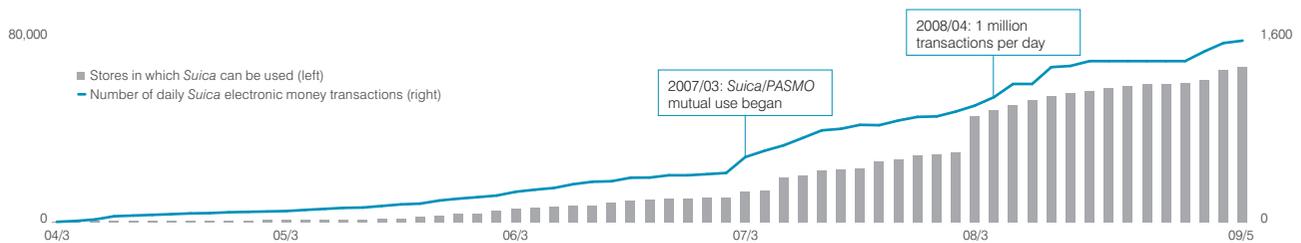


REVIEW OF OPERATIONS

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

Thousands

**Extending the Potential of *Suica* to the Full**

JR East introduced *Suica* as a next-generation fare collection system based on IC cards in November 2001. To capitalize on the potential of *Suica* as a means of settling transactions for small sums, JR East expanded the IC card's functions from passenger tickets to shopping by beginning *Suica* electronic money services in March 2004.

Increasing Mutual Use with Various Modes of Transportation

Regarding the usability of *Suica* on railways, the beginning of mutual use with *PASMO* in March 2007, made *Suica* usable on most railways and bus services in the Tokyo metropolitan area, in addition to its usability within the JR East service area—the Tokyo metropolitan area, Sendai, and Niigata. Moreover, JR East established mutual use with West Japan Railway Company's *ICOCA*, Central Japan Railway Company's *TOICA*, and in March 2009 with Hokkaido Railway Company's *Kitaca*. Further, *Suica* will become usable in all of Japan's major cities after the beginning of mutual use with Kyushu Railway Company's *SUGOCA*, Nishi-Nippon Railroad's *nimoca*, and Fukuoka Transportation Bureau's *HAYAKAKEN*, which is scheduled for spring 2010.

Developing *Suica* Electronic Money

Meanwhile, JR East has also been expanding the usage area for *Suica* electronic money by extending the usability of *Suica* beyond stores in railway stations to encompass convenience

stores and shopping centers. Also, in the same way that it has done with railways, JR East has been steadily extending the mutual use of *Suica* as electronic money. *Suica* electronic money is already mutually usable with that of *PASMO*, *ICOCA*, and *Kitaca*, and *TOICA*, *SUGOCA*, *nimoca*, and *HAYAKAKEN* will follow suit in spring 2010. As a result of existing mutual use, *Suica* electronic money was usable at approximately 63,230 locations and accounted for roughly 1.49 million transactions daily as of April 2009.

Advancing *Suica*

Other functions of *Suica* are also expanding and developing at pace. For example, JR East recently began the *Mobile Suica Limited Express Ticket* service, which enables customers to use IC-enabled mobile phones compatible with the *Mobile Suica* service to purchase reserved seat tickets for JR East Shinkansen services. Also, JR East is developing a lineup of *Suica* services that can cater to a wide range of customer needs, such as the "View Card with *Suica*," which integrates *Suica* and *View Card* functions, and multifunctional *Suica* IC cards that double as student or employee identification cards.

Going forward, JR East will take on the challenge of new businesses based on *Suica* information and elevate *Suica* operations to general information technology operations.