

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. Toyo University (the "University"), the core of the institution, is a large-sized university, with about 30,000 students. The University has 14 faculties comprising 51 departments/courses on its four campuses located in Bunkyo and Kita wards of Tokyo and Asaka and Kawagoe cities of Saitama Prefecture. In 2024, the University transferred two faculties, etc. located in Itakura Campus, Gunma Prefecture to Asaka Campus and discontinued the use of Itakura Campus. It plans to launch the Faculty of Environmental Innovation on the Kawagoe Campus in Fiscal Year 2027 (FY2027) and continuously promotes restructuring campuses, departments/courses, including redevelopment of the facilities of the Kawagoe Campus.
- (2) The University maintains a strong ability to attract students. It gains support from prospective students through its efforts in restructuring faculties, departments, and redevelopment of campuses in response to changes in the social environment, as well as through initiatives for internationalization. Although there are impacts from rising prices and other factors, the University is appropriately managing personnel as well as education and research expenses. Therefore, JCR assumes that it will be able to continue maintaining a sound revenue structure. In the medium-term, some expenditures are expected in connection with the redevelopment of Kawagoe Campus, however, considering the timing of the expenditure and outlook for the balance of educational activity funds, impact on the financial foundation is limited. Based on the above, JCR has affirmed the ratings on the University and retained the Stable outlook.
- (3) The five-year medium-term plan starting in FY2025 aims to enhance education, building on the advancement of research as its starting point, followed by further enhancement of social contribution and community engagement activities. Compared to the previous plan, the systems for progress management and information dissemination have been strengthened. Attention is now focused on whether the University can enhance its competitiveness through the implementation of the plan. In terms of research, the University's track record of obtaining external funds such as KAKENHI, joint/commissioned research has been improving in recent years. For the University's entrance examination, it is focusing on recruiting academically competent students by expanding multi-subject entrance examinations, mathematics-required entrance examinations, and introducing a basic academic ability test-type for within-year entrance examination.
- (4) The University fully meets its enrollment capacity, and its revenue stability is high. The budget is being managed appropriately, and the increase in expenses due to inflation is expected to be largely offset by the increase in student capacity and the additional revenue from the revised tuition. In addition, the financial foundation is solid. Since the 2010s, the University has undertaken major facility developments at the Akabanedai and Asaka campuses, while still maintaining a reserve ratio of around 70%. JCR considers that the medium- to long-term challenge will be securing funds for the full-scale renewal of Hakusan Campus while pressing ahead with the redevelopment of Kawagoe Campus.

Shigenobu Tonomura, Yosuke Sato

Rating

Issuer: Toyo University Incorporated Educational Institution

<Affirmation>

Long-term Issuer Rating: AA Outlook: Stable

Rating Assignment Date: January 9, 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.

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

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

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.)