee written notice that an event of default has occurred;

- the holders of not less than 25% in principal amount of all senior debt securities of your tranche must make a written request that the trustee take action because of the default, and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;

- the trustee must not have taken action for 60 days after the above steps have been taken; and

- during those 60 days, the holders of a majority in principal amount of the senior debt securities of your tranche must not have given the trustee directions that are inconsistent with the above written request of the holders of not less than 25% in principal amount of the senior debt securities of your tranche.

You are entitled at any time, however, to bring a lawsuit for the payment of money due on your senior debt security on or after its stated maturity (or, if your senior debt security is redeemable, on or after its redemption date).

Waiver of Default

The holders of not less than a majority in principal amount of the senior debt securities of any tranche may waive a default for all senior debt securities of that tranche. If this happens, the default will be treated as if it has not occurred. No one can waive a payment default on your senior debt security, however, without the approval of the particular holder of that senior debt security.

Compliance with Guaranteed Senior Debt Indenture

We will furnish to the trustee every year a written statement certifying that to our knowledge we are in compliance with the indenture and the senior debt securities issued under it, or else specifying any default under the indenture.

Book-entry and other indirect owners should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the stated maturity of a tranche of senior debt securities. Book-entry and other indirect owners are described below under Legal Ownership and Book-Entry Issuance.

Modification of the Guaranteed Senior Debt Indenture and Waiver of Covenants

There are four types of changes we can make to our indenture and the senior debt securities or series of senior debt securities issued under the indenture.

Changes Requiring Holders Approval

First, there are changes that cannot be made without the approval of the holder of each senior debt security affected by the change under the indenture. Here is a list of those types of changes:

- change the stated maturity for any principal or interest payment on a senior debt security;

- reduce the principal amount, the amount payable on acceleration of the stated maturity after a default, the interest rate or the redemption price for a senior debt security;

- permit redemption of a senior debt security if not previously permitted;

impair any right a holder may have to require repayment of its senior debt security;

- change the currency of any payment on a senior debt security;
- change the place of payment on a senior debt security;
- impair a holder s right to sue for payment of any amount due on its senior debt security;
- reduce the percentage in principal amount of any senior debt securities, taken separately or together, as applicable, and whether comprising the same or different series or tranche or less than all of the senior debt securities of a series or tranche, the approval of whose holders is needed to change the indenture or those senior debt securities;
- reduce the percentage in principal amount of the senior debt securities of any one or more affected series, taken separately or together, as applicable, and whether comprising the same or different series or less than all of the senior debt securities of a series, the consent of whose holders is needed to waive our compliance with the indenture or to waive defaults; and
- change the provisions of the indenture dealing with modification and waiver in any other respect, except to increase any required percentage referred to above or to add to the provisions that cannot be changed or waived without approval of the holder of each affected senior debt security.

Changes Not Requiring Holders Approval

Changes to the indenture that are limited to clarifications and changes that would not adversely affect any senior debt securities of any series or tranche in any material respect do not require the approval of the holders of the affected senior debt securities. Holders approval is similarly not necessary to make changes that affect only senior debt securities to be issued under the indenture after the changes take effect.

We may also make changes or obtain waivers that do not adversely affect a particular senior debt security, even if they affect other senior debt securities. In those cases, we do not need to obtain the approval of the holder of the unaffected senior debt security; we need only obtain any required approvals from the holders of the affected senior debt securities.

Changes Requiring Majority Approval

Any other change to the indenture and the senior debt securities issued under the indenture would require the following approval:

- If the change affects only particular senior debt securities within a series or tranche, it must be approved by the holders of a majority in principal amount of such particular senior debt securities.
- If the change affects multiple senior debt securities of one or more series or tranches, it must be approved by the holders of a majority in principal amount of all senior debt securities affected by the change, with all such affected senior debt securities voting together as one class for this purpose (and by the holders of a majority in principal amount of any affected senior debt securities that by their terms are entitled to vote separately as described below).

In each case, the required approval must be given by written consent.

The modification of terms with respect to certain securities of a series or tranche issued under the indenture could be effectuated without obtaining the consent of the holders of a majority in principal amount of other securities of such series or tranche that are not affected by such modification.

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The same majority approval would be required for us to obtain a waiver of any of our covenants in the indenture. Our covenants include the promises we make about merging, which we describe above under Mergers and Similar Transactions . If the holders approve a waiver of a covenant, we will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular senior debt security, or in the indenture as it affects that senior debt security, that we cannot change without the approval of the holder of that senior debt security as described above in Changes Requiring Holders Approval, unless that holder approves the waiver.

Book-entry and other indirect owners should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or any senior debt securities or request a waiver.

Special Rules for Action by Holders

When holders take any action under our indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, we will apply the following rules.

Only Outstanding Senior Debt Securities Are Eligible

Only holders of outstanding senior debt securities or the outstanding senior debt securities of the applicable series or tranche, as applicable, will be eligible to participate in any action by holders of such senior debt securities or the senior debt securities of that series or tranche. Also, we will count only outstanding senior debt securities in determining whether the various percentage requirements for taking action have been met. For these purposes, a senior debt security will not be outstanding if:

- it has been canceled or surrendered for cancellation;
- we have deposited or set aside, in trust for its holder, money for its payment or redemption;
- we have fully defeased it as described above under Defeasance and Covenant Defeasance Full Defeasance ;
- it has been issued as a replacement for a mutilated, destroyed, lost or stolen senior debt security; or
- we or one of our affiliates, such as Nomura Securities International, Inc., is the owner.

