

## OVERVIEW

JR East introduced *Suica* in November 2001 as a fare collection system based on an IC card for displacing magnetically coded tickets. *Suica* is a reusable debit card that can be charged repeatedly with cash and credit prepayments and enables users to board local trains with a touch of a scanner on automatic ticket gates at either end of the journey.

JR East began *Suica* electronic money services in March 2004. At the same time, JR East has been expanding the usage of *Suica* electronic money to *Suica*-compatible vending machines and stores inside and outside stations. The card has won the support of customers for the convenience it offers. As such, issuance of *Suica* stood at 38.88 million cards as of March 31, 2012.

## TOPICS

### Expanded Usage Area of *Suica*

Since the service was introduced to the Tokyo metropolitan area in November 2001, usability of *Suica* has been expanded to the Company's services in the Sendai and Niigata areas. At the same time, JR East has worked to establish an environment enabling the use of *Suica* throughout major cities in Japan. To this end, the Company has spearheaded the promotion of a mutual usage service among IC cards of different transportation companies. Starting with *Suica*'s mutual compatibility with *PASMO* IC cards in March 2007, usability was extended to most other railways and bus services in the Tokyo metropolitan area. As of March 31, 2012, *Suica* was usable at 2,990 stations nationwide.

### *Suica* Electronic Money

Since launching the electronic money service of *Suica* in March 2004, JR East has been expanding business partnerships for the card, with the aim of popularizing its usage in a wide variety of settings. Beyond the stores and vending machines inside railway stations, usability of the card has been extended outside the stations to convenience stores and shopping centers, as well as mass retailers of electronics and home appliances. In addition, JR East is working to broaden the environment of *Suica*'s usage to the settlement of internet shopping accounts and various other aspects of daily life. Numerous means JR East employs to promote the card's use include *Suica Point Club*, which awards users with points usable for charging *Suica*.

As a result of these efforts, usage of *Suica* electronic money has continually grown to the point where the cards were accepted at approximately 177,630 retail locations and turned over a record 2.88 million transactions a day, approximately, as of March 31, 2012.

REVIEW OF OPERATIONS NON-TRANSPORTATION

# Suica

A Ticket gate use



C Vending machine use



C Convenience store use



A Suica



A View Card with commuter pass function



A Tie-up with financial institutions, airlines and retail chains

### Mobile Suica

*Mobile Suica* is an application which enables mobile phones equipped with a special microchip to host the card. In addition to all of the card's convenient functions, this mobile application provides various services using the telecommunications and display functions of mobile phones. For example, the *Mobile Suica Limited Express Ticket* service enables customers to use their mobile phones to book and purchase reserved-seat tickets on the Shinkansen online, and to board the train ticket-free. In July 2011 the Group launched a smartphone version of its *Mobile Suica* service for Android™ handsets compatible with the *Osai-fu-Keitai* service. Membership in this service numbered roughly 2.82 million individuals as of March 31, 2012.

Note: *Suica* and *Mobile Suica* are registered trademarks of East Japan Railway Company, *Osai-fu-Keitai* is a registered trademark of NTT DOCOMO, INC., and Android™ is a trademark of Google Inc.

### Other Services

Furthermore, JR East is developing a lineup of *Suica* services that cater to a wide range

of customer needs, such as the *View Card with Suica*, which integrates *Suica* with the credit card functions of the Group's *View Card*, as well as various other multifunctional IC cards integrating *Suica* with company and student identification cards.

### OUTLOOK Broadening Suica Beyond the Confines of Railway Networks

JR East aims to extend the use of *Suica* to all of its railway lines and expand the mutual compatibility of *Suica* with other IC cards. By the spring of 2013, JR East will have led an effort to establish a mutual usage service network that ties together ten different IC cards currently in use in Japan. With this network launched, JR East's *Suica* will be mutually compatible with *PiTaPa*, the IC card introduced for various railway and subway lines in the Kansai region, and with *manaca*, the IC card for railways and subways in the Nagoya area. Within the fiscal year ending March 31, 2014, the Company plans to expand this compatibility to *SAPICA*, the IC card for subways, buses and other public transportation servicing the

city of Sapporo and its suburbs, as well as *RYUTO*, the IC card servicing the bus lines Niigata Kotsu Co., Ltd. operates in Niigata City.

### Raise Suica's Status as the Premier Electronic Money Format, and Nurture It to Help Drive Group Earnings

JR East will raise the status of *Suica* as the premier electronic money format in Japan. To this end, the Company will expand *Suica's* usable locations that are in close contact with the daily lives of users, while working in collaboration with the IC cards of other public transportation companies. At the same time, JR East will promote the card's usage to be in line with the characteristics of participating stores and cardholders.

### Upgrade Suica Operations to a Comprehensive IT Business Based on Information the Cards Log

Data on the movement and consumption behavior of *Suica* users that JR East accumulates daily will also be applied to developing ancillary operations, such as an IT Business for providing this data as marketing information.

### B OPERATING AREA

As of March 31, 2011

