

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Kokushikan (security code: -)

<Affirmation>

Long-term Issuer Rating: AA-

Outlook: Stable

Rationale

- (1) Kokushikan is an incorporated educational institution with its origin in the Kokushikan private academy founded by Tokujiro Shibata in 1917. Having Kokushikan University (the “University”) at its core, Kokushikan has a total of approximately 14,000 students, including those of the affiliated junior and senior high schools. It sets the education philosophy to nourish sincerity, industriousness, insight and spiritual strength by ceaselessly pursuing the three principles of “reading, experience and reflection.” The University has Setagaya Campus with five faculties: Faculty of Political Science and Economics, School of Science and Engineering, Faculty of Law, Faculty of Letters, and Faculty of Business; Tama Campus with Faculty of Physical Education; and Machida Campus centering on School of Asia 21. It ranks among the top private universities in terms of producing civil servants such as police officers and firefighters, and there are also many sports activities.
- (2) The University’s strong ability to attract students is maintained. Due to the revision of school fees starting in the academic year ending March 2027 (academic year 2026), revenue from school fees is expected to increase going forward. Expenditures are also being managed appropriately, in particular, personnel expenses have become lower than before as changes in the age composition of faculty and staff. JCR sees that Kokushikan will be able to secure a certain level of revenue/expenditure balance on business activities before depreciation and amortization for the time being. The environmental improvement of the Setagaya Campus is expected to require a substantial project cost burden; however, the improvements will be carried out on a long-term, phased basis. As the expenditures will be spread out, there is sufficient capacity to cover operating expenses in the near term. Based on the above, JCR has affirmed the rating on Kokushikan with a Stable outlook.
- (3) The environment for recruiting students is difficult due to the tendency of students to take entrance examinations by the end of the year. In this environment, the total number of applicants for the entrance examination for academic year 2026 was approximately 17,000, exceeding the previous year. While the number of applicants through general entrance examination increased, applications through comprehensive selection and school recommendation-based selection remained strong. The third medium-to long-term business plan, which began in academic year 2025, sets out policies to strengthen the acquisition of highly motivated students, increase added value through distinctive education, and improve student satisfaction with careers and student life, etc. Since academic year 2026, initiatives in four faculties, such as the reorganization of academic clusters and courses, as well as curriculum changes, all with an eye on students’ post-graduation pathways, are viewed as progressing smoothly. JCR will be paying close attention to whether the Kokushikan can maintain its competitiveness by promoting educational reforms while improving the campus environment.
- (4) As part of the Kokushikan campus environmental improvement project, Kokushikan is gradually redeveloping five campus buildings on the Setagaya Campus, along with other improvements. The project period is planned to be approximately 11 years from academic year 2025 to 2035. In response to the substantial financial burden of the project, Kokushikan has steadily built up its financial reserves, with investment assets now exceeding 40 billion yen. It will likely be able to secure a certain amount of revenue/expenditure balance on business activities before depreciation and amortization going forward, which will enable it to prepare for immediate operating expenses. Going forward, while taking into consideration financial soundness, Kokushikan needs to pursue well-balanced investments in education and research activities.

Yosuke Sato, Masaki Abe



Rating

Issuer: Kokushikan

<Affirmation>

Long-term Issuer Rating: AA- Outlook: Stable

Rating Assignment Date: April 21, 2026

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (October 1, 2024) and "Incorporated Educational Institutions" (August 1, 2022) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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