

About This Report

Sony has been publishing an environmental report since December 1994. The aim of these reports is to build a broader understanding of the various environmental initiatives promoted by the Sony Group worldwide. This is the third environmental report, following the edition that was released in April 1997. In this publication, we focus on the primary environmental activities that took place during the 1997 and 1998 fiscal years. The discussion covers past events as well as our hopes and plans for the future. We believe this will provide our readers with a better appreciation of Sony's commitment to the environment and the actions we are taking to fulfill this commitment. Currently, we plan to release updated environmental impact data, which is contained in the back pocket of this report, in October 1999 and to release the fourth edition of this environmental report in April 2001.

(For general information about Sony's business activities and financial performance, please refer to the company's latest annual report. Please view the report on Sony's home page or contact Sony to receive a printed copy: Sony Corporation, Investor Relations, Phone: 81-3-5448-2180, Facsimile: 81-3-5448-2183)

CORPORATE PROFILE

Head Office: 7-35, Kita-Shinagawa 6-chome, Shinagawa-ku
Tokyo 141-0001, Japan

Established: May 1946

Employees in Group: 173,000

(consolidated, as of March 30, 1998)

< Main Businesses >

Electronics, including audio, video, information and communications, electronic components; Game consoles and software; Music; Motion picture and television business, and theatre operations; Insurance; Other businesses, including customer financing, leasing, broadcasting, networking, and other businesses

< Sales by Geographic Segment >

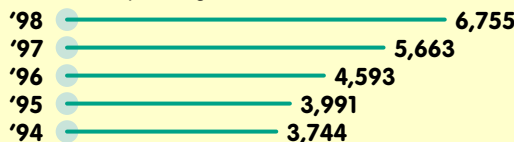
(year ended March 31, 1998)

Japan: 27.3%, America: 31.1%, Europe: 23.2%, Other areas: 18.4%

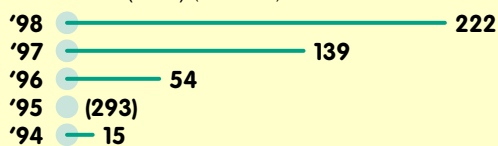
Consolidated Financial Highlights

(for years ended March 31)

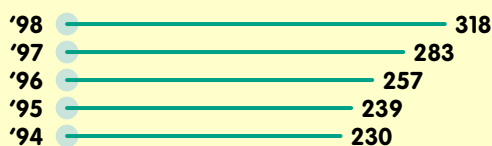
Sales and Operating Revenue (¥ billions)



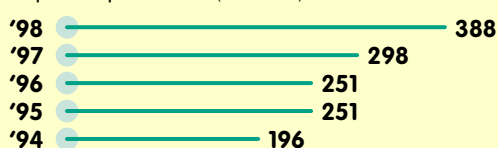
Net Income (Loss) (¥ billions)



R&D Expenses (¥ billions)



Capital Expenditures (¥ billions)



CONTENTS

Environmental Architecture

Organization	6
(The Sony organization structure that supports environmental activities)	
Objectives	8
(Review of Sony's current Environmental Action Plan and a look at its new medium-term environmental action plan, "Green Management 2002.")	

Environmental Actions

Business Processes	
(Environmentally conscious operations and production activities)	
Energy Conservation	16
Resource Conservation	18
Industrial Waste Reduction	19
Reduction and Management of Chemical Substances ..	20
Environmental Audits and Risk Management	24
Products	
(How Sony makes products with the environment in mind)	
Research and Development	26
Product Planning	27
Procurement	27
Design	29
Design Support	31
Products	32
Services & Recycling	
(Environmentally sound sales and distribution and recycling)	
Sales Activities and Logistics	34
Recycling Initiatives	35

Environmental Systems

Support	
(Support system for environmental activities)	
Education and Training	40
Environmental Promotions	41
Social Responsibility	43
Accounting	
(Accounting for environmental activities)	
Environmental Accounting	44
Disclosure	
(Publications and events)	
Disclosure	45

History

Highlights of Environmental Activities	46
--	----

• Explanation of Terms	47
• To Readers of the Sony 1997 Environmental Report	48