Cautionary Statements With Respect to Forward-Looking Statements

Statements made in this presentation with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. These statements are based on management’s assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. Sony cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to (i) general economic conditions in Sony’s markets, particularly levels of consumer spending; (ii) exchange rates, particularly between the yen and the U.S. dollar, and other currencies in which Sony makes significant sales or in which Sony's assets and liabilities are denominated; and (iii) Sony's ability to continue to design and develop and win acceptance of its products and services, which are offered in highly competitive markets characterized by continual new product introductions, rapid developments in technology (particularly in the Electronics business), and subjective and changing consumer preferences (particularly in the Game, Music and Pictures businesses).
## Consolidated Results

### FY2000.2Q (quarter ended September 30, 2000)

<table>
<thead>
<tr>
<th></th>
<th>YOY change</th>
<th>LC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and operating revenue</td>
<td>1,695 bln yen</td>
<td>+4%</td>
</tr>
<tr>
<td>Operating income</td>
<td>61 bln yen</td>
<td>- 14%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>78 bln yen</td>
<td>- 13%</td>
</tr>
<tr>
<td>Net income</td>
<td>20 bln yen</td>
<td>- 57%</td>
</tr>
</tbody>
</table>

### Impact of Exchange Rates (00.2Q vs 99.2Q)

- Sales impact: -100 bln yen
- Oper. Income impact: -45 bln yen

### Impact of Change in Pictures Accounting

- Operating Income: -5.2 bln yen

*LC=local currency*
Electronics FY00.2Q

(bln yen)

FY99.2Q  FY00.2Q

SALES
1,179  1,304
+11%  +132%
LC: +18%  LC: +261%

OPERATING INCOME
33  77

including intersegment transactions
LC=local currency basis
% change over year earlier period
Electronics Sales by Area FY00.2Q

Based on location of customer changes over year earlier period, LC = local currency excluding other operating revenue.
Electronics Sales Trends by Area

Japan

(percentage change on year earlier period)

00.2Q positive factors
• VAIO PC
• Semiconductors

00.2Q negative factors
• no major factors

excluding other operating revenue
Electronics Sales Trends by Area

U.S.

Local currency base; Percentage change on year earlier period

00.2Q positive factors
- VAIO PC
- Television
- Digital Camcorders
- Digital Still Cameras

00.2Q negative factors
- no major factors

excluding other operating revenue
Electronics Sales Trends by Area

Europe

Local currency base; Percentage change on year earlier period

00.2Q positive factors
- Cell phones
- VAIO PC
- Digital Still Cameras
- Digital Camcorders
- PC Displays

00.2Q negative factors
- no major factors

excluding other operating revenue
Electronics Sales Trends by Area

Other Area

Local currency base; Percentage change on year earlier period

00.2Q positive factors
- Television
- Semiconductors
- Optical pick-ups
- CD-R/RW

00.2Q negative factors
- no major factors

excluding other operating revenue
Composition of Electronics Sales

FY00.2Q (yen base)

- Television (+17%)
- Information and communications (+19%)
- Electronic components and other (+19%)
- Video (+10%)
- Audio (-8%)

Percentage of total Electronics business; year on year growth rates; excluding intersegment transactions
Electronics: Sales by Major Product Area

*Note that the total of these categories is different from the actual total of the Electronics segment.*

*Semiconductor, etc. includes internal sales*
Electronics: Major Areas Sales Changes

<table>
<thead>
<tr>
<th>SC</th>
<th>Semiconductor, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT</td>
<td>PC, etc.</td>
</tr>
<tr>
<td>PV</td>
<td>Camcorder, DSC, etc.</td>
</tr>
<tr>
<td>VE</td>
<td>CTV, etc.</td>
</tr>
</tbody>
</table>

*Note that the total of these categories is different from the actual total of the Electronics segment.

