



Moody's Investors Service

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

Global Credit Research - 05 Jun 2008

Yen 60 billion of debt securities affected

Tokyo, June 05, 2008 -- Moody's Investors Service has assigned its Aaa ratings to Japan Railway Construction, Transport and Technology Agency's (JRJT) Series 18 Yen 35 billion bonds due 2012, and Series 19 Yen 25 billion bonds due 2018. 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 "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 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 "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 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.

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