

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

## **National University Corporation Hokkaido University (security code: -)**

<Affirmation>

Long-term Issuer Rating: AAA  
Outlook: Stable

### *Rationale*

- (1) National University Corporation Hokkaido University (the “University”) is one of Japan’s leading universities. Originated from Sapporo Agricultural College founded in 1876, it sets out the basic philosophies of “Frontier Spirit,” “Global Perspectives,” “All-round Education” and “Practical Learning”. While possessing favorable field resources, it has major bases in Hokkaido Prefecture, a forerunner-region of social issues. In addition to the Sapporo and Hakodate campuses, the University has research forests and marine stations, making it one of the universities with the largest campuses in the world. Having strengths in field researches from its history and regional characteristics, degree of contribution toward achieving SDGs is high. Under the “HU VISION 2030”, it is working on strengthening Excellence and Extension aiming to realize “Novel Japan University Model”. Abilities of the University and graduate school to acquire students and to produce human resources for society are strong, and the ability to acquire external funds is also among the top in Japan.
- (2) Stability of the national university corporation system remains unchanged. However, the University’s business environment is tough because prices and wages are in an uptrend while it is difficult to expect an increase in operation expense subsidies. The University is focusing on various reforms to improve the research excellence and ability to contribute to society through further utilizing the distinctive management resources. It will appear to capture many business opportunities to ensure stability and future growth of revenues going forward. The rating is determined in a comprehensive manner reflecting individual university corporation’s factors and credit enhancement by the government, etc. Based on the above, JCR has affirmed the rating on the University with Stable outlook.
- (3) In recent years, the University’s actual accomplishment of obtaining external funds is in an improvement trend, but there is significant room for improvement in light of the size of operating expense subsidies. While strengthening governance through such measures as appointing the Chief Executive Vice President and establishing the Office of Management and Planning, the University is striving for maximizing utilization of operating expense subsidies and acquiring external funds. Therefore, creation of a growth cycle through strategic and focused budget allocation can be expected. In particular, going forward, the University is scheduled to establish a framework to generate advanced integrated research or a large scale joint research on an organizational basis making use of funds from Program for forming Japan’s Peak Research Universities and university bonds. Growth of joint research income, primarily for the field research area, the University’s specialty, can be expected. Other than these, opportunities to earn income by utilizing the assets owned can also be anticipated.
- (4) The University’s affiliated hospital plays an important role as an advanced treatment hospital, a clinical research core hospital, and a physician training institution. In general, earning environment of the national university affiliated hospitals has been increasing severely due to higher prices and implementation of the doctor work style reforms. Together with revenue growth by an improvement in clinical indicators, it is holding down expenditures through reviewing medical expenses. Therefore, it will be able to maintain revenue/expenditure for the time being. However, a considerable amount of time has passed since the previous hospital redevelopment, and a large-scale development will be needed in the future. A further improvement in revenue/expenditure will be an issue to be addressed to secure financial sources.

Shigenobu Tonomura, Masaki Abe



## Rating

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Rating Assignment Date: October 31, 2024

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 "FILP Agencies, etc." (May 29, 2020) and "National University Corporations" (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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