

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

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

<Affirmation>

Long-term Issuer Rating: AAA  
Outlook: Stable

### *Rationale*

- (1) National University Corporation Kobe University (the “University”) is one of the nation’s leading universities with the tradition of “harmony between theory and reality.” It is based in Kobe, an international port city with clusters of a variety of industries including medical one. With an origin that can be traced back to Kobe Higher Commercial School established in 1902, the University was established in 1949, and integrated with the Kobe University of Mercantile Marine in 2003. As the long-term vision, the University aims to be “a global hub for the multidisciplinary co-creation of research and education that cultivates profound knowledge and outstanding innovators.” Establishing Digital Bio & Life Science Research Park (“DBLR”), the University facilitates collaboration among research bases, focusing on bioproduction, advanced membrane, medical engineering, and health and longevity fields, in which the University has outstanding research track records. Its abilities to acquire students for the university and graduate school and to produce human resources for society are strong, and the ability to obtain external funds is also at a high level among Japanese peers.
- (2) The stability of the national university corporation system remains unchanged. However, as it is difficult to expect an increase in operation expense subsidies while prices and labor costs are on the rise, the University’s business environment is difficult. It is increasing the ratio of external funds to operation expense subsidies by leveraging its strong research capabilities, wide range of academic fields, and multidisciplinary co-creation that takes advantage of regional characteristics. With DBLR as its axis, the University is expected to continue to ensure stability and growth in revenues going forward. The rating is determined comprehensively by incorporating the effects of the credit enhancement by the government, etc., in addition to the individual corporation’s circumstances. Based on the above, JCR has affirmed the rating on the University with Stable outlook.
- (3) The University’s operation expense subsidies are not large in amount compared to large-scale top universities, thereby the management resources are constrained. That said, the ratio of external funds to operation expense subsidies is one of the highest in Japan, and the track record is improving year by year. The Strategic Planning Office, headed by the president, is central to efforts to speed up decision-making and optimize resource allocation, and efficient management is considered a strength of the University. In recent years, the University has drawn up a strategy to form DBLR as a center of excellence for multidisciplinary co-creation and make it an engine for growth. It is accelerating its efforts by taking advantage of several subsidy programs, including the Project for Promoting the Enhancement of Regional Core and Distinctive Research Universities, for which it was adopted in academic year 2023. Its ability to obtain external funds will likely be further strengthened. It is also working to secure income by making effective use of university assets.
- (4) Regarding affiliate hospitals, in addition to the main Kobe University Hospital (the “Hospital”), the University operates the International Clinical Cancer Research Center (“ICCRC”). The Hospital plays an important role as an advanced treatment hospital, a core hospital for clinical research, and a doctor training institution. In general, the revenue environment for national university hospitals is becoming increasingly severe due to inflation and reforms to the way doctors work. The University is currently working on initiatives based on the Hospital’s reform plan, including increasing the number of newly admitted patients and improving medical functions, and will likely be able to maintain stable earnings for the time being. Over the medium to long term, attention will be focused on the progress of redevelopment of Kusunoki area, aimed at addressing issues of aging and narrowness of the buildings.

Shigenobu Tonomura, Masaki Abe

## Rating

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Rating Assignment Date: October 1, 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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