

## JCR's Rating Results for 2025

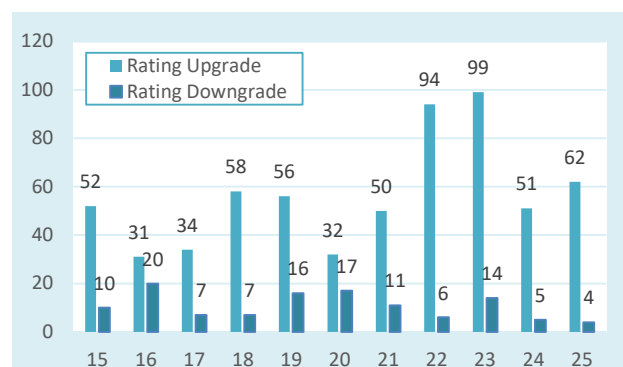
### 1 Resident Long-term Rating

#### (Overview)

The number of JCR's long-term rating changes for residents in 2025 resulted in 62 (51 in 2024) rating upgrades and 4 (5 in 2024) rating downgrades, with the number of upgrades exceeding the number of downgrades for the 13th consecutive year (Chart 1). The number of upgraded issuers exceeded 90 for two consecutive years in 2022 and 2023, but has stabilized in the 50s to 60s in 2024 and 2025. The number of downgraded issuers remained flat at 4 in 2025 compared to 2024. Regarding the rating outlook (outlook) revisions without change of ratings, the trend of more upward revisions than downward revisions continued in 2025. Of the upward outlook revisions, the number of outlooks revised from "Stable" to "Positive" was 30, which was lower than 57 in 2021, 61 in 2022, 37 in 2023, and 45 in 2024. The number of outlooks revised from "Negative" to "Stable" was 10, up from 6 in 2024. For the downward outlook revisions, the number of outlooks revised from "Stable" to "Negative" increased to 11, compared to 6 in 2022, 6 in 2023, and 6 in 2024. The number of outlooks revised from Positive to Stable was 3, remaining largely flat compared to 2 in 2023 and 2 in 2024.

As described above, the upgrade trend for 2025 has largely continued at a level similar to 2024, while the upward trend in outlook has persisted, albeit slightly weakened. As seen in the Bank of Japan's December 2025 Tankan Survey, business conditions DI for large manufacturers remained positive for the 20th consecutive quarter, while the DI for large non-manufacturers remained at a record high level, indicating that business confidence has been maintained or improved except in some industries such as iron and steel. This is considered one of the reasons why the upward trend of rating changes has continued.

Chart 1 Rating Changes (Resident Long-term Rating)



#### Notes

- 1: An issuer whose rating was changed multiple times during the year is counted as one.
- 2: The counted issuers are resident issuers including investment corporations, to which JCR assigned the long-term ratings. Japan, guaranteed bonds of issuers except holding companies and structured finance are all excluded from the counts.

Source: JCR

#### (Manufacturing Sector)

In 2025, the number of manufacturing issuers upgraded was 23, increased from 12 in 2024 and matched the levels of 2022 (21) and 2023 (21). The number of issuers downgraded was 1, down from 3 in 2024 and 7 in 2023. As a result, the number of issuers upgraded has been continuing to outnumber the downgraded.

Looking at the industries, for which the issuers were upgraded, there were 6 issuers in Machinery, 3 issuers in each of Chemicals and Electric Appliances, and this marks a shift from the broad but shallow upgrade trend seen in 2024.

As for the downgraded industries, only 1 issuer in Transportation Equipment was downgraded.

The number of upward outlook revisions in 2025 was 11, halved from 20 in 2024. Of these revisions, the number of outlooks revised from "Stable" to "Positive" was 10 (15 in 2024). Except for 3 issuers in Transportation Equipment, it is a distinctive feature that the issuers were widely dispersed

