

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

Kyoritsu Women's Educational Institution (security code: -)

<Affirmation>

Long-term Issuer Rating: A+

Outlook: Stable

Rationale

- (1) Kyoritsu Women's Educational Institution ("Kyoritsu") is a traditional women's professional educational institution founded in 1886. Under the founding philosophy, "Independence and self-support of women," it follows the motto of "honesty, diligence and friendship." It also adopts "Kyoritsu Leadership" as its slogan for the entire institution. It operates Kyoritsu Women's University (the "University") at the core, along with one junior college, two high schools, two junior high schools and one kindergarten, with approximately 8,600 students in total. The University has six faculties of: Home Economics; Arts and Letters; International Studies; Nursing; Business Studies (established in April 2020); and Architecture and Design (established in April 2023) on the Kanda-Hitotsubashi Campus, which is favorably located in Tokyo's Chiyoda Ward, and offers wide-ranging specialist courses, including natural science. As a university that never stops reforming itself, it is contemplating various measures based on a long-term vision and plans to establish the Faculty of Child Studies in April 2026.
- (2) The University, the main source of revenue, is expected to secure steady enrollment. While trends for the Second Kyoritsu Girls' Junior & Senior High School in Hachioji City and Kyoritsu Women's Junior College require attention, tuition and fee income will likely remain solid thanks in part to the revision of facility fees for the entire institution. Given also prudent budget control, JCR assumes that Kyoritsu can attain a certain amount of revenue/expenditure balance before transfer to the capital funds. Kyoritsu will make capital expenditures mainly for ongoing renewal investments for the time being and is also accumulating funds in preparation for the redevelopment of the main campus. Financial soundness will probably be maintained. Based on the above, JCR affirmed the rating on Kyoritsu with Stable outlook.
- (3) The University remains competitive but faces the severe recruiting environment. Building consensus and implementing measures faster than the changing environment is therefore vital. Recently, the University is focusing on leadership-centered education and research activities and is also working on the reorganization of the faculty structure. Moreover, it is pressing ahead with the reform of the entrance examination system so as to increase the ratio of students who enroll through the entrance examination by recommendation or comprehensive selection, which has been successful. Looking ahead, attention will also be paid to the University's reforms in conjunction with the junior college, which is struggling to recruit students. As regards the Second Kyoritsu Girls' Junior & Senior High School, although the number of students has bottomed out, enrollment remains unfilled, requiring stepped-up recruitment efforts.
- (4) The University maintains its policy of giving back to students as much as possible in the form of education, student support, etc. It successfully secures a certain amount of revenue/expenditure balance before transfer to the capital funds, even with priority allocations to these budgets. It intends to address the impact of rising prices by revising facility fees. Meanwhile, although it has roughly 20 billion yen in assets under management, it still faces the challenge of accumulating funds. The redevelopment of the Kanda-Hitotsubashi Campus is expected to get into full swing from the late 2020's. Partly because of soaring construction costs, a considerable amount of investment is anticipated.

Yosuke Sato, Masaki Abe

Rating

Issuer: Kyoritsu Women's Educational Institution

<Affirmation>

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Outlook: Stable

Rating Assignment Date: February 12, 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.

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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