NOMURA HOLDINGS INC
Form 424B3
November 23, 2011
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333-169682

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.

Cash-Settled Reverse Exchangeable Notes Linked to an Equity Security, an Equity Index, a Share of an Exchange Traded Fund or Other Equity Instrument or Measure

GENERAL TERMS

Nomura America Finance, LLC (we or us) may offer and sell from time to time cash-settled reverse exchangeable notes of any maturity (the notes) that will be linked to the performance of an equity security, an equity index, a share of an exchange traded fund or other equity instrument or measure (each, a reference asset) specified in the relevant pricing supplement. 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, which we refer to as a pricing supplement, and, if applicable, a free writing prospectus, will describe the 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 here or in the accompanying prospectus, the terms described in the relevant pricing supplement will control. **The notes are not ordinary debt securities; you could lose some or all of your investment in the notes. You should carefully consider whether the notes are suited to your particular circumstances.**

Your notes will bear interest at a fixed rate specified in the relevant pricing supplement. At maturity, you will receive a cash payment equal to either the principal amount of the notes or, under the circumstances described in this product prospectus supplement and the relevant pricing supplement, an amount in cash based on the performance of the reference asset. On the maturity date, you will also receive any accrued and unpaid interest. **If the value of the reference asset declines over the term of the notes, the amount in cash that you may be paid at maturity in addition to accrued and unpaid interest, if any, will be less than the principal amount of your notes, and may be zero. In addition, you will not participate in any appreciation in value of the reference asset.**

All notes we issue will be fully and unconditionally guaranteed by Nomura Holdings, Inc. (Nomura). Each note we issue will be denominated in, and will pay principal and interest in, U.S. dollars unless we state otherwise in the relevant pricing supplement. Your notes will mature on the stated maturity date specified in the relevant pricing supplement, subject to postponement in certain circumstances. The relevant pricing supplement will also specify the interest payment date or dates for your notes and other material terms that apply to your notes, including terms we describe in this product prospectus supplement. The relevant pricing supplement will specify the minimum initial investment amount, if any, of the notes.

Your investment in the notes involves certain risks. See Additional Risk Factors Specific to the Notes beginning on page PS-4 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 securities or passed upon the accuracy or adequacy 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 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 will 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 the 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 otherwise requires. Also, references to the accompanying prospectus mean our accompanying prospectus, dated September 30, 2010. References to the relevant 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, agent s discount and commission and net proceeds to us in the relevant pricing supplement relates only to the initial issuances and sales of the relevant notes. If you purchase your notes in a market-making transaction after any initial issuance and sale, 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 relevant pricing supplement will specify, among other things, the stated maturity date of your notes, the aggregate principal amount offered, the type of reference asset and other material terms that will apply to your notes, including terms we describe in this product prospectus supplement. You must read the relevant 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 relevant pricing supplement will specify the reference asset to which your notes are linked. The reference asset may be:

- a share of a company s common stock,
- an American Depositary Share (ADS),
- an index of equity securities (an index),
- a share of an exchange traded fund (each exchange traded fund, an ETF), or
- any other equity instrument or measure.

We refer to shares of common stock and ADSs as equity securities in this product prospectus supplement.

If the reference asset is an ADS, the term issuer refers to the issuer of the shares underlying the ADS. We refer to the underlying shares represented by an ADS as foreign stock. If the reference asset is a share of an ETF, we refer to the index that such ETF tracks as the underlying index and to the securities that comprise such ETF as component securities. If the reference asset is an index, we refer to the securities that comprise such index as the underlying securities.

Depending on the type of reference asset, it may be measured by its price, as in the case of an equity security or share of an ETF, or by a reported level, as in the case of an index. We refer to the price or level, as applicable, of the reference asset, as its value.

The reference asset may be subject to adjustment as described under *General Terms of the Notes Modification of the Reference Asset or Unavailability of the Price or Level of the Reference Asset* and *General Terms of the Notes Anti-Dilution Adjustments Anti-Dilution Adjustments* *for Reference Assets Consisting of an Equity Security Reorganization Events* in this product prospectus supplement.

