

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

Kanagawa University (security code: -)

<Affirmation>

Long-term Issuer Rating: AA
Outlook: Stable

Rationale

- (1) Kanagawa University (the "Institution") is an incorporated educational institution, which was founded in 1928 in accordance with the following founding principles: "simple and sturdy," "forward-thinking" and "balanced and steady." The total number of students including the affiliated junior and senior high school is approximately 20,000. Kanagawa University (the "University"), the core of the Institution, has 11 faculties in 2 campuses in Yokohama City. The University opened Minato Mirai Campus in Yokohama City in 2021 and established the Faculty of Architecture in Yokohama Campus the following year. In 2023, it consolidated all science- and engineering-related faculties at the Yokohama Campus and reorganized the Faculties of Science and Engineering to establish the Faculty of Chemistry and Biochemistry and the Faculty of Informatics. It is pushing ahead with the restructuring of its educational organization and campuses, as evidenced by its plan to launch the Department of Economic Data Analysis in the Faculty of Economics in 2026.
- (2) The Institution maintains a certain ability to attract students and is expected to continue to earn stable tuition and fees revenue. Although effects of rising prices have been seen, personnel expenses and education/research costs are being properly managed, and it is assumed that a sound revenue-expenditure structure can be maintained. In addition, the financial base is stable. Expenditures for facilities development and others are being managed based on the medium- to long-term fiscal plan through 2028, and fiscal discipline is being maintained. Based on the above, JCR has affirmed the rating on the Institution with Stable outlook.
- (3) The number of applicants for the University's entrance exams for the academic year ending March 2027 has increased sharply compared with the previous year. Admissions reforms, such as the introduction of admissions held within the calendar year using aptitude tests, and discounts for multiple applications, have gained support from prospective students. Efforts are also under way to make student learning outcomes visible through a disclosure system and to reorganize science and engineering-related graduate schools. Meanwhile, under President Toda, who took office in 2025, reviews have begun on reforms linking admissions, education and employment, as well as on establishing structure to strengthen research capabilities. Attention will focus on whether it can speed up discussion and consensus-building and move to implementation, and whether it can achieve positive results early on.
- (4) Due to costs associated with campus reorganization and an increase in depreciation expenses, the balance before appropriation to the basic fund has remained low since the academic year ended March 2021. However, there are no problems with cash flow, and the surplus/deficit of funds for educational activities has recovered to levels prior to the academic year ended March 2020. The increase in spending with inflation is basically covered by the effect of additional revenue from tuition fee revisions and other measures. Although the Yokohama Campus has aging facilities, considering the surge in construction costs, a repair plan based on continued long-term use has been formulated. For the time being, it is assumed the Institution can manage facilities/equipment-related expenditures at a certain level while maintaining an adequate learning environment.

Shigenobu Tonomura, Yosuke Sato

Rating

Issuer: Kanagawa University

<Affirmation>

Long-term Issuer Rating: AA Outlook: Stable



Rating Assignment Date: February 27, 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.

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