

2/22/05 Reuters News 09:39:06

Reuters News
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February 22, 2005

DoCoMo mobile phones to double as train pass

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TOKYO, Feb 22 (Reuters) - NTT DoCoMo Inc.'s <9437.T> latest mobile phones, which can already store money and personal information, will also double as a train pass starting next year.

DoCoMo, Japan's largest mobile operator, East Japan Railway Co. <9020.T> and Sony Corp. <6758.T> said on Tuesday they planned to launch a new service on Jan. 1, 2006 that would allow users to use mobile phones, embedded with Sony's smart chip, to enter ticket gates by passing their phone over a scanner.

The so-called "wallet phones" containing Sony's FeliCa smart chip is ultimately intended to replace cash, credit cards, identification cards and electronic plane or train tickets.

DoCoMo, whose name is a play on the Japanese word for "everywhere", last June became the first mobile operator to launch a wallet phone.

Tokyo commuters have already been using "Suica" train passes with an embedded FeliCa chip for about three years, so a mobile version could gain popularity since users are already familiar with the service.

"We aim to have about 10 million customers using wallet phones by the end of the next business year (ending March 2006)," said DoCoMo Chief Executive Masao Nakamura at a joint news conference with East Japan Railway and Sony.

About 2 million of DoCoMo's 48 million customers currently own wallet phones. In comparison, East Japan Railway said it had sold 10.9 million Suica cards as of Monday.

East Japan Railway President Mutsutake Otsuka said mobile "Suica" could help free up valuable space in train stations since they could be recharged wirelessly, cutting down on the need for ticket machines.

Mobile Suica holders will be able to use the phones to make purchases at Suica-compatible retail stores in the second half of the next business year starting April and use them as bullet train tickets in the following business year.

Mobile Suica's debit card feature could clash with the already existing Edy service by bitWallet Inc., which is partly owned by Sony and DoCoMo.

KDDI Corp. <9433.T>, Japan's second-largest mobile operator, has said previously that it planned to offer wallet phones in autumn, in time for the launch of mobile Suica.

Vodafone Holdings KK <9434.T> is also expected to offer phones with a wallet capability.

The concept of a wallet phone is just getting off the ground, but the smart chip technology is not new in Asia, where Hong Kong residents were the first in the world to use "Octopus" smart cards embedded with Sony's chip to access trains, buses and ferries and pay for merchandise and parking.

Singapore, China, India and Thailand also use Sony's chips for similar services.

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Word Count: 625