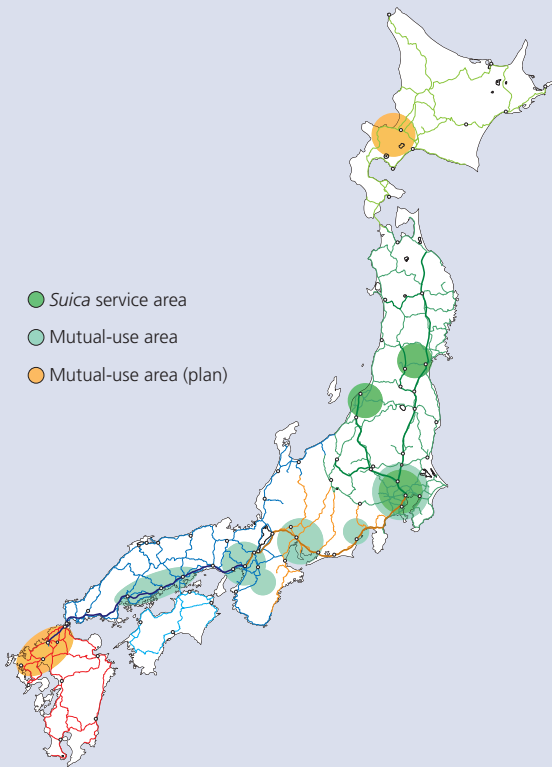


# Suica

In light of the wide-ranging development potential of IC cards, JR East has examined the possibilities of IC cards and developed applications for them in railway operations since its establishment in 1987. On November 18, 2001, JR East introduced *Suica* as a next-generation fare collection system based on IC cards. To capitalize on the significant potential of *Suica*, JR East expanded the IC card's functions from passenger tickets to shopping by beginning *Suica* electronic money services on March 22, 2004. Usage of *Suica* electronic money has risen dramatically because of the convenience it affords—enabling customers to ride trains, shop in stations or affiliated stores, and buy items from automatic vending machines.



## Topics



### Increasing Mutual Use with Various Modes of Transportation

Since launching *Suica* in November 2001, JR East has extended the usability of the IC card within the JR East service area and established mutual use with West Japan Railway Company's *ICOCA* IC card and the IC cards of other transportation companies. From March 18, 2007, JR East began mutual use between *Suica* and *PASMO*, which is an IC card issued by other railway operators and bus service operators in the Tokyo metropolitan area. Subsequently, on March 29, 2008, the start of mutual use with Central Japan Railway Company's *TOICA* added the Tokai area to existing mutual use in the Kinki region, the Okayama area, and Hiroshima area. Plans call for the start of mutual use with Hokkaido Railway Company's *Kitaca* in spring 2009 and with Kyushu Railway Company's *SUGOCA*, Nishi-Nippon Railroad's *nimoca*, and Fukuoka Transportation Bureau's *HAYAKAKEN* in spring 2010. Those initiatives will give JR East mutual use tie-ups with transportation operators in all of Japan's major cities.

### Developing *Suica* Electronic Money

Since the launch of *Suica* electronic money services in March 2004, the range of stores in which customers can use *Suica* for shopping has extended beyond stores in railway stations to include convenience stores, shopping centers, and consumer electronics retail stores. Electronic money mutual use began with *PASMO* from March 18, 2007, and with *ICOCA* from March 18, 2008. Moreover, JR East plans to begin electronic money mutual use with *Kitaca* in spring 2009 and with *SUGOCA*, *nimoca*, and *HAYAKAKEN* in spring 2010. *Suica* was usable at approximately 44,200 stores as of March 31, 2008.

Further, in order to spread the use of *Suica* in a variety of situations, JR East developed and introduced electronic money terminals that are compatible with several electronic money formats and *Suica* handy terminals. Also, from June 1, 2007, JR East began the *Suica Point Club* to encourage use of *Suica* electronic money.

As a result of those efforts, usage of *Suica* electronic money has increased unrelentingly since JR East began the service, with usage of *Suica* and *PASMO* accounting for more than 1 million transactions daily as of April 23, 2008.

### Advancing *Mobile Suica*

*Mobile Suica* services are based on mobile phones that incorporate *Suica* functions. Launched on January 28, 2006, those new services add the convenience of *Suica* to the convenience mobile phones' communication and display functions afford. From March 15, 2008, a *Mobile Suica Limited Express Ticket* service began enabling "ticketless" usage of JR East's Shinkansen services. Furthermore, passengers can use *Mobile Suica* services to board the Shinkansen services of the Tokaido Shinkansen Line by joining the *Express Reservation* of Central Japan Railway Company and using its *EX-IC* service, launched on March 29, 2008.



Mobile Suica

## Outlook

### Tie-up with Other Issuers



### Expanding *Suica* throughout the Railway Network

JR East will expand the *Suica* mutual-use network by beginning mutual use in the Sapporo and Fukuoka areas by fiscal 2010.

In conjunction with those initiatives, JR East will use the latest information technology and thorough information control to build systems that realize the highest levels of reliability and security.

### Making *Suica* the No.1 Electronic Money, Developing Operations that Contribute to Group Earnings

JR East will further expand the mutual-use network for *Suica* electronic money, improve and expand the usage environment for *Suica* electronic money through tie-ups with other issuers of transportation-related electronic money, and establish the *Suica* brand. Also, JR East will spread *Suica* electronic money nationwide by increasing its tie-up partners in areas where the use of electronic money is commonplace while extending and diversifying the areas in which electronic money is used.

By rolling out those measures, JR East aims to increase the usage area and the usage frequency of *Suica* electronic money and achieve 8 million transactions daily in fiscal 2011.

### Taking On the Challenge of New Businesses Based on *Suica* Information, Elevating *Suica* Operations to General IT Operations

By shifting cash settlements to *Suica*, we will compile consumption data on small-sum settlements, which JR East will use in information businesses that, for example, provide marketing data showing the consumption patterns of customer categories. JR East will build systems that enable the offering to customers of sales promotional information that reflects their consumption preferences and behavior patterns based on their purchasing histories, and JR East will consider ways to add further value to data.

Number of Daily *Suica* Electronic Money Transactions and *Suica* Acceptable Stores