Special Class Voting Rights

We may issue particular senior debt securities or a particular series or tranche of senior debt securities, as applicable, that are entitled, by their terms, to vote separately on matters (for example, modification or waiver of provisions in the indenture) that would otherwise require a vote of all affected senior debt securities or all affected series or tranches voting together as a single class. Any such senior debt securities or series or tranche of senior debt securities would be entitled to vote together with all other affected senior debt securities or affected series or tranches voting together as one class, and would also be entitled to vote separately as a class only. In some cases, other parties may be entitled to exercise these special voting rights on behalf of the holders of the relevant senior debt securities or the relevant series or tranche. For other senior debt securities or series or tranches of senior debt securities that have these rights, the rights will be described in the applicable prospectus supplement. For senior debt securities or series or tranches of senior debt securities that do not have these special rights, voting will occur as described in the preceding section, but subject to any separate voting rights of any other senior debt securities or series or tranches of senior debt securities having special rights.

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We may issue series or tranches having these or other special voting rights without obtaining the consent of or giving notice to holders of outstanding senior debt securities or series or tranches.

Eligible Principal Amount of Some Senior Debt Securities

In some situations, we may follow special rules in calculating the principal amount of senior debt securities that are to be treated as outstanding for the purposes described above. This may happen, for example, if the principal amount is payable in a non-U.S. dollar currency, increases over time or is not to be fixed until maturity.

For any senior debt security of the kind described below, we will decide how much principal amount to attribute to the senior debt security as follows:

- for an original issue discount senior debt security, we will use the principal amount that would be due and payable on the date of the holders action if the maturity of the senior debt security were accelerated to that date because of a default;
- for a senior debt security whose principal amount is not known, we will use the amount (or the method for determining that amount) that we specify in the prospectus supplement for that senior debt security. The principal amount of a senior debt security may not be known, for example, because it is based on an index that changes from time to time and the principal amount is not to be determined until a later date; or
- for senior debt securities with a principal amount denominated in one or more non-U.S. dollar currencies or currency units, we will use the U.S. dollar equivalent, which we will determine as of the date of the holders action in the manner provided in the prospectus supplement for that senior debt security.

Determining Record Dates for Action by Holders

We will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In certain limited circumstances, only the trustee will be entitled to set a record date for action by holders. If we or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the trustee specifies if it sets the record date. We or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global senior debt security may be set in accordance with procedures established by the depositary from time to time. Accordingly, record dates for global senior debt securities may differ from those for other senior debt securities.

Form, Exchange and Transfer of Senior Debt Securities

If any senior debt securities cease to be issued in registered global form, they will be issued:

- only in fully registered form;
- without interest coupons; and

unless we indicate otherwise in your prospectus supplement, in denominations of $1,000 and integral multiples of $1,000 in excess thereof.

Holders may exchange their senior debt securities for senior debt securities of smaller denominations or combined into fewer senior debt securities of larger denominations, as long as the total principal amount is not changed. You may not exchange your senior debt securities for securities of a different series or tranche or having different terms, unless your prospectus supplement says you may.

Holders may exchange or transfer their senior debt securities at the office of the trustee. They may also replace lost, stolen, destroyed or mutilated senior debt securities at that office. We have appointed the trustee to act as our agent for registering senior debt securities in the names of holders and transferring and replacing senior debt securities. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their senior debt securities, but they may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange, and any replacement, will be made only if our transfer agent is satisfied with the holder s proof of legal ownership. The transfer agent may require an indemnity before replacing any senior debt securities.

If we have designated additional transfer agents for your senior debt security, they will be named in your prospectus supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If the senior debt securities of any series or tranche are redeemable and we redeem less than all of those senior debt securities, we may block the transfer or exchange of those senior debt securities during the period beginning 15 calendar days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers of or exchange any senior debt security selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any senior debt security being partially redeemed.

If a senior debt security is issued as a global senior debt security, only the depositary, DTC, Euroclear or Clearstream, as applicable, will be entitled to transfer and exchange the senior debt security as described in this subsection, since the depositary will be the sole holder of the senior debt security.

Payment Mechanics for Senior Debt Securities

If interest is due on a senior debt security on an interest payment date, we will pay the interest to the person in whose name the senior debt security is registered at the close of business on the regular record date relating to the interest payment date as described in the applicable prospectus supplement. If interest is due at maturity but on a day that is not an interest payment date, we will pay the interest to the person entitled to receive the principal of the senior debt security. If principal or another amount besides interest is due on a senior debt security at maturity, we will pay the amount to the holder of the senior debt security against surrender of the senior debt security at a proper place of payment or, in the case of a global senior debt security, in accordance with the applicable policies of the depositary, DTC, Euroclear or Clearstream, as applicable.

Business Days

The following business day definitions may apply to any senior debt security:

London business day means, in respect of any date to be subject to adjustment in accordance with any applicable business day convention, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

New York business day means, in respect of any date to be subject to adjustment in accordance with any applicable business day convention, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York.

TARGET business day means, in respect of any date to be subject to adjustment in accordance with any applicable business day convention, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.

Tokyo business day means, in respect of any date to be subject to adjustment in accordance with any applicable business day convention, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Tokyo.

U.S. Government securities business day means any day other than a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading U.S. government securities.

Alternatively, the applicable prospectus supplement may specify that a business day with respect to any senior debt security will be a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the same currency as the payment obligation that is payable on or calculated by reference to that date in the designated financial center(s) specified in the applicable prospectus supplement. For example, if the applicable prospectus supplement specifies that Singapore business day and Singapore financial center are applicable, a business day will be a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Singapore, and the relevant financial center is Singapore.

Unless the applicable prospectus supplement otherwise provides, the New York business day definition applies to your securities. Additional business days not defined above may apply to any senior debt security and will be described in the applicable prospectus supplement.

Business Day Conventions

As specified in the applicable prospectus supplement, one of the following business day conventions may apply to any senior debt security with regard to any relevant date other than one that falls on the maturity:

Following business day convention means, for any interest payment date, other than the maturity, if such date would otherwise fall on a day that is not a business day, then such date will be postponed to the next day that is a business day.

Modified following business day convention means, for any interest payment date, other than the maturity, if such date would otherwise fall on a day that is not a business day, then such date will be postponed to the next day that is a business day, except that, if the next business day falls in the next calendar month, then such date will be advanced to the immediately preceding day that is a business day.

