



Announcement: Moody's changes outlook on 13 Japan GRIs to negative

Global Credit Research - 22 Feb 2011

Tokyo, February 22, 2011 -- Moody's Japan K.K. has changed the rating outlook for 13 Japanese government-related issuers (GRIs) to negative from stable.

The 13 GRIs are:

- (1) Japan Expressway Holding and Debt Repayment Agency
- (2) East Nippon Expressway Company Limited
- (3) Central Nippon Expressway Company Limited
- (4) West Nippon Expressway Company Limited
- (5) Metropolitan Expressway Company Limited
- (6) Urban Renaissance Agency
- (7) Japan Railway Construction, Transport and Technology Agency
- (8) Kansai International Airport Co., Ltd.
- (9) Japan Finance Corporation
- (10) Japan Finance Organization for Municipalities
- (11) Japan Housing Finance Agency
- (12) Development Bank of Japan Inc. (DBJ)
- (13) The Shoko Chukin Bank, Ltd. (SCB)

RATING RATIONALE

The change in outlook for the 13 GRIs was prompted by the change in outlook for the Government of Japan's (GOJ) local and foreign currency bond ratings to negative from stable.

The GRIs are constrained by the GOJ's debt rating, which is currently Aa2.

Eleven GRIs (excluding DBJ and SCB) have no Baseline Credit Assessments (BCA); they should be analyzed as part of the GOJ due to their strong ties with the government and the latter's role in implementing their major policies.

DBJ's BCA of 7 (on a scale of 1 to 21, where 1 represents the lowest credit risk) and SCB's bank financial rating of D are unaffected by the change in outlook.

The probability of support from, and the dependence on, the GOJ remains unchanged; thus, the final ratings of the 13 GRIs are the same as the GOJ's.

The last rating action on DBJ and SCB was on December 7, 2009, when their rating outlooks were changed to stable from negative.

The last rating action on the 11 Japanese GRIs other than DBJ and SCB was taken on July 22, 2009, when their ratings were downgraded to Aa2 from Aaa.

The principal methodologies used in this rating were (1) Moody's Government-Related Issuers: Methodology Update, (2) Bank Financial Strength Ratings: Global Methodology, and (3) Incorporation of Joint-Default Analysis into Moody's Bank Ratings: A Refined Methodology (all published on September 30, 2010) and available on www.moodys.co.jp.

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