

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, which was 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 8,700 students in total. The University has following six faculties: Home Economics, Arts and Letters, International Studies, Nursing, Business Studies (established in April 2020), and Architecture & Design (established in April 2023) in Kanda-Hitotsubashi Campus, which is favorably located in Chiyoda Ward, Tokyo. Thereby, it offers wide-ranging specialist courses including the ones in the natural science categories.
- (2) The University, the main source of revenue, is able to secure a stable number of enrolled students. Although attention should be paid to trends in the Second Kyoritsu Girls' Junior & Senior High School (Hachioji City) and Kyoritsu Women's Junior College, there seems to be no major changes in the stability of tuition and fee income. In addition, thanks to prudent budget control, a certain amount of revenue/expenditure balance before transfer to capital fund for the current academic year is assumed to be secured. For the time being, capital expenditures will be mainly used for ordinary renewal investments, and financial soundness will likely be maintained. Based on the above, JCR has affirmed the rating with Stable outlook. However, in the near future, there is a high possibility that large-scale facility improvement plans will be in full swing with the redevelopment of the main campus. It will be important to maintain a balance between investment in education/research activities and fund accumulation for the future.
- (3) The recruiting environment for girls' schools is difficult, and it is significant to build consensus and implement measures at a speed that outpaces changes in the environment. In addition to the recent change of the Department of Architecture & Design (the Faculty of Home Economics) to the Faculty of Architecture & Design, the University is focusing on education/research activities centered on leadership. It also is working to reform the entrance examination system in order to increase the ratio of students who enrolled through the entrance examination by recommendation or comprehensive selection. It is noteworthy going forward whether the University can enhance its competitiveness by developing an educational organization united with the junior college, where it is difficult to ensure students. On the other hand, the number of students at Second Kyoritsu Girls' Junior & Senior High School is on an increasing trend, as past measures are gradually bringing results. That said, the number has not met the quota, and there is a need to further strengthen student recruitment.
- (4) There is no change in the policy of giving back to students as much as possible in the form of education and student support. While securing a certain amount of revenue/expenditure balance before transfer to capital fund for the current academic year, Kyoritsu is increasing education/research expenses by using a rise in revenue in recent years. On the other hand, with the Faculty of Business Studies reaching its completion period in the academic year 2023, there is little room to expand revenue, and prices may continue to rise. It will be important to conduct further revenue increase measures and expenditure reallocation. In particular, redevelopment of Kanda-Hitotsubashi Campus is coming into view. Although it has assets under management of around 20 billion yen, fund accumulation will be an issue to address, as a considerable amount of investment is expected.

Yosuke Sato, Masaki Abe

Rating

Issuer: Kyoritsu Women's Educational Institution

<Affirmation>

Long-term Issuer Rating: A+ Outlook: Stable

Rating Assignment Date: February 15, 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" (February 1, 2024) and "Incorporated Educational Institution" (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.)