Chart 2 Rating Change by Industry

Industry	2021		2022		2023		2024		2025	
	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade
Foods			1		3			1		
Textiles & Apparels										
Pulp & Paper	1		1			1	1		1	
Chemicals	1	1	2		4	1	2		3	
Pharmaceutical			1							
Oil & Coal Products	1		1						1	
Rubber Products			1	1					2	
Glass & Ceramics Products					1		1		1	
Iron & Steel			1		4				1	
Nonferrous Metals	1		2			1	2	1	1	
Metal Products			1				1			
Machinery			3		3		2		6	
Electric Appliances	3		6		4	4	1	1	3	
Transportation Equipment		2					1		2	1
Precision Instruments										
Other Products			1		2		1		2	
<b>Total for Manufacturing Industry</b>	<b>7</b>	<b>3</b>	<b>21</b>	<b>1</b>	<b>21</b>	<b>7</b>	<b>12</b>	<b>3</b>	<b>23</b>	<b>1</b>
Construction	1		2		2	1			1	
Electric Power & Gas	1				1				4	
Land Transportation	2				1		4		6	
Marine Transportation			3		3		2			
Air Transportation		1					1			
Warehousing & Harbor Transportation			1				2		1	
Information & Communication	2		3		4		1		2	
Wholesale Trade	2		10		7		2		5	
Retail Trade	3	5	2		3		5		2	1
Banks	10	1	13	2	16	1	1	1	1	1
Securities & Commodity Futures	2		1		2	1	3		2	
Insurance	4		5		9	1			1	
Other Financing Business	4		16		20	1	4		1	1
Real Estate	9		17	2	8	1	11		9	
Services	3	1		1	2	1	3	1	4	
<b>Total for Non-manufacturing Industry</b>	<b>43</b>	<b>8</b>	<b>73</b>	<b>5</b>	<b>78</b>	<b>7</b>	<b>39</b>	<b>2</b>	<b>39</b>	<b>3</b>
<b>Public</b>										
<b>Total</b>	<b>50</b>	<b>11</b>	<b>94</b>	<b>6</b>	<b>99</b>	<b>14</b>	<b>51</b>	<b>5</b>	<b>62</b>	<b>4</b>

Notes1: An issuer whose rating was changed multiple times during the year is counted as one.

2: Investment corporations are allocated to Real Estate or Electric Power & Gas.

3: Educational Institutions and Medical Institution are counted as Services.

Source: JCR

in various industries, with 1 to 2 issuers in each industry. The number of revisions from “Negative” to “Stable” was only 1 (5 in 2024).

The number of downward outlook revisions in 2025 was 7, increased from 4 in 2024. The number of outlooks revised from “Stable” to “Negative” was 5 (3 in 2024), and the number of outlooks revised from “Positive” to “Stable” was 2 (1 in 2024).

The number of issuers upgraded in the Machinery increased to 6 in 2025 from 2 in 2024. A common factor among upgraded issuers is their improved financial structure, driven by recording of stable profits primarily

from core operations or enhanced profitability. A notable feature is the upgrade of 2 issuers in general heavy machinery sector. There were no downgrades in 2025, following 2024. There was 1 downward outlook revision. Although a cutting tool manufacturer had strengthened its earnings power by expanding its customer base, its outlook was revised from “Positive” to “Stable” because its profit recovery will take longer than initially anticipated due to deteriorating business conditions.

In the Chemicals, the number of issuers upgraded increased from 2 in 2024 to 3 in 2025. The common factor among upgraded issuers is that, in addition to solid

domestic operations, they are continuing overseas expansion and growth investments, leading to expectations for medium-term profit growth. As in 2024, there were no downgrades. The number of issuers whose outlooks were revised upward was 2 (4 in 2024), and 2 issuers (2 in 2024) had their outlooks revised from Stable to Positive. The primary reason is that these companies have strengthened their earnings power and improved the soundness of their financial structures. The number of issuers whose outlooks were revised downward was 2 issuers (1 in 2024) from “Stable” to “Negative,” and for both, the reason was heightened uncertainty over earnings recovery due to delays in growth strategy implementation and deteriorating market conditions.

The number of upgraded issuers in the Electric Appliances increased to 3 in 2025 from 1 in 2024. The common reason cited for these upgrades is that their earnings powers have increased, because these companies are continuing overseas expansion and growth investments, in addition to robust demand. The number of downgraded issuers was zero (1 in 2024). There were 2 issuers whose outlooks were revised upward (zero in 2024), and the number of issuers whose outlooks were revised from “Stable” to “Positive” was 1, while the number from “Negative” to “Stable” was 1. The primary reason for the former was a raise in profit levels, which has improved financial indicators. The reason for the latter was a halt in deterioration of financial base with return to black figures. There was 1 issuer (zero in 2024) whose outlook was revised downward, from “Stable” to “Negative,” and the reason was that uncertainty about profit recovery increased with persisting uncertainty about the future business environment, amidst the increasing fixed cost burden due to aggressive capital investment.

