



Moody's Investors Service

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

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Global Credit Research - 06 Feb 2008

### **Yen 38.5 billion of debt securities affected**

Tokyo, February 06, 2008 -- Moody's Investors Service has assigned its Aaa ratings to Japan Railway Construction, Transport and Technology Agency's (JR TT) Series 16 Yen 28.5 billion 1.00% bonds due 2012, and Series 17 Yen 10 billion 1.64% bonds due 2017. The bonds are not guaranteed by the Japanese government. The rating outlook is stable.

The rating reflects JR TT'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 JR TT's underlying credit strength as "5" -- equivalent to an A1 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 JR TT's operations and financing will continue.

JR TT 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.

JR TT was established under the General Law for Independent Administrative Corporations (IAC) and the JR TT 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 "5" 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 JR TT'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.

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