Following unadjusted business day convention means, for any interest payment date, other than the maturity, that falls on a day that is not a business day, any payment due on such interest payment date will be postponed to the next day that is a business day; *provided* that interest due with respect to such interest payment date shall not accrue from and including such interest payment date to and including the date of payment of such interest as so postponed.

Modified following unadjusted business day convention means, for any interest payment date, other than the maturity, that falls on a day that is not a business day, any payment due on such interest payment date

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will be postponed to the next day that is a business day; *provided* that interest due with respect to such interest payment date shall not accrue from and including such interest payment date to and including the date of payment of such interest as so postponed, and *provided further* that, if such day would fall in the next calendar month, the date of payment with respect to such interest payment date will be advanced to the business day immediately preceding such interest payment date.

In all cases, if the stated maturity or any earlier redemption date or repayment date with respect to a senior debt security falls on a day that is not a business day, any payment of principal, premium, if any, and interest otherwise due on such day will be made on the next succeeding business day, and no interest on such payment shall accrue for the period from and after such stated maturity, redemption date or repayment date, as the case may be.

Common Day Count Conventions

The relevant prospectus supplement may specify one of the following day count conventions to apply to the calculation of interest due on any senior debt security.

If Actual/Actual , Actual/Actual (ISDA) , Act/Act or Act/Act (ISDA) is specified, the fraction will be equal to the number of day in the interest period divided by 365 (or, if any portion of that interest period falls in a leap year, the sum of (1) the number of days in that portion of the interest period falling in a leap year divided by 366 and (2) the number of days in that portion of the interest period falling in a non-leap year divided by 365).

If Actual/365 (Fixed) , Act/365 (Fixed) , A/365 (Fixed) or A/365F is specified, the fraction will be equal to the number of days i the interest period divided by 365.

If Actual/360 , Act/360 or A/360 is specified, the fraction will be equal to the number of days in the interest period divided by 360.

If 30/360 is specified, the number of days in the interest period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \text{ x } (Y2 \quad Y1)]+[30 \text{ x } (M2 \quad M1)]+(D2 \quad D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the interest period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included in the interest period falls;

M1 is the calendar month, expressed as a number, in which the first day of the interest period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the interest period falls;

D1 is the first calendar day, expressed as a number, of the interest period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the interest period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

All percentages resulting from any calculation relating to any security will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or ..0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to any security will be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, or to the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

Payments Due in U.S. Dollars

We will follow the practice described in this subsection when paying amounts due in U.S. dollars. Payments of amounts due in other currencies will be made as described in the next subsection.

Payments on Global Senior Debt Securities. We will make payments on a global senior debt security in accordance with the applicable policies of the depositary, which will be DTC, Euroclear or Clearstream, as applicable, as in effect from time to time. Under those policies, we will pay directly to the depositary, or its nominee, and not to any indirect owners who own beneficial interests in the global senior debt security. An indirect owner s right to receive those payments will be governed by the rules and practices of the depositary and its participants, as described below in the section entitled Legal Ownership and Book-Entry Issuance Global Security.

Payments on Non-Global Senior Debt Securities. We will make payments on a senior debt security in non-global, registered form as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee s records as of the close of business on the regular record date. We will make all other payments by check or via wire transfer at the paying agent described below, against surrender of the senior debt security. All payments by check will be made in next-day funds, *i.e.*, funds that become available on the day after the check is cashed or wire transfer is completed.

Alternatively, if a non-global senior debt security has a principal amount of at least $1 million (and the equivalent in another currency) and the holder asks us to do so, we will pay any amount that becomes due on the senior debt security by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the paying agent appropriate wire transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the relevant regular record date. In the case of any other payment, payment will be made only after the senior debt security is surrendered to the paying agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments on their senior debt securities.

Payments Due in Other Currencies

We will follow the practice described in this subsection when paying amounts that are due in a specified currency other than U.S. dollars.

Payments on Global Senior Debt Securities. We will make payments on a global senior debt security in the specified currency in accordance with the applicable policies of the depositary, which will be DTC, Euroclear or Clearstream, as applicable, as in effect from time to time.

Indirect owners of a global senior debt security denominated in a specified currency other than U.S. dollars should consult their banks or brokers for information on how to request payment in the specified currency in cases where holders have a right to do so.

Payments on Non-Global Senior Debt Securities. Except as described in the last paragraph under this heading, we will make payments on debt securities in non-global form in the specified currency. We will make these payments by wire transfer of immediately available funds to any account that is maintained in the specified currency at a bank designated by the holder and is acceptable to us and the trustee. To designate an account for wire payment, the holder must give the paying agent appropriate wire instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the regular record date. In the case of any other payment, the payment will be made only after the debt security is surrendered to the paying agent. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, we will notify the holder at the address in the trustee s records and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the indenture as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

Although a payment on a debt security in non-global form may be due in a specified currency other than U.S. dollars, we will make the payment in U.S. dollars if your prospectus supplement specifies that holders may ask us to do so and you make such a request. To request U.S. dollar payment in these circumstances, the holder must provide appropriate written notice to the trustee at least five business days before the next due date for which payment in U.S. dollars is requested. In the case of any interest payment due on an interest payment date, the request must be made by the person or entity who is the holder on the regular record date. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Book-entry and other indirect owners of a senior debt security with a specified currency other than U.S. dollars should contact their banks or brokers for information about how to receive payments in the specified currency or in U.S. dollars.

Conversion to U.S. dollars. Unless otherwise indicated in your prospectus supplement, holders are not entitled to receive payments in U.S. dollars of an amount due in another specified currency, either on a global senior debt security or a non-global senior debt security.

If your prospectus supplement specifies that holders may request that we make payments in U.S. dollars of an amount due in another currency, the exchange rate agent described below will calculate the U.S. dollar amount the holder receives in the exchange rate agent s discretion. A holder that requests payment in U.S. dollars will bear all associated currency exchange costs, which will be deducted from the payment.