#### **(Non-manufacturing Sector)**

The number of non-manufacturing issuers upgraded remained at 39 (39 in 2024), the same as the previous year's. The number of downgraded issuers remained at a low level of 3 (2 in 2024). The industries with many upgraded issuers were Real Estate (including investment corporations) 9 (11 in 2024), Land

Transportation 6 (4 in 2024), Wholesale Trade 5 (2 in 2024), and Electric Power & Gas 4 (zero in 2024). Financing business, which had been prominent until 2023, showed no notable movement. The downgraded issuers were allocated to 3 industries, with 1 downgraded each. The number of issuers whose outlooks were revised upward slightly decreased to 29 in 2025 from 31 in 2024. The number of revisions from “Stable” to “Positive” decreased to 20 (30 in 2024). The number of revisions from “Negative” to “Stable,” for which there was only 1 issuer in 2024, increased to 9 issuers. The number of issuers whose outlook revised downward was 7 (4 in 2024).

In the Real Estate sector, the number of issuers upgraded decreased to 9, compared to 11 in 2024. Of the upgraded, 6 issuers were investment corporations, a decrease by 1 from 7 in 2024. The reasons given for the upgrades of investment corporations were that they have expanded their asset sizes while controlling their LTVs, and that they have been maintaining and improving their high occupancy rates. The number of upgrades for general corporations was 3, a decrease from 4 in 2024. The majority of these upgrades were due to judgment that their earnings power would be strengthened stably by the operation of redevelopment projects and newly acquired properties. There were 6 outlook revisions (8 in 2024), all of which were revised from “Stable” to “Positive.” Of these, 4 issuers were investment corporations and 2 issuers were general corporations. The reasons for the revisions were similar to the reasons for the upgrades, with exception of 1 general corporation due to factors of the parent company, and they are thicker earnings bases from enhanced sponsor support and progress in redevelopment, and increased financial stability.

The second largest number of upgrades in the non-manufacturing sector was 6 issuers in Land Transportation (4 in 2024). Breaking this down, there were 5 private railway companies whose ratings were upgraded (2 in FY2024). This was primarily due to the evaluation of the strengthened earnings power and improved financial soundness through recovery in flow of people and progress in development in areas along the railway lines, with full recovery from the COVID-19 pandemic impact. The upgrade was driven by

improved earnings structure due to fare revisions and business restructuring, in addition to increased passenger numbers, in the railway business, and earnings contributions from real estate leasing and hotel/leisure businesses. Increased cash flow due to redevelopment in the areas along the railway lines and the completion of large-scale projects was also evaluated. In the logistics companies, 1 issuer was upgraded (2 in 2024), primarily due to strengthened creditworthiness through group support by a tender offer. There were no downgrades this year either. Meanwhile, the outlook revisions show a shift from the 5 upward revisions in 2024 to 2 downward revisions this year. The breakdown includes 1 issuer from “Positive” to “Stable” and 1 issuer from “Stable” to “Negative.” The former revision was caused by diminished prospects for further improvement in financial capacity, which had been expected before, due to aggressive growth investments. The latter revision was driven by delayed earnings recovery and increased cost pressures.

The number of upgrades for Wholesale Trade increased to 5 in 2025 from the previous year (2 in 2024). There was 1 general trading company whose rating was upgraded. Reasons cited for the upgrades include strengthened earnings power and maintained financial soundness. Specifically, capture of electrification and DX demand, growth in non-resource sectors, and diversification of business portfolios were evaluated positively. On the other hand, there were zero downgrades in 2025, the same as in the previous year, and overall, upgrades were the main trend. There were 2 upward outlook revisions (from “Stable” to “Positive”), which was the same level as in the previous year (2 in 2024). One company was revised upward due to parent company factors, while the other benefited from expanding IT investment demand. There was 1 downward outlook revision (from “Stable” to “Negative”) (zero in 2024), due to occurrence of extraordinary losses. All outlook revisions were specialized trading companies.

## 2

## Non-resident Long-term Rating (excluding Japanese corporations)

### (1) Sovereign

In December 2025, the OECD released its “Economic Outlook,” announcing a global economic growth (real

GDP growth) of 3.2% in 2025 and 2.9% in 2026. It noted that the global economy has proved resilient this year but underlying fragilities remain, and there was no change from the previous outlook (September 2025).

