



Rating Action: **Moody's assigns Aa3 to JRJT's domestic bonds**

Global Credit Research - 10 Feb 2012

JPY 39 billion of New Debt Securities Rated

Tokyo, February 10, 2012 -- Moody's Japan K.K. has assigned its Aa3 ratings to the bonds issued by Japan Railway Construction, Transport and Technology Agency (JRJT). The rating outlook is stable.

The specific bond issues rated are:

- JPY 29 billion Series 44 bonds, due 2017
- JPY 10 billion Series 45 bonds, due 2021

RATING RATIONALE

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.

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.

An upgrade of the Japanese government's bond ratings could change the rating up.

A downgrade to the rating on the government of Japan, or a decline in JRJT's importance, due to changes in the law could trigger a downgrade.

The principal methodology used in this rating was "Government-Related Issuers: Methodology Update" published on September 30, 2010 and available on www.moody.co.jp.

JRJT is an Independent Administrative Corporation established in October 2003, under the General Law for IACs and the JRJT Law, and is ultimately fully owned by the Japanese government, partly through the Development Bank of Japan.

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Yuka Tamba
Vice President - Senior Analyst
Sub-Sovereign Group
Moody's Japan K.K.
Atago Green Hills Mori Tower 20fl
2-5-1 Atago, Minato-ku

Tokyo 105-6220
Japan
JOURNALISTS: (03) 5408-4110
SUBSCRIBERS: (03) 5408-4100

David Rubinoff
MD - Sub-Sovereigns
Sub-Sovereign Group
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

Releasing Office:
Moody's Japan K.K.
Atago Green Hills Mori Tower 20fl
2-5-1 Atago, Minato-ku
Tokyo 105-6220
Japan
JOURNALISTS: (03) 5408-4110
SUBSCRIBERS: (03) 5408-4100



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