Minimum Initial Investment Amount:	As specified in the relevant pricing supplement.
Denominations:	Unless otherwise specified in the relevant pricing supplement, the notes will be issued in denominations of $1,000 and integral multiples thereof.
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 postponed as described under *General Terms of the Notes Market Disruption Events* in this product prospectus supplement, unless otherwise specified in the relevant pricing supplement.
Initial Value:	Unless otherwise specified in the relevant pricing supplement, the initial value of the reference asset will be the closing value of such reference asset on the initial valuation date. The initial value of the reference asset may be subject to adjustment as described under *General Terms of the Notes Anti-Dilution Adjustments* in this product prospectus supplement.

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Initial Valuation Date:	As specified in the relevant pricing supplement.
Final Value:	Unless otherwise specified in the relevant pricing supplement, the final value of the reference asset will be the closing value of the reference asset on the final valuation date.
Final Valuation Date:	Unless otherwise specified in the relevant pricing supplement, the final valuation date will be the third scheduled trading day prior to the stated maturity date specified in the relevant pricing supplement, subject to postponement as described under *General Terms of the Notes Market Disruption Events* in this product prospectus supplement.
Scheduled Trading Day:	As described under *General Terms of the Notes Special Calculation Provisions* in this product prospectus supplement.
Interest Rate (coupon):	As specified in the relevant pricing supplement.
Interest Payment Dates:	As specified in the relevant pricing supplement.
Cash Settlement Amount:	Unless otherwise specified in the relevant pricing supplement, at maturity, for each $1,000 principal amount of the notes, you will receive accrued and unpaid interest and a cash settlement amount equal to:

if

- the final value of the reference asset is ***equal to*** or ***greater than*** the initial value of the reference asset, or
- the trading value of the reference asset (if continuous monitoring is applicable to your notes) or the closing value of the reference asset (if closing value monitoring is applicable to your notes) does not fall below the barrier value on any trading day during the monitoring period,

$1,000, or

if

- the final value of the reference asset is ***less than*** the initial value of the reference asset, and
- the trading value of the reference asset (if continuous monitoring is applicable to your notes) or the closing value of the reference asset (if closing value monitoring is applicable

to your notes) is ***less than*** the barrier value on any trading day during the monitoring period,

the reference asset value amount.

The relevant pricing supplement will specify whether closing value monitoring, continuous monitoring, or another method of monitoring the reference asset is applicable to your notes.

The reference asset value amount that you may be paid will be less than the principal amount of the notes and may be zero. Accordingly, you could lose all or a substantial amount of your investment in the notes. The cash settlement amount, however, will never be less than $0.

Reference Asset Value Amount:	Unless otherwise specified in the relevant pricing supplement, the reference asset value amount will be an amount in cash equal to (i) the reference asset calculation amount *times* (ii) the final value of the reference asset.
Reference Asset Calculation Amount:	Unless otherwise specified in the relevant pricing supplement, for each $1,000 principal amount of the notes, the reference asset calculation amount will be

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	equal to (i) $1,000 *divided by* (ii) the initial value of the reference asset. The reference asset calculation amount may be subject to adjustment as described under *General Terms of the Notes Anti-Dilution Adjustments* in this product prospectus supplement.
Barrier Value:	The barrier value will be a fixed percentage of the initial value of the reference asset specified in the relevant pricing supplement. For example, the relevant pricing supplement may specify that the barrier value is equal to 80% of the initial value of the reference asset. The barrier value may be subject to adjustment as described under *General Terms of the Notes Anti-Dilution Adjustments* in this product prospectus supplement.
Monitoring Period:	As specified in the relevant pricing supplement, and subject to postponement as described under *General Terms of the Notes Market Disruption Events* in this product prospectus supplement. For example, the monitoring period may: include the period from the trade date through the final valuation date, be limited to the final valuation date, be a list of observation dates, or be of any other length specified in the relevant pricing supplement.
Trading Value:	The trading price or trading level, as applicable, of the reference asset, as described under *General Terms of the Notes Special Calculation Provisions Trading Price* and *General Terms of the Notes Special Calculation Provisions Trading Level* in this product prospectus supplement, unless otherwise specified in the relevant pricing supplement.
Closing Value:	The closing price or closing level, as applicable, of the reference asset, as described under *General Terms of the Notes Special Calculation Provisions Closing Price* and *General Terms of the Notes Special Calculation Provisions Closing Level* in this product prospectus supplement, unless otherwise specified in the relevant pricing supplement.
Trading Day:	Unless otherwise specified in the relevant pricing supplement, as defined under *General Terms of the Notes Special Calculation Provisions Trading Day* in this product prospectus supplement.
CUSIP/ISIN:	As specified in the relevant pricing supplement.
Clearance and Settlement:	Unless otherwise specified in the relevant pricing supplement, the notes will clear through The Depository Trust Company (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).