In this environment, sovereign rating movements were: 2 upgrades (zero in 2024), zero downgrades (zero in 2024). The upward outlook revisions were zero (2 in 2024), while downward outlook revisions were 2 (zero in 2024). Portuguese Republic's foreign currency and local currency long-term issuer ratings were upgraded from A to A+ with Stable outlook. Given that the government debt-to-GDP ratio continues to decline, foreign direct investment inflows have progressed, JCR holds that this will further strengthen the country's economic base and increase the resilience to external shocks. This was the factor for the upgrade. Republic of Slovenia was also upgraded from AA- to AA with Stable outlook. This was due to progress in fiscal consolidation and ample liquidity. French Republic was affirmed at AAA for both foreign currency long-term issuer rating and local currency long-term issuer rating, but the outlook was revised from Stable to Negative. This revision reflects a view that political turmoil will likely delay fiscal consolidation. Romania's rating was affirmed at BBB, but the outlook was revised from Stable to Negative. The factor for the revision was while persistent current account deficits and large fiscal deficits constrain the rating, the medium-term fiscal outlook is deteriorating.

### (2) Other

The number of issuers upgraded in 2025 was 5 (3 in 2024), and the number of issuers downgraded in 2025 was 2 (2 in 2024). The 3 upgraded issuers belong to the same corporate group, and the main reason for the upgrades was stable profitability and rising profit level. The remaining 2 upgraded issuers were banks, and the upgrades were primarily due to expectations of solid performance. The downgrade for the one issuer was based on a view that, with a significant recovery in performance unlikely, improving the deteriorated balance sheet would take time. For the other issuer, the reason cited is that liquidity risk has increased, triggered by accusations of fraud by the former

management team.

Outlook revisions were 3 upward revisions (3 in 2024) and 3 downward revisions (2 in 2024). The upward revisions for all 3 issuers were revisions from “Stable” to “Positive.” One issuer is a multilateral development bank. The other 2 issuers are business firms, and the primary reasons for the

upward revisions were improved performance. On the other hand, as for the downward revisions, there were only 3 issuers and all were revised from “Stable” to “Negative” (2 in 2024). One issuer was revised due to sovereign-linked factors. The reasons for the other 2 issuers’ revisions were attributed to deteriorated business environments.

Charts 3 Details of Rating Changes in 2025

## ► Resident Rating

### <Rating Upgrades>

Release Date	Issuer	Before Change	After Change
Jan. 15	TOKYU CORPORATION	AA-	AA
Jan. 16	Keihan Holdings Co., Ltd.	A	A+
Jan. 16	OKAYA & CO., LTD.	A	A+
Jan. 22	KANEMATSU CORPORATION	A-	A
Jan. 29	Mitsui Chemicals, Inc.	A+	AA-
Jan. 30	Tokyu Fudosan Holdings Corporation	A	A+
Feb. 14	Daiwa Securities Living Investment Corporation	AA-	AA
Feb. 25	Soken Chemical & Engineering Co., Ltd.	BBB	BBB+
Feb. 28	The Musashino Bank, Ltd.	A	A+
Mar. 6	SEIBU HOLDINGS INC.	A-	A
Mar. 10	Kintetsu Group Holdings Co., Ltd.	BBB+	A-
Mar. 12	Namura Shipbuilding Co., Ltd.	BBB-	BBB
Mar. 18	SCREEN Holdings Co., Ltd.	A	A+
Mar. 18	MINEBEA MITSUMI Inc.	A+	AA-
Mar. 19	Aflac Life Insurance Japan Ltd.	AA	AA+
Mar. 21	MIRAI Corporation	A+	AA-
Mar. 24	Sanyo Special Steel Co., Ltd.	#A+/Positive	AA
Mar. 27	NICHIAS CORPORATION	A	A+
Apr. 16	Tonami Holdings Co., Ltd.	#A-/Positive	A+
May 20	Samty Residential Investment Corporation	A	A+
May 27	OKAMURA CORPORATION	A	A+
May 28	JINUSHI PRIVATE REIT, INC.	A+	AA-
May 28	TOMY COMPANY, LTD.	BBB+	A-
June 20	NEC Corporation	A+	AA-
June 23	H.I.S. Co., Ltd.	BB	BB+
June 27	Mitsubishi Heavy Industries, Ltd.	AA-	AA
July 4	KYORITSU MAINTENANCE CO., LTD.	BBB	BBB+
July 10	TOBU RAILWAY CO., LTD.	A	A+
July 10	ROYAL HOLDINGS Co., Ltd.	BBB	BBB+
July 16	Takara Leben Real Estate Investment Corporation	A	A+
July 17	HOSOKAWA MICRON CORPORATION	BBB+	A-
July 18	mitsui E&S Co., Ltd.	BBB-	BBB+
July 28	Chuo-Nittochi Group Co., Ltd.	A-	A
July 29	Chubu Electric Power Company, Incorporated	AA	AA+
July 29	The Kansai Electric Power Company, Incorporated	AA	AA+
July 29	Kyushu Electric Power Company, Incorporated	AA-	AA
July 31	TOSOH CORPORATION	A+	AA-
Aug. 7	APA Holdings Co., Ltd.	BBB+	A-
Aug. 8	Sojitz Corporation	A	A+
Aug. 8	ES-CON JAPAN Ltd.	A+	AA-
Aug. 27	TSUBAKIMOTO KOGYO CO., LTD.	BBB+	A-
Aug. 28	COSMO ENERGY HOLDINGS COMPANY, LIMITED	A-	A

