

| OMB APPROVAL | |
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| OMB Number: | 3235-0287 |
| Estimated average burden | |
| hours per response: | 0.5 |

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|---|--|---|
| 1. Name and Address of Reporting Person* <u>NOMURA INTERNATIONAL PLC</u> (Last) (First) (Middle) <u>NOMURA HOUSE 1 ST MARTINS LE GRAND</u> <u>LONDON EC1A 4NP</u> (Street) <u>UNITED KINGDOM</u> X0 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>TARGACEPT INC [TRGT]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>04/18/2006</u> | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 04/18/2006 | | A | | 1,190,476 | A | (1) | 2,136,904 | D | |
| Common Stock | 04/18/2006 | | A | | 946,428 | A | (1) | 946,428 | I | Owned by NLP ⁽³⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------|--|-----------------|---|--|--|---|--|-----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Series C Convertible Preferred Stock | (1) | 04/18/2006 | | C | | | 8,264,462 | (2) | (2) | Common Stock | 1,190,476 | (1) | 0 ⁽⁴⁾ | D | |
| Series C Convertible Preferred Stock | (1) | 04/18/2006 | | C | | | 6,570,248 | (2) | (2) | Common Stock | 946,428 | (1) | 0 ⁽⁴⁾ | I | Owned by NLP ⁽³⁾ |

| | |
|---|---|
| 1. Name and Address of Reporting Person* <u>NOMURA INTERNATIONAL PLC</u> (Last) (First) (Middle) <u>NOMURA HOUSE 1 ST MARTINS LE GRAND</u> <u>LONDON EC1A 4NP</u> (Street) <u>UNITED KINGDOM</u> X0 (City) (State) (Zip) | 1. Name and Address of Reporting Person* <u>Nomura Phase4 Ventures LP</u> (Last) (First) (Middle) <u>NOMURA HOUSE</u> <u>1 ST MARTIN'S-LE-GRAND</u> (Street) <u>LONDON</u> X0 <u>EC1A 4NP</u> (City) (State) (Zip) |
| 1. Name and Address of Reporting Person* | |

Nomura Phase4 Ventures LTD

(Last) (First) (Middle)

NOMURA HOUSE
1 ST MARTIN'S-LE-GRAND

(Street)
LONDON X0 EC1A 4NP

(City) (State) (Zip)

1. Name and Address of Reporting Person*

Nomura Phase4 Ventures GP LTD

(Last) (First) (Middle)

NOMURA HOUSE
1 ST. MARTINS-LE-GRAND

(Street)
LONDON X0 EC1A 4NP

(City) (State) (Zip)

Explanation of Responses:

1. Each share of Series C Convertible Preferred Stock converted into approximately 0.144 shares of the issuer's common stock. This conversion ratio reflects a 1 for 7.5 share reverse stock split of the issuer's common stock effected February 3, 2005.
2. The Series C Convertible Preferred Stock was convertible at any time, at the holder's election, and converted automatically upon completion of the issuer's initial public offering. These securities had no expiration date.
3. This Form 4 is filed by Nomura International plc ("NI") on behalf of Nomura Phase4 Ventures LP ("NLP") (each a "Reporting Person"). NI owns directly all of the stock of Nomura Phase4 Ventures Limited ("NVL"). NVL owns directly all of the stock of Nomura Phase4 GP Limited ("NGP"). NGP is the manager of NLP.
4. Not applicable.

Remarks:

See Exhibit 99.1 for Joint Filer signature information.

/s/ Denise Pollard Knight

04/20/2006

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

JOINT FILER INFORMATION

NAME: Nomura Phase4 Ventures LP

ADDRESS:
Nomura House
1 St Martins-le-Grand
London, EC1A 4NP
United Kingdom

ISSUER AND TICKER SYMBOL: Targacept, Inc. [TRGT]

DATE OF EARLIEST TRANSACTION REQUIRED TO BE REPORTED: April 18, 2006

RELATIONSHIP OF REPORTING PERSONS TO ISSUER: Member of 13G Group reporting more than 10% ownership.

Signature: Nomura Phase4 Ventures LP

By: /s/ Denise Pollard Knight

Dated: April 20, 2006

JOINT FILER INFORMATION

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1 St Martins-le-Grand
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