Listing:	Unless otherwise specified in the relevant pricing supplement, your notes will not be listed on any securities exchange.
Calculation Agent:	Unless otherwise specified in the relevant pricing supplement, Nomura Securities International, Inc.
Other Costs of Acquiring the Notes:	The broker-dealer through which you acquire the notes may charge you a commission, a fee based on the value of your assets managed by them or some other fee or compensation arrangement. In considering whether any particular offering of our notes is appropriate for you, you should consider those costs and fees, in addition to the other information contained in this product prospectus supplement and the relevant pricing supplement.

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ADDITIONAL RISK FACTORS SPECIFIC TO THE NOTES

An investment in the 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. The notes are not secured debt and are riskier than ordinary unsecured debt securities. Also, investing in the notes is not equivalent to investing directly in the reference asset to which your notes are linked. ***You could lose some or all of your investment. You should carefully consider whether the notes are suited to your particular circumstances.***

Please note that in this section titled Additional Risk Factors Specific to the 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 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 some of the 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 relevant pricing supplement before investing in the notes.***

You May Lose Your Entire Investment in the Notes

You may lose all or substantially all of your investment in the notes. If the final value of the reference asset is less than the initial value of the reference asset, and the trading value of the reference asset (if continuous monitoring is applicable to your notes) or the closing value of the reference asset (if closing value monitoring is applicable to your notes) decreases below the barrier value on any trading day during the monitoring period, the cash settlement amount you will receive at maturity, in addition to accrued and unpaid interest, if any, will be the reference asset value amount, which will be a cash payment based on the performance of the reference asset on the final valuation date, subject to adjustment as described under *General Terms of the Notes Anti-Dilution Adjustments* below. The reference asset value amount will be less than the principal amount of your notes and may be zero. If the trading value of the reference asset (if continuous monitoring is applicable to your notes) or the closing value of the reference asset (if closing value monitoring is applicable to your notes) decreases below the barrier value on any trading day during the monitoring period, you will be fully exposed to any decrease in the value of the reference asset on the final valuation date. **You should not invest in the notes unless you can withstand the loss of some or all of your investment 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 pay you the amounts you are owed pursuant to the terms of your notes. Substantially all of our assets 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 pay 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 sell your notes in the secondary market in such an environment, you may incur a substantial loss.

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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 subordinate 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 its 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 those 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 Will Not Benefit from Any Appreciation in the Reference Asset Above the Initial Value of the Reference Asset, and the Maximum Payment You May Receive at Maturity Is Limited to the Principal Amount of the Notes, Plus Accrued and Unpaid Interest

Even though you are subject to the risk of a decline in the value of the reference asset, you will not participate in any appreciation of the value of the reference asset over the term of the notes. Even if the final value of the reference asset exceeds the initial value of the reference asset, at maturity, you will receive no more than the principal amount of your notes *plus* accrued and unpaid interest. 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.

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

The return that you will receive on your notes, which could be negative, may be less than the return you could earn on other investments. The cash settlement amount you will receive at maturity will not exceed the principal amount and may be significantly less than the principal amount of the notes and may be as low as $0. Accordingly, even after considering the interest payment or payments you will receive on the notes, the overall return you earn on your notes could be less than what you would have earned by investing in a traditional interest-bearing debt security with the same stated maturity date.

The notes offer a higher stated interest rate than the return that would be payable on a conventional debt security with the same stated maturity date issued by us or an issuer of comparable credit quality because you, the investor in the notes, in effect sell a put option to us on the reference asset. The higher stated interest rate is, in effect, a payment made to you for the embedded put option, which is paid because you are willing to take on the substantial risk of a decline in the value of the reference asset. The higher stated interest rate may be lower than the put option amount that would be charged by an entity that is in the business of selling put options to other participants in the financial markets. As a result, the return on your notes as a whole may be less than what you would have earned by investing in other securities or instruments.

