

Moving Up a Gear in Seven Areas



Moving Up a Gear 7 Establishing *Suica* operations as a third pillar of operations

01 We will expand *Suica* services throughout the railway network

We will further widen the mutual-use network for *Suica* as the de facto IC railway ticket in Japan by beginning mutual use in the Sapporo and Fukuoka areas by fiscal 2010. At the same time, we will use the latest information technology and comprehensive information management to build a system that achieves the highest levels of reliability and security.

We will encourage wider use of *Suica* through the development of a fare collection system that will enable the convenient use of *Suica* on conventional line limited express services. And, we will evolve services to make customers have a greater sense of the advantages of using *Suica*. Through such initiatives, we aim to reach a 90% usage rate for *Suica* and *PASMO* IC cards in the greater Tokyo area by fiscal 2011.

Aiming to enable usage of *Suica* on throughout the JR East networks, we will change over from magnetic tickets to IC tickets and develop a simple and cheaper version of *Suica* systems, taking on initiatives that will revolutionize the basic concept of railway tickets. In conjunction with those initiatives, we will make railway tickets easier for customers to understand and use by changing over to fares and charges rules that exploit the unique characteristics of IC railway tickets.

02 We will make *Suica* the number one electronic money and develop operations that contribute to our earnings

We 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.

We will spread *Suica* electronic money nationwide by increasing our 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.

We will speed up the spread of stores where *Suica* electronic money is usable by taking the lead in popularizing electronic money terminals that are compatible with several electronic money formats.

By rolling out those measures, we aim to increase the usage area and the usage frequency of *Suica* electronic money and achieve eight million transactions daily in fiscal 2011.

03 We will take on the challenge of new businesses based on information garnered from customers' usage of *Suica* and elevate *Suica* operations to comprehensive information technology operations

By shifting cash settlements to *Suica*, we will compile consumption data on small-sum settlements, which we will use in information businesses that, for example, provide marketing data showing the consumption patterns of customer categories.

We 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 we will consider ways to add further value to data.

