

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

## **Toyo University Incorporated Educational Institution (security code: -)**

<Affirmation>

Long-term Issuer Rating: AA  
Outlook: Stable

### *Rationale*

- (1) Toyo University Incorporated Educational Institution (the "Institution") operates one university, three senior high schools, three junior high schools and one kindergarten. The core Toyo University (the "University") has 14 faculties with 46 departments on its four campuses located in Bunkyo and Kita Wards of Tokyo Prefecture, Kawagoe City in Saitama Prefecture and Itakura Town in Gunma Prefecture with a total student number of more than 30,000. The University continues to work on reorganization of faculties/departments. In April 2023, it transformed the Faculty of Human Life Design, and others and opened the Faculty of Design for Welfare Society, and the Faculty of Health and Sports Sciences. In 2024, it will transfer two faculties, etc. located at Itakura Campus to Asaka Campus, and terminate the use of Itakura Campus.
- (2) The University maintains a strong ability to attract students on the back of its fast-paced reorganization of the campuses and educational organization, and internationalization efforts, among others. Competition among universities is intensifying as Japan's 18-year-old population continues to decline, but it is assumed to continue to accept a certain number of students and secure stable tuition income. Expenditure management is also appropriate. Following the Akabanedai Campus and Asaka Campus, the redevelopment of the Kawagoe Campus is also taking shape, but given the cash flow generation capacity and the scheduled timing of expenditures, it will likely be able to maintain the strong financial foundation. Based on the above, JCR has affirmed the rating on the Institution with Stable outlook.
- (3) The number of actual applicants to the University is among the highest in Japan. The relocation of two faculties to the Asaka Campus has had a positive effect on securing students. For general entrance examinations, it continues to expand multi-subject entrance examinations and the prerequisite mathematics entrance examination for liberal arts faculties. At the same time, it is promoting high school/university collaboration agreements with high schools other than affiliated schools, and is striving to secure high-quality students to be enrolled while responding to changes in university entrance exam trends. At the Kawagoe Campus, preparations are underway to establish a new environment-related faculty and expand the educational content of existing faculties. The key is that these efforts will lead to raising the level of its ability to attract students and revitalizing education/research across the University.
- (4) There is room to diversify and strengthen revenue sources including donations. However, there is a high degree of stability in terms of income, centered on tuition and fees. Personnel costs and education/research expenses are accurately managed, and the University's earnings status is relatively comfortable among university corporations. Although the reserve ratio remains in the 70% range, the financial position is sound. While continuing to maintain large-scale facilities and equipment, it has been able to maintain a certain level of operating assets. Accumulating funds for the maintenance/renewal of basic assets, such as dealing with the aging of main facilities on the Hakusan Campus, is considered a medium- to long-term issue.

Shigenobu Tonomura, Yosuke Sato

### *Rating*

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<Affirmation>

Long-term Issuer Rating: AA      Outlook: Stable

Rating Assignment Date: January 12, 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 "JCR's Rating Methodology" (November 7, 2014) 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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