*Semiconductor, etc. includes internal sales.
Electronics: Factors in Operating Profit

- **Increased sales volume** **+48**
- **Exchange Rate** **-43**
- **SGA increase** **-26**
- **Improvement in cost of sales ratio** **+66**

**FY00.2Q**
99.2Q 00.2Q (bln yen)

* Improvement in cost of sales ratio = % change in cost of sales ratio X year earlier period's sales

** Increased sales volume = amount change in sales X year earlier period’s gross profit margin
Electronics Inventory Levels by Area

* months of sales (average inventory level in quarter divided by average monthly sales in quarter)
** inventory levels
Game FY00.2Q

(bln yen)

SALES
-17%
LC: -14%

OPERATING INCOME (LOSS)

FY99.2Q: 146
FY00.2Q: 121

including intersegment transactions
LC=local currency basis
% change over year earlier period
PS, PS2 Hardware Shipments FY00.2Q

(mln units)

Quarterly Totals

<table>
<thead>
<tr>
<th></th>
<th>98.2Q</th>
<th>99.2Q</th>
<th>00.2Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS</td>
<td>5.82 mln</td>
<td>6.81 mln</td>
<td>2.37 mln (-65%)</td>
</tr>
<tr>
<td>PS2</td>
<td>6.81 mln</td>
<td>0.98 mln</td>
<td></td>
</tr>
</tbody>
</table>

Europe 0.88
U.S. 0.96
Japan 0.53

Europe
U.S.
Japan
PS and PSone

PS2 (Japan)
PS, PS2 Software Shipments FY00.2Q

Quarterly Totals

<table>
<thead>
<tr>
<th></th>
<th>98.2Q</th>
<th>99.2Q</th>
<th>00.2Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS</td>
<td>14 mln</td>
<td>16 mln</td>
<td>13 mln</td>
</tr>
<tr>
<td>PS2</td>
<td>9 mln</td>
<td>10 mln</td>
<td>3.4 mln</td>
</tr>
</tbody>
</table>

PS: 41 mln, 48 mln, 40 mln (-17%)
PS2: 3.4 mln
Music FY00.2Q

(bln yen)

SALES
- 18%
LC: - 16%

OPERATING INCOME (LOSS)

FY99.2Q FY00.2Q

3 134

including intersegment transactions
LC=local currency basis
% change over year earlier period
Pictures FY00.2Q

(bln yen)

SALES
-1%

LC: +4%

OPERATING INCOME (LOSS)

including intersegment transactions
LC=constant currency basis
% change over year earlier period
Insurance FY00.2Q

SALES

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (bln yen)</th>
<th>% Change Over Year Earlier Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY99.2Q</td>
<td>94</td>
<td>+3%</td>
</tr>
<tr>
<td>FY00.2Q</td>
<td>97</td>
<td>-65%</td>
</tr>
</tbody>
</table>

OPERATING INCOME

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income (bln yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY99.2Q</td>
<td>9</td>
</tr>
<tr>
<td>FY00.2Q</td>
<td>3</td>
</tr>
</tbody>
</table>
Other FY00.2Q

(bln yen)

SALES

+19%

OPERATING INCOME (LOSS)

including intersegment transactions
% change over year earlier period
### FY2000 Forecast

<table>
<thead>
<tr>
<th></th>
<th>4/00</th>
<th>7/00</th>
<th>current</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and operating revenue</td>
<td>7,000</td>
<td>7,200</td>
<td>no change since 7/00</td>
<td>+8%</td>
</tr>
<tr>
<td>Operating income</td>
<td>255</td>
<td>230</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>240</td>
<td>255</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>120</td>
<td>10</td>
<td>-92%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>350</th>
<th>500</th>
<th>no change since 7/00</th>
<th>+15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td>+14%</td>
</tr>
<tr>
<td>Dep. &amp; Amort.</td>
<td>350</td>
<td>350</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Assumed Exchange Rates
(for remainder of FY00)

