

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

## **Kyushu University (security code: -)**

<Affirmation>

Long-term Issuer Rating: AAA

Outlook: Stable

### *Rationale*

- (1) Kyushu University (the “University”) is one of Japan’s leading universities. In addition to Natural Science and Humanities and Social Sciences, it has diverse academic disciplines including Design. The University has a strong ability to recruit students both domestically and internationally, and its faculty’s research ability ranks among the top in Japan. Toward realizing a “university that drives social change with integrative knowledge,” it is advancing initiatives based on Kyushu University VISION 2030.
- (2) There is no change in the stability of the national university corporation system. However, with prices and wages on an upward trend, the operating environment for national universities is severe. The effectiveness of the government’s immediate support measures and the basic policy of the management expense grants for the period of the fifth medium-term objectives will be points of attention. Meanwhile, the University maintains management stability by securing operating financial sources and allocating them effectively. The procedures for the sale of the former Hakozaki Campus site are steadily progressing, and interest-bearing debt is expected to decrease going forward. JCR determines ratings comprehensively, incorporating the credit enhancement effects provided by the government in addition to the individual circumstances of each corporation. Based on the above, JCR has affirmed the rating on the University with Stable outlook.
- (3) The University’s ability to secure external funding is among the top domestically, and that track record has remained stable. Meanwhile, compared with other designated national universities, there remains room to further increase the ratio of external funding. The current approach advances research strategy from basic research to societal implementation in an integrated manner, with the Head Office for the Design of Future Society and the Promotion Office for Data-Driven Innovation serving as twin pillars. In 2025, a research framework that brings together researchers from various fields to collaborate by backcasting from social issues will also be launched to accelerate these efforts. By focusing on its strengths and characteristics in the three domains of Decarbonization, Medicine & Health, and Environment & Food, the University is expected to increase the vitality of its education and research and improve its ability to secure funding. In addition, steps are being taken to strengthen the management base, such as establishing an operation policy council and improving the fund management structure.
- (4) With the integrated relocation to Ito Campus, the University is carrying a large amount of interest-bearing debt. Proceeds from the sale of the former Hakozaki Campus site are planned to be used for the debt repayment. For the public offering plots in the Hakozaki district, a land-use operator will be selected during the fiscal year ending March 2026 (FY2025), and the land will be handed over in stages from FY2026 onward. JCR will continue to pay attention to progress in the land sale aimed at implementing the repayment plan.
- (5) There are no major problems in the affiliated hospital’s management. However, the revenue environment for national university hospitals is severe. Due to the effects of inflation, the strain of expenses, including medical practice costs, has increased. Given the repayment burden of the debt from the hospital redevelopment project, the financial balance is not one with sufficient leeway. In response to this industry situation, the relevant ministries have decided to implement subsidy programs for university hospitals and will also provide generous allocations in FY2026 medical fee revision. JCR will assess the effectiveness of these national support measures.

Shigenobu Tonomura, Masaki Abe

## Rating

Issuer: Kyushu University

<Affirmation>

Long-term Issuer Rating: AAA      Outlook: Stable

Rating Assignment Date: March 18, 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 "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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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

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