If the Specified Currency Is Not Available. If we are obligated to make any payment in a specified currency other than U.S. dollars, and the specified currency or any successor currency is not available to us due to circumstances beyond our control such as the imposition of exchange controls or a disruption in the currency markets we will be entitled to satisfy our obligation to make the payment in that specified currency by making the payment in U.S. dollars, on the basis of the exchange rate determined by the exchange rate agent described below, in its discretion.

The foregoing will apply to any senior debt security, whether in global or non-global form, and to any payment, including a payment at maturity. Any payment made under the circumstances and in a manner described above will not result in a default under any senior debt security or the indenture.

Exchange Rate Agent. If we issue a senior debt security in a specified currency other than U.S. dollars, we will appoint a financial institution to act as the exchange rate agent. We have initially appointed Nomura Securities International, Inc. to act as our exchange rate agent with respect to the senior debt securities. If we appoint someone other than Nomura Securities International, Inc. to act as exchange rate agent with respect to your securities, we will advise you of that fact in the prospectus supplement applicable to the initial issuance of your securities. We may change the exchange rate agent from time to time after the original issue date of the debt security without your consent and without notifying you of the change.

All determinations made by the exchange rate agent will be in its sole discretion unless we state in the applicable prospectus supplement that any determination requires our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and binding on you and us, without any liability on the part of the exchange rate agent.

Payment When Offices Are Closed

Unless specified otherwise in the applicable prospectus supplement, if any payment is due on a senior debt security on a day that is not a business day, we will make the payment on the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original due date. Postponement of this kind will not result in a default under any senior debt security or the indenture, and, unless otherwise specified on the applicable prospectus supplement, no interest will accrue on the postponed amount from the original due date to the next business day. See Description of Debt Securities and Guarantee Business Day Conventions.

Paying Agent

We or Nomura, as the case may be, may appoint one or more financial institutions to act as the paying agent for us or Nomura, respectively, at whose designated offices senior debt securities in non-global entry form may be surrendered for payment at their maturity. We call each of those offices a paying agent. We or Nomura may add, replace or terminate paying agents from time to time. We or Nomura may also choose to act as our own paying agent. Initially, we have appointed the trustee, at its corporate trust office in New York City, as the paying agent. We must notify the trustee of changes in the paying agents.

Unclaimed Payments

Regardless of who acts as paying agent, all money paid by us or Nomura to a paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to us or Nomura, as the case may be. After that two-year period, the holder may look only to us or Nomura, as the case may be, for payment and not to the trustee, any other paying agent or anyone else.

Notices

Notices to be given to holders of a global senior debt security will be given only to the depositary, in accordance with its applicable policies as in effect from time to time. Notices to be given to holders of senior debt securities not in global form will be sent by mail to the respective addresses of the holders as they appear in the trustee s records, and will be deemed given when mailed. Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive notices.

Concerning the Trustee

Deutsche Bank Trust Company Americas is initially serving as the trustee for the senior debt securities. Under the indenture, we are required to file with the trustee any information, documents and other reports, or summaries thereof, as may be required under the Trust Indenture Act, at the times and in the manner provided

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under the Trust Indenture Act. However, in case of documents Nomura files with the SEC pursuant to Section 13 or 15(d) of the Exchange Act, any such filing with the trustee need not be made until the 15th day after such filing is actually made with the SEC. The address of Deutsche Bank Trust Company Americas is 60 Wall Street, 27th Floor, New York, New York 10005.

Indemnification of Trustee for Actions Taken on Your Behalf

The indenture provides that we will indemnify the trustee for, and hold it harmless against, any loss, claim, liability or expense (including reasonable attorneys fees and expenses) incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts under the indenture, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the indenture. Subject to these provisions and specified other limitations, the holders of a majority in aggregate principal amount of each series of outstanding senior debt securities of each affected series, voting as one class, may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee.

Survivor s Option

If the survivor s option is specified in the relevant prospectus supplement as applicable to your senior debt securities, then upon the death of the beneficial owner of senior debt securities, a valid exercise of the survivor s option as described below and a proper tender of the relevant senior debt securities, we will redeem the relevant senior debt securities at a price equal to 100% of the principal amount of the relevant senior debt securities plus accrued and unpaid interest, if any, to the date of such redemption, subject to limitations on the aggregate amount of each series or tranche of senior debt securities we will redeem in any calendar year as described below.

Conditions to Exercise of the Survivor s Option

The survivor s option may be exercised with respect to a particular senior debt security only if all of the following are true:

- the deceased beneficial owner purchased the senior debt security in the initial public offering of the applicable series or tranche of senior debt securities (and not, for example, in a secondary market transaction);

- the senior debt security was purchased at least one year prior to the date of the beneficial owner s death;

- if the senior debt security was purchased in joint tenancy (with or without right of survivorship) or tenancy by the entirety, the survivor s option may be exercised only if all such tenants are deceased (i.e., upon the death of the last remaining beneficial owner);

- if the senior debt securities were purchased by tenants in common, the survivor s option may be exercised upon the death of any beneficial owner, but only with respect to the deceased holder s interest in those senior debt securities and only if that interest represents a whole, rather than a fractional, senior debt security (for example, if the deceased beneficial owner held $2,000 in principal amount of a particular series or tranche of senior debt securities as a tenant in common with one other surviving person with an equal interest (i.e., a 50/50 tenancy), the survivor s option could be exercised with respect to $1,000, or 50%, of such senior debt securities held by the tenancy in common, but if the tenants in common owned only $1,000 in principal amount of such series or tranche of senior debt securities, the deceased beneficial owner s representative could not

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exercise the survivor s option because $500 is not a whole senior debt security); provided, that spouses holding as tenants in common will be treated for all purposes as if they owned the senior debt securities as joint tenants (i.e., both spouses must be deceased before the survivor s option can be exercised); and

the exercise of the survivor s option does not violate the annual limitation or individual limitation described below.

