



NEWS RELEASE

Mar 08, 2021

R&I Assigns AA+, Stable: Tokyo Institute of Technology

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: Tokyo Institute of Technology
Issuer Rating: AA+, Assigned
Rating Outlook: Stable

RATIONALE:

Tokyo Institute of Technology has the longest history as an existing national university dedicated to science and technology. It began as the Tokyo Vocational School in 1881. Graduates include people in a broad range of industrial and academic areas. The university also has a remarkable track record in research activities. It is fully funded by the government as a national university corporation under the jurisdiction of the Ministry of Education, Culture, Sports, Science and Technology. Given the university's robust business base and that it is very important for the government educational policy, R&I has assigned an Issuer Rating of AA+, the same as the sovereign rating for Japan.

Higher education, mainly universities, plays a vital role as a public property which contributes to the society through education, research and regional contribution. Particularly national universities, as providers of higher education, are very important for government policy. In an attempt to facilitate strategic management at national university corporations, the government began giving them greater management leeway with eased restrictions. Although the government's financial support, including management expenses grants, is weakening gradually, its emphasis on education and research remains unchanged. The national university corporation as a government agency retains remarkably high creditworthiness as its close relationship with the government is unlikely to be undermined in the future.

Tokyo Institute of Technology is widely known as the top national university for science and technology in Japan. Throughout the course of its long history, the university has produced various graduates who play an active role primarily in the industrial and academic arenas. Many of them served as the leader of big companies, while others became Nobel prize winners and prime minister of Japan. The university has garnered high acclaim in this regard. In terms of research activities, it has a globally notable track record in the development of ferrites, crystal oscillators, surface emitting lasers and conductive polymers, among other inventions. It also has an advantage over collaboration with the industrial world, with the number of research projects commissioned from private companies and their values increasing every year. The ratio of earnings from commissioned research and endowments to the overall ordinary revenues is highest among national universities. Its efforts to diversify the sources of funds have paid off, and its dependence on government financial support is declining. It is further strengthening its outstanding management ability.

Compared with other national universities, Tokyo Institute of Technology was quick to choose and appoint the head of departments by the president and transition to a system where the university as a whole manages teaching positions. This enabled the university to swiftly implement management and educational reforms. Starting in academic year 2018, it has changed to a system which created the post of provost who assists the president. The provost is responsible for the cross-sectional adjustments of tasks divided by each executive vice president and plays a part in boosting the president's management ability. Under the president's leadership, the collaboration between academic staff and non-academic staff is functioning well.

The primary rating methodologies applied to this rating are provided at "R&I's Analytical Approach to Government Agencies", "R&I's Basic Methodology for Corporate Credit Ratings" and "School Corporations". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

■Contact : Sales and Marketing Division, Customer Service Dept. TEL.+81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL.+81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>. © Rating and Investment Information, Inc.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER: Tokyo Institute of Technology

Issuer Rating

RATING: AA+, Assigned

RATING OUTLOOK: Stable

■Contact : Sales and Marketing Division, Customer Service Dept. TEL.+81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL.+81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

© Rating and Investment Information, Inc.