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

The return on your notes will not reflect the return you would realize if you actually owned the reference asset or a security directly linked to the performance of the reference asset or its component securities or underlying securities, as applicable, and held that investment for a similar period because, for example, the maximum amount you will be paid on your notes at maturity will be limited to the principal amount of the notes *plus* accrued and unpaid interest, and the cash settlement amount will not include dividends or other distributions on the reference asset.

The Reference Asset Will Be Subject to Various Business and Market Risks

The issuer of the reference asset or, if the reference asset is an index or a share of an ETF, each company whose securities are the component securities of such ETF or underlying securities of such index, is subject to various business and market risks that may adversely affect the value of the reference asset. Consequently, the value of the reference asset may fluctuate depending on the markets in which such issuer operates. The value of the reference asset can rise or fall sharply due to factors specific to the reference asset and the reference asset issuer, such as equity price volatility, earnings, financial conditions, corporate, industry and regulatory developments, management changes and decisions and other events, and by general market factors, such as general stock market volatility and levels, interest rates and economic and political conditions. You should familiarize yourself with the business and market risks faced by the reference asset issuer, the component securities issuers, or the underlying securities issuers, as applicable, and consider those risks, along with the risks described here and in the relevant pricing supplement, in considering whether to invest in the notes. See *Reference Asset Issuer or Sponsor* below.

Your Investment in the Notes May Be Subject to Concentration Risks

If the reference asset is an equity security, you will be exposed to declines in the value of that reference asset, even if that reference asset substantially underperforms other companies in the same business sector, market or country. In addition, if the reference asset is a share of an ETF or an index, the component securities of such ETF or the underlying securities of such index may be stocks of companies representing a particular market sector, a particular geographic region or some other sector. As a result, your investment in the notes may be concentrated in a single issuer or sector. Although your investment in the notes will not result in the ownership or other direct interest in an equity security or in component securities of an ETF or the underlying securities of an index, the return on your investment in the notes will be subject to certain risks similar to those associated with direct equity investments in a single equity security that is a reference asset or the market, geographic region or sector represented by the relevant component securities or underlying securities. Therefore, the notes may not perform as well as a more diversified investment.

Assuming No Changes in Market Conditions or Any Other Relevant Factors, the Market Value of the Notes Prior to the Maturity Date May Be Significantly Less Than the Issue Price

The notes are designed to be held to maturity. If you attempt to sell your notes in the secondary market, the price, if any, at which you may be able to sell your notes prior to maturity may be less and may be significantly less than the issue price. There are a number of reasons for this. First, the notes are issued at a discount, sometimes called an underwriting discount or agent s discount. Any secondary market transaction would deduct this discount from the secondary market price and you may be charged a commission or other fee by your broker for the secondary market transaction. Second, the terms of the notes include one or more embedded options or other derivative instruments, and the issue price reflects, among other things, our costs of hedging our obligations under the notes. The price at which a secondary market participant would be willing to purchase your notes would include such person s own evaluation of the notes, including the embedded options or derivatives. On the trade date for your notes, the secondary market value of your notes will be less and may be significantly less than the issue price. As a result, the price, if any, at which you may be able to sell your notes prior to maturity will likely be less and may be significantly less than your original purchase price.

The Costs of Acquiring the Notes May Reduce the Return on Your Notes

The broker-dealer through which you acquire the notes may charge you a commission, a fee based on the value of your assets managed by them or some other fee or compensation arrangement. The costs of acquiring the notes may be substantial, and may reduce the return you receive on your notes. Therefore you should consider these costs and fees in addition to the information in this product prospectus supplement and the relevant pricing supplement when determining whether the notes are an appropriate investment for you.

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

As described below under *Use of Proceeds and Hedging*, we or one or more of our affiliates may hedge our obligations under the notes by entering into transactions involving purchases of the reference asset, equity securities, shares of an ETF, the underlying securities, foreign stock, or the component securities, as the case may be, or by purchasing futures and/or other derivative instruments linked to the reference asset, equity securities, an equity index, shares of an ETF, foreign stock, the underlying securities, the underlying index or component securities, as the case may be. We also expect that we or one or more of our affiliates will adjust these hedges by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to any of the foregoing at any time and from time to time, and unwind the hedge by selling any of the foregoing on or before the final valuation date for the notes. Our affiliates hedging activities may result in our or our affiliates receiving a substantial return on these hedging activities even if your investment in the notes results in a loss to you.

