

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, and revenue from school fees is expected to remain strong. Expenditures are also being managed appropriately, and in particular, personnel expenses are expected to gradually decrease in line with changes in the age structure of the school personnel. 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 redevelopment of Setagaya Campus will begin in earnest. Although a large amount of project cost strain is expected, the development will be long term and in phases, and therefore fund spending will be spread out. There is sufficient capacity to cover immediate operating expenses and its financial soundness is likely to be maintained. Based on the above, JCR has affirmed the rating on Kokushikan with Stable outlook.
- (3) The environment for recruiting students is difficult due to the tendency of students to take entrance examinations within the year. In this environment, the total number of applicants for the entrance examination for the academic year ending March 2026 (academic year 2025) was approximately 14,000, the same level as in the previous year. The student recruitment through comprehensive selection and admission by recommendation remains strong, and it is able to steadily attract highly motivated students. The third medium- to long-term business plan, which began in the academic year 2025, aims to strengthen the acquisition of highly motivated students, increase added value through distinctive education, and improve satisfaction with careers and student life. JCR will be paying close attention to whether Kokushikan can maintain its competitiveness by promoting educational reforms while improving the campus environment under the leadership of the corporate/academic executive boards established in 2025
- (4) Looking ahead, as part of the Kokushikan campus environmental improvement project, Kokushikan plans to gradually rebuild five school buildings on Setagaya Campus. The project period is approximately 10 years from academic year 2025 to 2034, and large project cost strains are expected. In response to this, Kokushikan has been working to accumulate funds. With approximately 40 billion yen in assets under management, 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. While taking into consideration financial soundness, it is necessary to make balanced investments in education and research activities from both the soft and hard aspects.

Yosuke Sato, Masaki Abe

### *Rating*

Issuer: Kokushikan

### <Affirmation>

Long-term Issuer Rating: AA-      Outlook: Stable

Rating Assignment Date: April 21, 2025

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.

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