



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

Global Credit Research - 11 Nov 2011

JPY 52 billion of New Debt Securities Rated

Tokyo, November 11, 2011 -- 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 42 billion Series 42 bonds, due 2015
- JPY 10 billion Series 43 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 the high support and dependency levels, as could arise on a decline in JRJT's importance, due to a decline in government ownership or 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's.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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