These hedging activities could adversely affect the value of the reference asset and, therefore, the market value of the notes and the cash settlement amount payable at maturity. 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, equity securities, an equity index, shares of an ETF, foreign stock, the underlying securities, the underlying index or the component securities, as the case may be. 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 and the cash settlement amount payable at maturity.

Our Market-Making Activities Could Negatively Impact Investors in the Notes

We and our affiliates may actively make markets in and trade financial instruments for our or their own account and for the accounts of customers. By nature, market-making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, we may take positions that are inconsistent with or adverse to, the investment objectives of holders of the notes. If we become a holder of any reference asset in our capacity as a market-maker or otherwise, any actions that we take in our capacity as a holder of such reference asset may not be aligned with the interests of holders of the notes.

Other Investors in the Notes May Have Interests that Are Different From Yours

Investors in the notes are not required to take into account the interests of any other investor in exercising remedies or voting or other rights in their capacity as beneficial owners of the notes or in making requests or recommendations to us or our affiliates as to the establishment of the terms of the notes. The interests of other investors in the notes may, in some circumstances, be adverse to your interests. For example, certain investors may take short positions (directly or indirectly through derivative transactions) on assets that are the same or similar to your notes, the reference asset, equity securities, an equity index, shares of an ETF, foreign stock, the underlying securities, the underlying index or the component securities, as the case may be, which may adversely impact the market for or market value of your notes.

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The Cash Settlement Amount on Your Notes Will Be Determined by the Reference Asset Performance on the Final Valuation Date, Subject to Certain Other Terms of Your Notes

If the trading value of the reference asset (if continuous monitoring is applicable to your notes) or the closing value of the reference asset (if closing value monitoring is applicable to your notes) decreases below the barrier value during the monitoring period, the cash settlement amount, if any, that will be paid on your notes on the maturity date will be determined based on the closing value of the reference asset on the final valuation date, and you will not benefit from the value of the reference asset at any time other than the final valuation date. For example, if the closing value of the reference asset dropped precipitously on the final valuation date, the cash settlement amount for the notes would be significantly less than it would otherwise have been had the cash settlement amount been linked to the closing value of the reference asset prior to such date. As a result, it is possible that the cash settlement amount may be substantially less than the payment you would have received if you had invested in a note with a different final valuation date.

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 otherwise specified in the relevant pricing supplement, the notes 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 notes, but 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 ask 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.

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. See *Assuming No Changes in Market Conditions or Any Other Relevant Factors, the Market Value of the Notes Prior to the Maturity Date May Be Significantly Less Than the Issue Price* above.

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 the reference asset, 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 certain factors that we expect to have an impact on the market value of the notes, assuming all other conditions remain constant.

Value of the reference asset. We expect that the market value of the notes at any given time will likely depend substantially on the changes in the price or level, as applicable, of the reference asset, including whether such price or level, as applicable, approaches or falls below the barrier value on any trading day during the monitoring period. For example, decreases in the value of the reference asset may cause a decrease in the market value of the notes because of the expectation that the cash settlement amount of the notes will decrease. If you choose to sell notes when the value of the reference asset has decreased below the initial value, you are likely to receive less than the amount you originally invested. The value of the reference asset will be influenced by complex and interrelated political, economic, financial and other factors that can affect the equity markets on which the reference asset, or the underlying securities or component securities of the reference asset, 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 of the reference asset changes, the market value of the notes may change.

Interest rates. The interactions of interest rates and the equity markets are unpredictable. Investors in the notes must make their own determinations as to how the possible future effects of changes in interest rates will affect the reference asset and the notes. Finally, interest rates may also affect the economies of the United States or other countries in which the equity securities that are a reference asset, or that are underlying securities or component securities of a reference asset, are traded or listed, as applicable.

Exchange rates. See *You May Be Subject to Currency Exchange Rate Risk* below.

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 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.

Time to interest payment. The proximity in time to an interest payment may affect the market value of the notes.