Annual Limitation and Individual Limitation

In addition to the limitations discussed above, the aggregate principal amount of senior debt securities of a particular series or tranche as to which the survivor s option may be exercised may be limited, in our sole discretion, as follows:

In any calendar year to the greater of $250,000 or 1% of the aggregate outstanding principal amount of the senior debt securities of a particular series or tranche as of December 31 of the most recently completed year (the annual limitation).

For any deceased beneficial owner or, if owned jointly, for the last surviving beneficial owner of the senior debt securities of a particular series or tranche, to $100,000 for any calendar year for senior debt securities of such series or tranche (the individual limitation).

In addition, we will only permit the exercise of the survivor s option for whole senior debt securities.

We may, at our option, redeem the senior debt securities of any deceased beneficial owner in any calendar year in excess of the individual limitation. We may also, at our option, redeem the senior debt securities of deceased beneficial owners in any calendar year in an aggregate principal amount exceeding the annual limitation. Any optional redemption by us of this kind, to the extent it exceeds the annual limitation or individual limitation, will not be considered in calculating those limitations for any other calendar year.

If we opt to redeem a deceased beneficial owner s senior debt securities in excess of either or both of the individual limitation and annual limitation, our decision will be made for that deceased beneficial owner s exercise of the survivor s option with respect to such series or tranche of senior debt securities alone and will not affect the limitations with respect to any other beneficial owner or such deceased beneficial owner s senior debt securities of another series or tranche. We may waive any applicable limitations with respect to the senior debt securities of a particular series or tranche of a deceased beneficial owner but not make the same or similar waivers with respect to other deceased beneficial owners or with respect to senior debt securities of other series or tranches owned by such deceased beneficial owner.

Exercises of Survivor s Option in Excess of Annual Limitation or Individual Limitation

We will accept, in the order delivered, each senior debt security delivered pursuant to a valid exercise of the survivor s option, unless the acceptance of that senior debt security would contravene the annual limitation or the individual limitation (unless waived by us in our sole discretion). If a senior debt security delivered for redemption pursuant to a valid exercise of the survivor s option is not accepted, we will deliver a notice by first-class mail to the registered holder that states that the senior debt security has not been accepted and that provides the reason that the senior debt security has not been accepted.

Any senior debt security we accept for redemption pursuant to an exercise of the survivor s option will be redeemed no later than the first interest payment date to occur that is at least 30 calendar days after the date of acceptance. If that date is not a business day, payment will be made on the next succeeding business day. Each senior debt security delivered for redemption that is not accepted in any calendar year due to the application of the annual limitation or the individual limitation will be deemed to be tendered in the following calendar year in the order in which any such senior debt securities were originally tendered. Any senior debt securities delivered to us upon proper exercise of the survivor s option may not be withdrawn. Any senior debt securities that are tendered but have not yet been redeemed at the time of maturity will receive the maturity payment rather than a payment pursuant to the survivor s option.

All questions regarding the eligibility or validity of any exercise of the survivor s option will be determined by us in our sole discretion, which determination will be final and binding on all parties.

Special Ownership Situations

The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interests of ownership of a senior debt security will be deemed the death of the beneficial owner for purposes of the survivor s option, regardless of the registered holder, if the beneficial interest can be established to our satisfaction at that time. A beneficial interest will be deemed to exist in typical cases of nominee ownership, ownership under the Uniform Gifts to Minors Act or community property and trust arrangements where one person has substantially all of the beneficial ownership interest in the senior debt security during his or her lifetime.

Exercise of Survivor s Option

If the beneficial owner purchased a senior debt security, either in its entirety or as a joint tenant or tenant in common, we will deem the personal representative of the deceased beneficial owner (as determined in accordance with the laws of the relevant jurisdiction) to be the representative of the beneficial owner, subject to the limitations on certain kinds of ownership by tenancy described above. If the beneficial owner purchased the beneficial title to the senior debt security and the legal title was held by an agent, nominee, bare trustee or spouse, we will deem the agent, nominee, bare trustee or spouse (but not as a joint tenant or tenant in common with such spouse) (we refer to any such agent, nominee, bare trustee or spouse as a nominee) to be the representative of the beneficial owner. If the beneficial owner has designated a beneficiary or beneficiaries in accordance with the laws of the applicable jurisdiction, including without limitation Individual Retirement Accounts, Roth IRA Accounts, and Transfer on Death Accounts, we will deem the designated beneficiary or beneficiaries to be the representative of the beneficial owner.

In the case of redemption pursuant to the exercise of the survivor s option for senior debt securities represented by a global security, unless your prospectus supplement specifies otherwise, DTC or its nominee will be the holder of the senior debt securities and therefore will be the only entity that can exercise the survivor s option for your senior debt security. To obtain redemption pursuant to exercise of the survivor s option with respect to a senior debt security, the representative must provide to the broker or other entity through which the deceased owner held the beneficial interest:

- a written request for redemption signed by the representative, with the signature guaranteed by a member firm of a registered national securities exchange or of FINRA or a commercial bank or trust company having an office or correspondent in the United States;

- appropriate evidence satisfactory to us that the representative has authority to act on behalf of the deceased beneficial owner, that the death of the beneficial owner has occurred, of the date of death of the beneficial owner, that the deceased was the owner of a beneficial interest in the senior debt security at the time of death, that the senior debt security was purchased in the initial public offering of such series or tranche of senior debt securities and that the other conditions set forth above under Conditions to Exercise of the Survivor s Option are met;

- instructions to the broker or other entity to notify the depositary of such senior debt securities of its desire to obtain redemption pursuant to exercise of the survivor s option;

- a detailed description of the relevant senior debt security, including the CUSIP number;
- the deceased s social security number; and
- any additional information we reasonably require to evidence satisfaction of any conditions to the exercise of the survivor s option or to document beneficial ownership or authority to make the election and to cause the redemption of the senior debt security.