<table>
<thead>
<tr>
<th></th>
<th>as of 4/00</th>
<th>as of 7/00</th>
<th>as of 10/00</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 dollar = 105 yen</td>
<td>103 yen</td>
<td>105 yen</td>
<td></td>
</tr>
<tr>
<td>1 euro = 103 yen</td>
<td>100 yen</td>
<td>93 yen</td>
<td></td>
</tr>
</tbody>
</table>
## FY00 PlayStation Production Forecast

### Hardware

<table>
<thead>
<tr>
<th></th>
<th>As of 00.7</th>
<th>Current</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS/ PSone</td>
<td>8 mln</td>
<td>9 mln</td>
<td>-51%</td>
</tr>
<tr>
<td>PS2</td>
<td>10 mln</td>
<td>no change</td>
<td>-----</td>
</tr>
</tbody>
</table>

### Software

For PS and PS2 software, total shipments are expected to be about 10% less than total shipments in FY99. This expectation is unchanged from 00.7.
PS, PS2 Hardware Shipments (by year)

(mln units)

FY95 FY96 FY97 FY98 FY99 FY00E

PS2: -51% YoY (from 12/94)

EUR U.S. JPN
PS, PS2 Software Shipments (by year)

(mln units)

FY97  FY98  FY99  FY00E

138  (PS)  194  (PS)  200  (PS)  (PS2) 2.9

vs. FY99, -10% est.

PS+PS2 software
## Supplementary Information (Consolidated)

Years ended/ending March 31 and respective quarters

### 1. Unit Sales of Major Products

<table>
<thead>
<tr>
<th>Product</th>
<th>2000</th>
<th></th>
<th></th>
<th>Full year</th>
<th>2001</th>
<th></th>
<th></th>
<th>Full Year(E)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td></td>
</tr>
<tr>
<td>CD players</td>
<td>6,300</td>
<td>7,600</td>
<td>5,000</td>
<td>5,100</td>
<td>24,000</td>
<td>7,200</td>
<td>8,900</td>
<td>28,000</td>
</tr>
<tr>
<td>MiniDisc</td>
<td>900</td>
<td>1,000</td>
<td>1,300</td>
<td>800</td>
<td>4,000</td>
<td>900</td>
<td>1,000</td>
<td>4,500</td>
</tr>
<tr>
<td>Camcorders</td>
<td>1,300</td>
<td>1,300</td>
<td>1,100</td>
<td>1,000</td>
<td>4,700</td>
<td>1,450</td>
<td>1,600</td>
<td>5,600</td>
</tr>
<tr>
<td>Color TVs</td>
<td>2,150</td>
<td>2,600</td>
<td>3,600</td>
<td>2,850</td>
<td>11,200</td>
<td>2,500</td>
<td>2,850</td>
<td>11,800</td>
</tr>
</tbody>
</table>

### 2. Exchange Rates

#### Average (yen)

<table>
<thead>
<tr>
<th>Product</th>
<th>2000</th>
<th></th>
<th></th>
<th></th>
<th>2001</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td>Full year</td>
<td>1Q</td>
<td>2Q</td>
<td></td>
</tr>
<tr>
<td>U.S. dollar</td>
<td>120</td>
<td>113</td>
<td>104</td>
<td>106</td>
<td>111</td>
<td>106</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>Euro</td>
<td>126</td>
<td>118</td>
<td>107</td>
<td>104</td>
<td>114</td>
<td>98</td>
<td>96</td>
<td></td>
</tr>
</tbody>
</table>

#### Contract (yen)

<table>
<thead>
<tr>
<th>Product</th>
<th>2000</th>
<th></th>
<th></th>
<th></th>
<th>2001</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td>Full year</td>
<td>1Q</td>
<td>2Q</td>
<td></td>
</tr>
<tr>
<td>U.S. dollar</td>
<td>119</td>
<td>116</td>
<td>109</td>
<td>106</td>
<td>112</td>
<td>106</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>Euro</td>
<td>128</td>
<td>123</td>
<td>115</td>
<td>115</td>
<td>117</td>
<td>103</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>