In addition, economic, financial, political, military, regulatory, legal and other events that affect the applicable equity markets may affect the value of the reference asset and, therefore, the market value of the notes. If the reference asset is a share of an ETF, the ETF is subject to management risk, which is the risk that the investment strategy employed by a fund s investment advisor may not produce the intended results, including that the ETF may fail to track closely the underlying index.

In addition, your notes may trade quite differently from the reference asset. Changes in the value of the reference asset may not result in comparable changes in the market value of your notes. Even if the value of the reference asset increases from the initial value of the reference asset 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 of the reference asset increases. If you sell your notes prior to maturity, you may receive less than the principal amount of your notes.

The Market Value of Your Notes May Decrease at an Accelerated Rate as the Value of the Reference Asset Approaches and Drops Below the Barrier Value

When the value of the reference asset decreases from the initial value of the reference asset to a value near the barrier value for the first time, the market value of the notes may decrease at a greater rate than the market value of the reference asset. If the trading value or closing value, as applicable, of the reference asset falls to prices or levels, as applicable, that are near or below the barrier value, we expect that the market value of the notes will decrease, to reflect the fact that you may receive at maturity a cash settlement amount with a value that is less than the principal amount of your notes. All other factors remaining constant, the greater the number of days in the monitoring period for your notes, the more likely it will be that the trading value or closing value, as applicable, of the reference asset will fall below the applicable barrier value.

We Will Not Hold the Reference Asset 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 a reference asset that is an equity security or a share of an ETF or any component securities or underlying securities of the reference asset, as applicable, that we or they may acquire. Neither we nor our affiliates will pledge or otherwise hold any assets for your benefit. 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.

You Will Not Have Any Shareholder Rights or Rights to Receive Any Reference Asset or Component Securities or Underlying Securities of a Reference Asset

Investing in the notes will not make you a holder of any reference asset or any component securities or underlying securities of a reference asset. Neither you nor any other holder or owner of your notes will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to the reference asset or the underlying securities or component securities of the reference asset, as applicable. Your notes will be paid in cash, and you will have no right to receive delivery of any reference asset or any component securities or underlying securities of a reference asset.

Our or Our Affiliates Business Activities May Create Conflicts of Interest

As noted above under *Our or Our Affiliates Hedging and Trading Activities May Adversely Affect the Market Value of the Notes*, we and our affiliates expect to engage in hedging and trading activities related to the reference asset that are not for the account of holders of the notes or on their behalf. These hedging and 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 hedging and trading activities, if they influence the value of the reference asset, 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 value of the reference asset or its component securities or underlying securities, as applicable and, therefore, the market price of the notes.

We and one or more of our affiliates may, currently or in the future, engage in business with the issuer of a reference asset, including making loans to or providing advisory services to such companies, including investment banking and merger and acquisition advisory services. These activities may present a conflict between our or one or more of our affiliates obligations and your interests as a holder of the notes. Moreover, we and our affiliates may have published, and in the future may publish, research reports that relate to the reference asset. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. Any of these activities by us or one or more of our affiliates may affect the value of the reference asset and, therefore, the market value of the notes and the cash settlement amount payable at maturity.

You Must Rely on Your Own Evaluation of the Merits of an Investment Linked to the Reference Asset

In the ordinary course of their business, our affiliates may have expressed views on expected movements in the reference asset, or the component securities or underlying securities of a reference asset, as applicable, and may do so in the future. These views or reports may be communicated to our clients and clients of our affiliates. However, these views are subject to change from time to time. Moreover, other professionals who transact business in markets relating to any reference asset may at any time have significantly different views from those of our affiliates. For these reasons, you are encouraged to derive information concerning the reference asset from multiple sources, and you should not rely solely on views expressed by us or our affiliates.

If Your Notes Are Linked to an Equity Security or a Share of an ETF, You Will Have Limited Anti-Dilution Protection

If your notes are linked to an equity security or a share of an ETF, for certain corporate events affecting the reference asset the calculation agent may make adjustments to the reference asset calculation amount, the initial value of the reference asset and the barrier value applicable to such reference asset. However, the calculation agent will not make an adjustment in response to all events that could affect the reference asset. Different calculation agents may exercise their discretion differently, and different notes or other instruments that are subject to anti-dilution adjustments may provide for additional, fewer, or different adjustments than those provided in your notes. You should understand fully these adjustments before making an investment in the notes. If an event occurs that does not require the calculation agent to make an adjustment, the value of the notes may be materially and adversely affected. In addition, all determinations and calculations concerning any such adjustment will be made by the calculation agent. You should refer to *General Terms of the Notes Anti-Dilution Adjustments* and *General Terms of the Notes Role of Calculation Agent* in this product prospectus supplement for a description of the items that the calculation agent is responsible for determining.