The broker or other entity must provide to us:

- a written request for redemption signed by the representative, with the signature guaranteed by a member firm of a registered national securities exchange or of FINRA or a commercial bank or trust company having an office or correspondent in the United States;
- appropriate evidence satisfactory to us that the representative has authority to act on behalf of the deceased beneficial owner, that the death of the beneficial owner has occurred, of the date of death of the beneficial owner, that the deceased was the owner of a beneficial interest in the senior debt security at the time of death, that the senior debt security was purchased in the initial public offering of such series or tranche of senior debt securities and that the other conditions set forth above under Conditions to Exercise of the Survivor s Option are met;
- a certificate or letter satisfactory to us from the broker or other entity stating that it represents the deceased beneficial owner and describing the deceased s beneficial interest in the senior debt security; and
- a detailed description of the senior debt security, including the CUSIP number.

For any senior debt securities held in global form, we will make any payments pursuant to the exercise of the survivor s option directly to the depositary of such senior debt securities, who will then make the appropriate payments to the broker or other entity representing the deceased beneficial owner or owners. The broker or other entity will then be responsible for disbursing any payments it receives pursuant to exercise of the survivor s option to the appropriate representative.

In order validly to exercise a survivor s option for a senior debt security held in definitive rather than global form, the representative must deliver to us the same information, noted above, to be delivered to the broker or other entity for exercise of such right for a global security (other than instructions to notify the depositary), plus the senior debt security, a properly executed assignment of the senior debt security, and evidence of beneficial ownership of any senior debt security held in nominee name.

Considerations in Exercise of Survivor s Option

Whether you should exercise the survivor s option with respect to any senior debt security, if you meet the eligibility requirements to do so, is a decision you should make in consultation with your financial adviser, after considering all the facts and circumstances of your situation, including the price for which you may sell your senior debt securities in the then-current secondary market. Nomura Securities International, Inc. and other affiliates of ours currently intend to make a market in the senior debt securities, although they are not required to do so and may stop any such market-making activities at any time. Depending on the type of senior debt securities you hold and prevailing market conditions at the time you are considering your exercise of the survivor s option, in some circumstances the market value of the senior debt securities may be greater than their principal amount plus any accrued and unpaid interest. Accordingly, you should contact your financial advisor or broker to determine the then-current market price of your senior debt securities in order to determine whether to sell the senior debt securities to a market participant instead of redeeming the senior debt securities at the principal amount plus accrued and unpaid interest, if any, pursuant to a request to exercise the survivor s option.

COMMON INTEREST RATES

This section describes the different kinds of interest rates that may apply to your securities if they bear interest at a floating rate, as specified in your prospectus supplement. In the event of a conflict between the applicable prospectus supplement and this prospectus, the prospectus supplement will control.

LIBOR

The prospectus supplement applicable to your securities will specify whether an interest rate based on the London Interbank Offered Rate, or LIBOR, applies to your securities. LIBOR represents the offered interest rate that banks in the London Interbank market will pay on deposits in specified currencies (or Index currencies) with a maturity of a specific term, or the designated maturity. The applicable prospectus supplement will specify the index currency, the designated maturity, and the designated electronic quotation page that is applicable to your securities and from which the interest rate applicable to your securities will generally be determined, except as noted below. The calculation agent will determine LIBOR for each interest determination date as follows:

As of the interest determination date, LIBOR will be the arithmetic mean of the offered rates for deposits in the index currency of the designated maturity, commencing on the second London business day immediately following that interest determination date, that appear on the Designated LIBOR page, as defined below, as of 11:00 a.m., London time, on that interest determination date, if at least two offered rates appear on the Designated LIBOR page; except that if the specified Designated LIBOR page, by its terms, provides only for a single rate, that single rate will be used. If we specify that *USD-LIBOR-BBA* is the rate applicable to your securities, the interest rate for the applicable interest determination date will be the rate for deposits in U.S. dollars for a period of the designated maturity, specified in the relevant prospectus supplement, which appears on the Reuters screen LIBOR01 as of 11:00 a.m., London time, on the day that is two London business days preceding that interest determination date. If that rate does not appear on the Reuters screen LIBOR01, the rate for that interest determination date will be determined as if the parties had specified USD-LIBOR-Reference Banks as the applicable floating rate option.

If (i) fewer than two offered rates appear and LIBOR Reuters is specified in the relevant prospectus supplement, or (ii) no rate appears and the relevant prospectus supplement specifies LIBOR Reuters and the Designated LIBOR page by its terms provides only for a single rate (as in the case of USD-LIBOR-BBA), then the calculation agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent after consultation with us, to provide the calculation agent with its offered quotation for deposits in a representative amount in the index currency for the period of the designated maturity specified in the relevant prospectus supplement commencing on the second London business day immediately following the interest determination date or, if pounds sterling is the index currency, commencing on that interest determination date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that interest determination date and in a principal amount that is representative of a single transaction in that index currency in that market at that time.

If at least two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR will be determined for the applicable interest reset date as the arithmetic mean of the rates quoted at approximately 11:00 a.m., London time, or some other time specified in the relevant prospectus supplement, in the applicable principal financial center for the country of the index currency on that interest reset date (in the case of USD-LIBOPR-BBA, New York City), by three major banks in that principal financial center selected by the calculation agent, after consultation with us, for loans in the index currency to leading European banks, having the designated maturity specified in the relevant prospectus supplement and in the representative amount.

If the banks so selected by the calculation agent are not quoting as set forth above, LIBOR for that interest determination date will be determined by the calculation agent.

The *index currency* means the currency specified in the relevant prospectus supplement as the currency for which LIBOR will be calculated. If the euro is specified as the currency, the rate will be calculated as described under Common Interest Rates EURIBOR . If the currency is not specified in the relevant prospectus supplement, the index currency will be U.S. dollars.

Designated LIBOR page means the display on the Reuters Monitor Money Rates Service for the purpose of displaying the London interbank rates of major banks for the applicable index currency or its designated successor.

If LIBOR Reuters is not specified in the relevant prospectus supplement, LIBOR for the applicable index currency will be determined as if LIBOR Reuters were specified, and, if the U.S. dollar is the index currency, as if USD-LIBOR-BBA had been specified.

