

Nomura Holdings Announces 3Q Results—Losses Reported but No Immediate Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on business results of Nomura Holdings, Inc. (security code: 8604) for the third quarter of the fiscal year ending March 2019 (FY2018).

Nomura Holdings, Inc. (the "Company") posted a loss before income taxes of 62 billion yen for the nine months ended December 2018. As a primary factor leading to the losses, 81.4 billion yen in goodwill impairment charge was booked. This is a temporary one, however, and, given also the good capital level, JCR does not consider it necessary to immediately review the rating only because of the losses. That said, the Company struggled also in the first and second quarters, resulting in a low income level even without the goodwill impairment charge. Should this low income lingers, downward pressures on the rating will probably increase. In any case, the Company is considering a comprehensive revision of its operations, like when it successfully turned the situation around by intensifying its focus on core businesses after reporting a net loss for the fourth quarter of FY2015 due to a downturn in business. JCR will therefore keep an eye on the details and effectiveness of the measures to be taken.

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<Reference>

Issuer: Nomura Holdings, Inc.

Long-term Issuer Rating: AA- Outlook: Stable

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