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

The calculation agent will, among other things, determine the cash settlement amount 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 Notes Role of Calculation Agent* in this product prospectus supplement. The calculation agent will exercise its judgment when performing its functions and will make any determination required or permitted of it in its sole discretion. For example, the calculation agent may have to determine whether a market disruption event affecting the reference asset has occurred and may also have to determine the closing value or trading value, as the case may be, in such case. 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. All determinations by the calculation agent are final and binding on you absent manifest error. Since this determination by the calculation agent will affect the cash settlement amount on the notes, the calculation agent may have a conflict of interest if it needs to make a determination of this kind, and the cash settlement amount of your notes may be adversely affected. In addition, if the calculation agent determines that a market disruption event has occurred, it can postpone any relevant valuation date or observation date, as the case may be, which may have the effect of postponing the maturity date. If this occurs, you will receive the cash settlement amount, if any, after the originally scheduled maturity date but will not receive any additional payment or any interest on such postponed cash settlement amount.

In Some Circumstances, the Payment You Receive on the Notes at Maturity May Be Based on Securities Other Than the Original Reference Asset

If the original reference asset is an equity security, then following certain corporate events relating to the issuer of the reference asset where such issuer is not the surviving entity, the cash settlement amount you receive at maturity, if any, may be based on a security of a successor to the reference asset issuer or any cash or any other assets distributed to holders of the reference asset in such corporate event, which may include securities issued by a non-U.S. company and quoted and traded in a foreign currency. The occurrence of these corporate events and the consequent adjustments may materially and adversely affect the value of the notes. We describe the specific corporate events that may lead to these adjustments and the procedures for selecting distribution property under *General Terms of the Notes Anti-Dilution Adjustments Anti-Dilution Adjustments for Reference Assets Consisting of an Equity Security Reorganization Events* in this product prospectus supplement.

If Your Notes Are Linked to an Equity Security or a Share of an ETF, the Value of Your Notes May Be Adversely Affected if a Reference Asset Is Delisted or if Its Trading Is Suspended

In the event of a delisting or suspension of trading of shares of a common stock or an ETF serving as the reference asset, the calculation agent may designate a substitute reference asset. If the calculation agent determines that no substitute reference asset comparable to the reference asset exists or if such substitute reference asset selected by the calculation agent is subsequently delisted or trading in such substitute reference asset is subsequently suspended, then the calculation agent will deem the closing price of the reference asset or substitute reference asset, as the case may be, on the trading day immediately prior to its delisting or suspension

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to be the trading price and the closing price, as applicable, of the reference asset or substitute reference asset, as the case may be, on every remaining trading day to, and including, the final valuation date. See *General Terms of the Notes Modification of the Reference Asset or Unavailability of the Price or Level of the Reference Asset* and *General Terms of the Notes Role of Calculation Agent* below. No reference asset issuer or sponsor, as applicable, is involved in the offer of the notes or has any obligation to consider your interest as an owner of the notes in taking any actions that might affect the market value of your notes. Delisting or termination of the reference asset and the consequent adjustments may materially and adversely affect the value of the notes.

If the reference asset is an ADS and the ADS is no longer listed or admitted to trading on a U.S. securities exchange registered under the United States Securities Exchange Act of 1934, as amended (Exchange Act), nor included in the OTC Bulletin Board Service operated by the Financial Industry Regulatory Authority (FINRA), or if the ADS facility between the issuer of the foreign stock and the ADS depositary is terminated for any reason, the cash settlement amount you receive at maturity, if any, will be based on the foreign stock represented by the ADS or a substitute ADS, as determined by the calculation agent. Such delisting of the ADS or termination of the ADS facility and the consequent adjustments may materially and adversely affect the value of the notes. We describe such delisting of the ADS or termination of the ADS facility and the consequent adjustments under *General Terms of the Notes Modification of the Reference Asset or Unavailability of the Price or Level of the Reference Asset Reference Assets Consisting of an ADS* in this product prospectus supplement.