EURIBOR

The prospectus supplement applicable to your securities will specify whether an interest rate based on the Euro Interbank Offered Rate, or EURIBOR, applies to your securities. The calculation agent will determine EURIBOR as described above under Common Interest Rates LIBOR except that the Designated LIBOR page for EURIBOR will be Reuters page EURIBOR01 (or any successor page) and the applicable time will be 11:00 a.m., Brussels time.

USD CMS Rate

The prospectus supplement applicable to your securities will specify whether an interest rate based on the USD CMS rate applies to your securities. The calculation agent will determine the USD CMS rate for each interest determination date as follows:

Unless otherwise specified in the relevant prospectus supplement, for each interest determination date, the USD CMS rate refers to the rate for U.S. Dollar swaps with the designated maturity specified in the relevant prospectus supplement that appears on Reuters page ISDAFIX1 (or any successor page) at approximately 11:00 a.m., New York City time, on such interest determination date, as determined by the calculation agent.

If on such interest determination date the applicable USD CMS rate cannot be determined by reference to the applicable Reuters page (or any successor page), then the calculation agent will request from five leading swap dealers in the New York City interbank market, mid-market semi-annual swap rate quotations in a representative amount and with terms equal to the designated maturities, at approximately 11:00 a.m., New York City time, on the interest determination date relating to such calendar day. The semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. Dollar interest rate swap transaction with a term equal to the applicable designated maturity commencing on the relevant interest determination date and in the representative amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to the LIBOR rate (as defined above) with a designated maturity of 3 months. The calculation agent will select the five swap dealers after consultation with us and will request the principal New York City office of each of those dealers to provide a quotation of its rate.

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If at least three quotations are provided, the USD CMS rate for that interest determination date will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations.

If fewer than three leading swap dealers selected by the calculation agent are quoting as described above, the USD CMS rate for that interest determination date will be determined by the calculation agent.

EUR CMS Rate

The prospectus supplement applicable to your securities will specify whether an interest rate based on the EUR CMS rate applies to your securities. The calculation agent will determine the EUR CMS rate for each interest determination date as follows:

Unless otherwise specified in the relevant prospectus supplement, for each interest determination date, the EUR CMS rate refers to the annual swap rate for Euro swap transactions with the designated maturities specified in the relevant prospectus supplement, that appears on Reuters page ISDAFIX2 (or any successor page) under the heading EURIBOR BASIS EUR and above the caption 11:00 AM Frankfurt at approximately 11:00 a.m., Frankfurt time, on such interest determination date, as determined by the calculation agent.

If on such interest determination date the applicable EUR CMS rate cannot be determined by reference to the applicable Reuters page (or any successor page), then the calculation agent will request from five leading swap dealers in the Frankfurt interbank market, mid-market annual swap rate quotations in a representative amount and with terms equal to the designated maturities, at approximately 11:00 a.m., Frankfurt time, on the interest determination date relating to such calendar day. The annual swap rate means the mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating Euro interest rate swap transaction with a term equal to the applicable designated maturity commencing on the relevant interest determination date and in the representative amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to the EURIBOR Rate (as defined above), with a designated maturity of six months. The calculation agent will select the five swap dealers after consultation with us and will request the principal Frankfurt office of each of those dealers to provide a quotation of its rate.

If at least three quotations are provided, the EUR CMS rate for that interest determination date will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations.

If fewer than three leading swap dealers selected by the calculation agent are quoting as described above, the EUR CMS rate will remain the EUR CMS rate USD CMS rate for that interest determination date will be determined by the calculation agent.

GBP CMS Rate

The prospectus supplement applicable to your securities will specify whether an interest rate based on the GBP CMS rate applies to your securities. The calculation agent will determine the GBP CMS rate for each interest determination date as follows:

Unless otherwise specified in the relevant prospectus supplement, for each interest determination date, the GBP CMS rate refers to the annual swap rate for pounds sterling swap transactions with the designated maturities specified in the relevant prospectus supplement, that appears on Reuters

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page ISDAFIX4 (or any successor page) under the heading GBP 11:00AM and above the caption 11:00 AM London at approximately 11:00 a.m., London time, on such interest determination date, as determined by the calculation agent.

If on such interest determination date the applicable GBP CMS rate cannot be determined by reference to the applicable Reuters page (or any successor page), then the calculation agent will request from five leading swap dealers in the London interbank market, mid-market semi-annual swap rate quotations in a representative amount and with terms equal to the designated maturities, at approximately 11:00 a.m., London time, on the interest determination date relating to such calendar day. The semi-annual swap rate means the mean of the bid and offered rates for the fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating pounds sterling interest rate swap transaction with a term equal to the applicable designated maturity commencing on the relevant interest determination date and in the representative amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/365 day count basis, is equivalent to LIBOR where pounds sterling is the index currency, with a designated maturity of six months. The calculation agent will select the five swap dealers after consultation with us and will request the principal London office of each of those dealers to provide a quotation of its rate.

If at least three quotations are provided, the GBP CMS rate for that interest determination date will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations.

If fewer than three leading swap dealers selected by the calculation agent are quoting as described above, the GBP CMS rate for that interest determination date will be determined by the calculation agent.

CMT Rate

The prospectus supplement applicable to your securities will specify whether an interest rate based on the CMT rate applies to your securities. The calculation agent will determine the CMT rate for each interest determination date as follows:

Unless otherwise specified in the relevant prospectus supplement, for each interest determination date, the CMT rate refers to the yield for United States Treasury securities at constant maturity with the designated maturity specified in the relevant prospectus supplement as set forth in H.15(519) under the caption Treasury constant maturities, as such yield is displayed on the Reuters page FRBCMT (or any successor page) at 3:30 p.m., New York City time on such interest determination date, as determined by the calculation agent.

