



> MAJOR TOPICS FOR THE YEAR UNDER REVIEW—*SUICA*

> *“DREAM CARD” CONTAINING VARIOUS POSSIBILITIES*

JR East is the first company in Japan to introduce a large-scale IC card automatic fare collecting system. Under this system, passengers can pass through automatic fare collecting gates just by touching their commuter pass case containing an IC card—*Suica* (Super Urban Intelligent CArd). It can be used either as a high-tech commuter pass (*Suica Pass*) or a stored-fare railway ticket (*Suica IO Card*), replacing the magnetic cards that were formerly used. Because *Suica Pass* also has stored-fare function, settlement is done automatically by the fare collecting gate when passengers ride a train beyond the area covered by their commuter pass. Furthermore, it is possible to renew the valid period of the commuter pass by using the same card, due to a rewriting function. In addition, because the information of individual commuter passes is registered, reissue can be made promptly following loss. In this way, services that had not been offered before are now provided.

Possibilities for new services and business development have been growing with the development of the *Suica* infrastructure, including the addition of an electronic money function, integration with the credit card of JR East, *View Card*, and integration with mobile phones.

The *Suica* card will be integrated with the credit card of JR East, *View Card*, and will become functional as a credit card in fiscal 2004. Furthermore, JR East is considering enabling the card to be used for shopping at stores and shopping centers in and around stations of JR East by adding an electronic money function. JR East is also considering developing a new service, *Mobile Suica*, where booking a seat or paying for tickets can be made electronically; customers can travel without tickets just by carrying a mobile phone with them or make purchases at stores in and around stations.

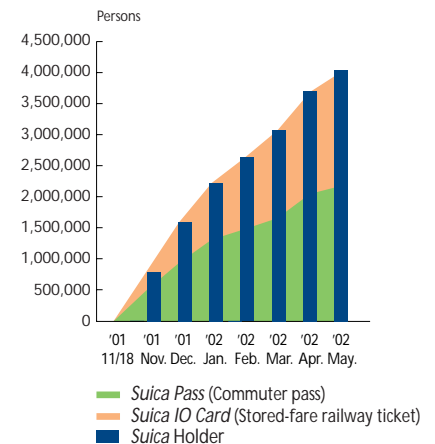


Suica was introduced in November 2001, and is currently in use at 470 stations, including 9 Tokyo Monorail stations, in an area covering almost all of the Tokyo metropolitan area.

Future of Suica



Trends of Suica Holders



About 4.27 million people use *Suica* as of June 2002 (of which 2.27 million people use *Suica Passes*).



> FROM A STATION OF "PASSING" TO A STATION OF "GATHERING"

JR East Group has been making great efforts to carry out the *Station Renaissance* program for creating new station environments for the 21st century. The purposes of the program are to enhance customers' convenience and to increase earnings power by bringing out 100% of the potential of the stations, which are the largest operational resources of the Group. This is one of the strategies of its medium-term business plan, *New Frontier 21*.

The *Cosmos Plan*, which is a main part of *Station Renaissance*, is a new project targeting stations serving more than 200,000 passengers daily and major terminal stations in prefectural capitals. Station facilities will be completely reviewed and substantial new space will be created by constructing artificial ground, etc.

The reborn Ueno station

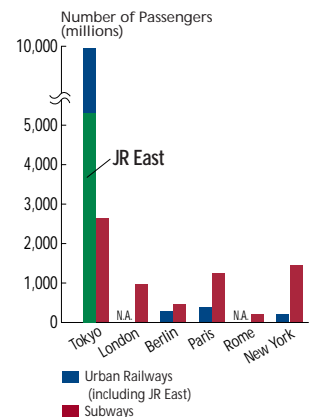
Ueno station was reborn in February 2002 as the first station developed under the *Cosmos Plan*. Ueno station, which originally opened in 1883, is one of the main stations within Yamanote line. The Ueno district is full of history, culture and vitality. JR East enhanced its earning power through the creation of a user-friendly station while maintaining the traditional aspects of the community. In addition, it opened new shopping street, *atré Ueno*, consisting of 54 restaurants and stores in a newly created commercial space of about 6,000 m². As a result, through the synergy effect of JR East's ability to attract customers at Ueno station and the activities of its non-transportation businesses, revenues from short-distance passenger tickets of the station increased and *atré Ueno's* sales are exceeding the pace of original projections.

JR East will continue to make great efforts to further implement the *Station Renaissance* program, which will enhance customer convenience and the earning power of JR East by adding new functions and services compatible with the character and features of each station.

UENO STATION IN THE TOKYO AREA



Comparison of Major City Transportation Markets



Tokyo: the year ended March 31, 2000
Reference: Statistics of Railways, Survey of Regional Movement, Ministry of Land, Infrastructure and Transport
Urban Railways: 8 main passenger railways and JR East (JR East figures include data from the bordering lines of JR Central)
Subways: Teito Rapid Transit Authority and Tokyo Metropolitan Transportation Bureau

London: the year ended March 31, 2000
Reference: Transport Statistics Great Britain 2001
Subways: LUL

Berlin: the year ended December 31, 1997
Reference: DBAG Annual Report and Accounts 1997
Urban Railways: Berlin S-Bahn GmbH
Subways: BVG

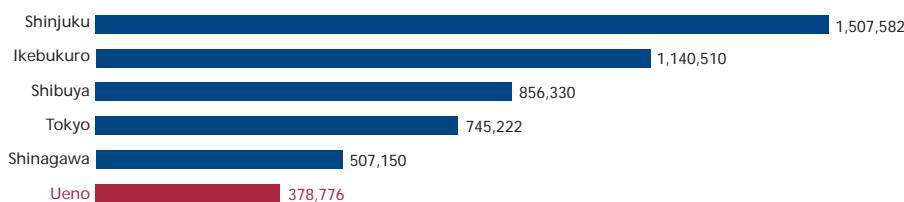
Paris: the year ended December 31, 2000
Reference: Rapport annuel 2000 RATP
Urban Railways and Subways: RATP

Rome: the year ended December 31, 2000
Reference: HPs of ATAC-Cotral
Subways: Metroferro SpA

New York: the year ended December 31, 2000
Reference: NYMTA Annual Report 2000, HPs of MTA, Jane's Urban Transport Systems 2001/2002
Urban Railways: Long Island Railroad, Metro-North Railroad, NJ Transit
Subways: New York City Transit Authority, Staten Island Railway, PATH

Six Busiest Yamanote-line Stations

(avg. passengers daily)



Figures for fiscal 2001