



Moody's Investors Service

## Rating Action: **Moody's assigns Aaa ratings to JRJT's bonds**

---

Global Credit Research - 08 Jun 2007

### Yen 45 billion of debt securities affected

Tokyo, June 08, 2007 -- Moody's Investors Service has assigned its Aaa ratings to Japan Railway Construction, Transport and Technology Agency's (JRJT) Series 13 Yen 45 billion 1.50% bonds due 2011. The bonds are not guaranteed by the Japanese government. The rating outlook is stable.

The rating reflects JRJT's intrinsic strength -- including Moody's expectation the favorable legal and regulatory framework will continue, contributing to its low operating and refinancing risks -- and the credit support which Moody's believes the government would provide in a stressful situation.

Moody's assesses JRJT's underlying credit strength as "6" -- equivalent to an A2 on Moody's global rating scale. The assessment is underpinned by Moody's expectation that the strong willingness and ability of the Japanese government to support JRJT's operations and financing will continue.

JRJT operates a wide variety of business -- from constructing railway facilities and leasing them to railway companies, joint building and ownership of ships and providing financial support to shipbuilding technology R&D, to disposing of the legacy assets of the former Japan National Railways, as well as the exclusive construction of Shinkansen Super Express railway facilities, carried out as determined by the national government's transportation policy.

JRJT was established under the General Law for Independent Administrative Corporations (IAC) and the JRJT Law, and is ultimately fully owned by the Japanese government, including through capital from the Development Bank of Japan, which is a fully owned governmental institution. As a result, Moody's overlays the agency's base credit assessment of "6" with joint default analysis for government-related issuers. The analysis incorporates the "high" dependence of the agency on the government and the "high" level of support the government is willing to provide given JRJT's importance as a key to the execution of its transportation policies, the agency's status as an independent administrative corporation, and the government's involvement in its operations.

Japan Railway Construction, Transport and Technology Agency is an independent administrative corporation, established in October 2003.

Tokyo  
Kazusada Hirose  
Vice President - Senior Analyst  
Corporate Finance Group  
Moody's Japan K.K.  
JOURNALISTS: (03) 5408-4110  
SUBSCRIBERS: (03) 5408-4100

Tokyo  
Tomomichi Nagaoka  
Senior Vice President  
Corporate Finance Group  
Moody's Japan K.K.  
JOURNALISTS: (03) 5408-4110  
SUBSCRIBERS: (03) 5408-4100



Moody's Investors Service

**CREDIT RATINGS ARE MIS'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD**

**PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

© Copyright 2009, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at [www.moody's.com](http://www.moody's.com) under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."