Sept. 12	Tokushu Tokai Paper Co., Ltd.	BBB	BBB+
Sept. 26	Sumitomo Mitsui Construction Co., Ltd.	#BBB+/Positive	A+
Sept. 30	Sanrio Company, Ltd.	A-	A
Oct. 3	Kenedix, Inc.	AA-	AA
Oct. 7	VALOR HOLDINGS CO., LTD.	A-	A
Oct. 20	JX Advanced Metals Corporation	A	A+
Oct. 23	TSUBAKIMOTO CHAIN CO.	A	A+
Oct. 29	IHI Corporation	A-	A
Oct. 31	Canadian Solar Infrastructure Fund, Inc.	A	A+
Oct. 31	Toyo Tire Corporation	A	A+
Nov. 11	FUTABA INDUSTRIAL CO., LTD.	BBB+	A-
Nov. 27	MUFG Finance and Leasing Co., Ltd.	A+	AA-
Nov. 28	SKY Perfect JSAT Holdings Inc.	A	A+
Dec. 16	SCSK Corporation	#A+/Positive	AA
Dec. 19	Sumitomo Riko Company Limited	#A/Positive	AA
Dec. 22	DISCO CORPORATION	AA-	AA
Dec. 24	Toyo Logistics Co., Ltd.	BBB	BBB+
Dec. 24	Daiwa Securities Group Inc.	A+	AA-
Dec. 24	Daiwa Securities Co., Ltd.	A+	AA-
Dec. 26	Chuo-Nittochi Private REIT Inc.	A+	AA-

#### <Rating Downgrades>

Release Date	Issuer	Before Change	After Change
Feb. 18	NISSAN MOTOR CO., LTD.	#A/Negative	A-
Feb. 18	NISSAN FINANCIAL SERVICES CO., LTD.	#A/Negative	A-
May 12	The Shoko Chukin Bank, Ltd.	AA+	AA
May 14	NISSAN MOTOR CO., LTD.	A-	BBB+
May 14	NISSAN FINANCIAL SERVICES CO., LTD.	A-	BBB+
Aug. 20	AIN HOLDINGS INC.	#A/Negative	A-

### ► Non-Resident Rating

#### <Rating Upgrades>

Release Date	Issuer	Before Change	After Change
Jan. 23	Banco Santander, S.A.*	A+	AA-
Feb. 5	Portuguese Republic*	A	A+
Mar. 5	Deutsche Bank AG*	Ap	A+p
Mar. 19	Aflac Incorporated*	A+	AA-
Mar. 19	American Family Life Assurance Company of Columbus*	AA	AA+
Mar. 19	Aflac Re Bermuda Ltd.*	AA	AA+
Dec. 11	Republic of Slovenia*	AA-	AA

#### <Rating Downgrades>

Release Date	Issuer	Before Change	After Change
Aug. 15	ESR Group Limited*	AA-	A+
Dec. 29	Energy Absolute Public Company Limited*	B	CCC

Notes1: In principle, the ratings are Long-term Issuer Ratings, \* denotes Foreign Currency Long-term Issuer Rating.  
2: Company names used as of publication.

Source: JCR

## 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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