If Your Notes Are Linked to a Reference Asset That is an Index, the Value of Your Notes May Be Adversely Affected if an Index Sponsor Discontinues Publication of the Index

If the index sponsor discontinues publication of or otherwise fails to publish an index that is a reference asset, the cash settlement amount you receive at maturity, if any, may be based on a successor or substitute index that the calculation agent determines is comparable to the discontinued index. If the calculation agent determines that no successor or substitute index is available, the calculation agent will calculate the level of the index. Such discontinuation or failure to publish the reference asset and the consequent adjustments may materially and adversely affect the value of the notes. We describe such discontinuation or failure to publish the reference asset and the consequent adjustments under *General Terms of the Notes Modification of the Reference Asset or Unavailability of the Price or Level of the Reference Asset Reference Assets Consisting of an Index* in this product prospectus supplement.

You May Be Subject to Currency Exchange Rate Risk

Fluctuations in exchange rates may affect the value of your investment where (1) the reference asset is an ADS, which is quoted and traded in U.S. dollars, but represents a foreign stock that is quoted and traded in a foreign currency and that may trade differently from the ADS, (2) the reference asset is substituted or replaced by a security that is quoted and traded in a foreign currency, (3) the reference asset is denominated in non-U.S. dollar currencies and the closing value of the reference asset will be adjusted to reflect its U.S. dollar value by converting the value of the reference asset from the non-U.S. dollar underlying currency to U.S. dollars, or (4) the reference asset is an index denominated in one currency whose underlying stock prices are converted from one or more other currencies for purposes of calculating the level of the index. Such substitution or replacement of the reference asset by a security issued by a non-U.S. company may occur following certain corporate events affecting the reference asset (as described under *General Terms of the Notes Anti-Dilution Adjustments Anti-Dilution Adjustments for Reference Assets Consisting of an Equity Security Reorganization Events* in this product prospectus supplement), or in the event of delisting or termination of a reference asset that is an ADS (as described under *General Terms of the Notes Modification of the Reference Asset or Unavailability of the Price or Level of the Reference Asset Reference Assets Consisting of an ADS* in this product prospectus supplement).

In recent years, the exchange rates between the U.S. dollar and some other currencies have been highly volatile, and this volatility may continue in the future. Risks relating to exchange rate fluctuations generally depend on economic and political events over which we have no control. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of the notes. Changes in the exchange rate between the U.S. dollar and a foreign currency may affect the U.S. dollar equivalent of the price of the foreign stock on non-U.S. securities markets and, as a result, may affect the value of the notes. As a consequence, such fluctuations could adversely affect an investment in the notes.

In addition, foreign exchange rates can either be floating or fixed by sovereign governments. Exchange rates of the currencies used by most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar and to each other. However, from time to time governments and, in the case of countries using the euro, the European Central Bank, may use a variety of techniques, such as intervention by a central bank, the imposition of regulatory controls or taxes or changes in interest rates to influence the exchange rates of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and currency fluctuations that would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders. As a consequence, these government actions could adversely affect an investment in the notes.

We will not make any adjustment or change in the terms of the notes in the event that applicable 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 other developments affecting the U.S. dollar or any relevant foreign currency. You will bear any such risks.

If Your Notes Are Linked to a Reference Asset That Is Traded in a Foreign Currency Comprised of Underlying Securities or Component Securities Which Are Traded in Foreign Currencies, but Are Not Adjusted to Reflect Their U.S. Dollar Value, the Return on Your Notes Will Not Be Adjusted for Changes in the Foreign Currency Exchange Rate

If your notes are linked to an index or a share of an ETF, and the underlying securities or component securities, respectively, are traded in foreign currencies but are not adjusted to reflect their U.S. dollar value, the amount payable on your notes will not be adjusted for changes in the applicable foreign currency/U.S. dollar exchange rates. The cash settlement amount payable on the maturity date will be based solely upon the reference asset performance. Changes in foreign currency exchange rates, however, may reflect changes in the economy of the applicable foreign countries in which the underlying securities of an index or component securities of an ETF are listed that, in turn, may affect the final value of the reference asset. In addition, movements in interest rates of both currencies could also affect the market value of your notes prior to maturity. Any such movements may come at