If the CMT rate is not displayed on the applicable Reuters page at 3:30 p.m., New York City time on such interest determination date, then the CMT rate for such interest determination date will be a percentage equal to the yield for United States Treasury securities at constant maturity for a period of the designated maturity as set forth in H.15(519) under the caption Treasury constant maturities (expressed as a number and not a percentage).

If the applicable CMT rate does not appear in H.15(519), the CMT rate for such interest determination date will be the rate for a period of the designated maturity as may then be published by either the Federal Reserve System Board of Governors or the United States Department of the Treasury that the calculation agent determines to be comparable to the rate which would otherwise have been published in H.15-519 (expressed as a number and not a percentage).

If on any interest determination date, neither the Board of Governors of the Federal Reserve System nor the United States Department of the Treasury publishes a yield on United States Treasury securities at a constant maturity for the maturity of the relevant CMT rate, the CMT rate on the relevant interest determination date will be calculated by the calculation agent based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on the relevant interest determination date, received from three leading primary United States government securities dealers in The City of New York (expressed as a number and not a percentage). The calculation agent will select five such securities dealers after consultation with us, and will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest), for United States Treasury securities with an original maturity equal to the maturity of the relevant CMT rate, a remaining term to maturity of no more than one year shorter than the maturity of the relevant CMT rate and in a principal amount equal to the representative amount. If two bid prices with an original maturity as described above have remaining terms to maturity equally close to the maturity of the relevant CMT rate, the quotes for the United States Treasury security with the shorter remaining term to maturity will be used.

If fewer than five but more than two such prices are provided as requested, the CMT rate for the relevant interest determination date will be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations will be eliminated.

If the calculation agent cannot obtain three United States Treasury securities quotations of the kind requested in the prior two bullet points, the calculation agent will determine the CMT rate to be an amount equal to the yield to maturity based on the arithmetic mean of the secondary market bid prices for United States Treasury securities, at approximately 3:30 p.m., New York City time, on the relevant interest determination date of three leading primary United States government securities dealers in The City of New York (expressed as a number and not a percentage). In selecting these bid prices, the calculation agent will request quotations from at least five such securities dealers and will disregard the highest quotation (or if there is equality, one of the highest) and the lowest quotation (or if there is equality, one of the lowest) for United States Treasury securities with an original maturity greater than the maturity of the relevant CMT rate, a remaining term to maturity closest to the maturity of the relevant CMT rate and in a representative amount. If two United States Treasury securities with an original maturity longer than the maturity of the relevant CMT rate have remaining terms to maturity that are equally close to the maturity of the relevant CMT rate, the calculation agent will obtain quotations for the United States Treasury security with the shorter remaining term to maturity.

If fewer than five but more than two of the leading primary United States government securities dealers provide quotes as described in the prior paragraph, then the CMT rate will be based on the arithmetic mean of the bid prices obtained, and neither the highest nor the lowest of those quotations will be eliminated.

If fewer than three leading primary United States government securities reference dealers selected by the calculation agent provide quotes as described above, the CMT rate for that interest determination date will be determined by the calculation agent.

Federal Funds Rate

The prospectus supplement applicable to your securities will specify whether an interest rate based on the federal funds rate applies to your securities. Unless otherwise specified in the relevant prospectus supplement, for each interest determination date, the federal funds rate refers to the rate equal to the federal funds

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(effective) rate or the federal funds open rate, as specified in your prospectus supplement. The calculation agent will determine the federal funds rate for each interest determination date as follows:

If federal funds (effective) is indicated in your prospectus supplement, for each interest determination date, the federal funds rate refers to the rate for U.S. dollar federal funds as published in H.15(519) opposite the heading Federal funds (effective) , as that rate is displayed on the Reuters page FEDFUNDSI under the heading EFFECT (or any successor page) at approximately 3:00 P.M., New York City time, on such interest determination date, as determined by the calculation agent.

If on such interest determination date the applicable federal funds rate cannot be determined by reference to the applicable Reuters page (or any successor page), then the federal funds rate, for the relevant interest determination date, will be the rate described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, opposite the heading Federal funds (effective) at approximately 3:00 P.M., New York City time, on such interest determination date, as determined by the calculation agent.

If the rate described above is not displayed on the Reuters page FEDFUNDSI (or any successor page) and does not appear in H.15(519), H.15 daily update or another recognized electronic source at approximately 3:00 P.M., New York City time, on the relevant interest determination date, the federal funds rate will be the arithmetic mean of the rates for the last transaction in overnight, U.S. dollar federal funds arranged, before 9:00 A.M., New York City time, on the relevant interest determination date, by three leading brokers of U.S. dollar federal funds transactions in New York City selected by the calculation agent after consultation with us.

If fewer than three brokers selected by the calculation agent are quoting as described above, the federal funds rate will for that interest determination date will be determined by the calculation agent.

If federal funds open is indicated in your prospectus supplement, for each interest determination date, the federal funds rate refers to the rate for U.S. dollar federal funds on the relevant interest determination date under the heading Federal Funds and opposite the caption Open , as that rate is displayed on Reuters screen page 5 (or any successor page) at approximately 5:00 P.M., New York City time, on such interest determination date, as determined by the calculation agent.

If on such interest determination date the applicable federal funds rate cannot be determined by reference to the applicable Reuters page (or any successor page), then the federal funds open rate for the relevant interest determination date, will be the rate for that day displayed on the FFPREBON Index page on Bloomberg (which is the Fed Funds Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg) at approximately 5:00 P.M., New York City time, on the relevant interest determination date, as determined by the calculation agent.

If the rate described above is not displayed on Reuters screen page 5 (or any successor page) and does not appear on the FFPREBON Index on Bloomberg at approximately 5:00 P.M., New York City time, on the relevant interest determination date, the federal funds rate will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds, arranged before 9:00 A.M., New York City time, on the relevant interest determination date, quoted by three leading brokers of U.S. dollar federal funds transactions in New York City selected by the calculation agent after consultation with us.

If fewer than three brokers selected by the calculation agent are quoting as described above, the federal funds rate for that interest determination date will be determined by the calculation agent.

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