Sony Q3 FY2001 Results

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Consolidated Results

<table>
<thead>
<tr>
<th>Q3 FY2001 (three months ended December 31, 2001)</th>
<th>YOY change</th>
<th>YOY change, constant currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and operating revenue</td>
<td>2,287 bln yen</td>
<td>+ 7%</td>
</tr>
<tr>
<td>Operating income</td>
<td>159 bln yen</td>
<td>+ 10%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>119 bln yen</td>
<td>- 12%</td>
</tr>
<tr>
<td>Net income</td>
<td>64 bln yen</td>
<td>- 14%</td>
</tr>
</tbody>
</table>

**Impact of Exchange Rates (Q3 FY01 vs Q3 FY00)**
($1= 123 yen vs 109 yen; 1 euro= 109 yen vs 94 yen) *
- Sales and operating revenue: +189 bln yen
- Operating income: +83 bln yen

**Impact of Changes in Accounting Standards**
- Impact of change regarding goodwill and other intangible assets:
  - Operating income: +5.1 bln yen
  - Net income: +4.8 bln yen

* average market rate in period
Electronics Q3 FY01

Sales

Q3’00 Q3’01

Operating Income

Q3’00 Q3’01

1,596 1,552

-3% (CC - 10%)

133 71

-47% (CC - 87%)

including intersegment transactions
CC=constant currency basis
% change over year earlier period
line graph is operating margin

Electronics Sales by Area Q3 FY01

USA +11% (CC - 1%)

36%

Japan -18%

22%

Europe +0.2% (CC - 13%)

23%

Other Area -5% (CC - 13%)

19%

based on location of customer
change over year earlier period, CC = constant currency
excluding other operating revenue
Electronics Sales Trends by Area

Japan
Percentage change on year earlier period

Q3’01 Positive Factors
- PCs

Q3’01 Negative Factors
- Semiconductors
- Mobile Phones
- Broadcast-use products
- Portable Audio

USA
Constant currency basis:
Percentage change on year earlier period

Q3’01 Positive Factors
- PCs
- Televisions
- Set-top-boxes

Q3’01 Negative Factors
- Computer displays
- Semiconductors
- Video Cameras

excluding other operating revenue
Constant currency basis: Percentage change on year earlier period

**Europe**
- Q3’01 Positive Factors
  - Projection televisions
  - Set-Top-Box (STBs)
  - PDAs
- Q3’01 Negative Factors
  - Computer displays
  - Broadcast-use products
  - Video Cameras

**Other Areas**
- Q3’01 Positive Factors
  - PCs
  - Recording Media
  - Digital Still Cameras
- Q3’01 Negative Factors
  - CD-R/RWs
  - Semiconductors
  - Televisions
  - CRTs

*excluding other operating revenue*
Elec. Performance by Product Category

**Audio**

<table>
<thead>
<tr>
<th>Q3'00</th>
<th>Q3'01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>236</td>
</tr>
<tr>
<td>% Int. Sales</td>
<td>+3%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>15</td>
</tr>
<tr>
<td>% Margin</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

* % is change over year earlier period
* Includes internal sales

Note: Operating income and loss figures by product category reflect allocations of expenses of the Electronics business which Sony believes are reasonable in showing operating results but are not in accordance with US GAAP.

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**Video**

<table>
<thead>
<tr>
<th>Q3'00</th>
<th>Q3'01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>237</td>
</tr>
<tr>
<td>% Int. Sales</td>
<td>+7%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>41</td>
</tr>
<tr>
<td>% Margin</td>
<td>17.1%</td>
</tr>
</tbody>
</table>

* % is change over year earlier period
* Includes internal sales

Note: Operating income and loss figures by product category reflect allocations of expenses of the Electronics business which Sony believes are reasonable in showing operating results but are not in accordance with US GAAP.
Elec. Performance by Product Category

**Television**

Sales (bln yen)

- Q3'00: 224
- Q3'01: 257 (+15%)

Operating Income (and as % of sales)

- Q3'00: 19
- Q3'01: 18 (-3%)

* % is change over year earlier period
* Line graph is operating margin

Note: Operating income and loss figures by product category reflect allocations of expenses of the Electronics business which Sony believes are reasonable in showing operating results but are not in accordance with US GAAP.

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**Information and Communications**

Sales (bln yen)

- Q3'00: 342
- Q3'01: 327 (-5%)

Operating Income (and as % of sales)

- Q3'00: 14
- Q3'01: 10 (-28%)

* % is change over year earlier period
* Line graph is operating margin

Note: Operating income and loss figures by product category reflect allocations of expenses of the Electronics business which Sony believes are reasonable in showing operating results but are not in accordance with US GAAP.
Elec. Performance by Product Category

**Semiconductors**

- **Sales**
  - Q3'00: 123 (bln yen)
  - Q3'01: 76 (bln yen)
  - % change: -39%

- **Operating Income (Loss)**
  - Q3'00: 21 (bln yen)
  - Q3'01: -5 (bln yen)
  - % change: -6.5%

Note: Operating income and loss figures by product category reflect allocations of expenses of the Electronics business which Sony believes are reasonable in showing operating results but are not in accordance with US GAAP.

**Components**

- **Sales**
  - Q3'00: 331 (bln yen)
  - Q3'01: 269 (bln yen)
  - % change: -19%

- **Operating Income**
  - Q3'00: 18 (bln yen)
  - Q3'01: 8 (bln yen)
  - % change: -57%

Note: Operating income and loss figures by product category reflect allocations of expenses of the Electronics business which Sony believes are reasonable in showing operating results but are not in accordance with US GAAP.
Elec. Performance by Product Category

Sales

Operating Loss (and as % of sales)

Q3’00 Q3’01 Q3’00 Q3’01

Other

-3  -30

315 -2%

308 - 2%

-14

* % is change over year earlier period
* includes internal sales

Note: Operating income and loss figures by product category reflect allocations of expenses of the Electronics business which Sony believes are reasonable in showing operating results but are not in accordance with US GAAP.

Electronics: Factors in Operating Profit

Reduction in SGA (SGA to sales ratio approx. +2 pts. YoY) +5

Sale/disposal, impairment of long-lived assets -0.5

Decreased sales volume* -39

Worsening of cost of sales ratio:** -81

Sale/disposal, impairment of long-lived assets

Exchange rate +53

Decreased sales volume* approx. 6 pts. YoY

Worsening of cost of sales ratio**

* Decreased sales volume impact = amount of the change in sales times year earlier period’s gross profit margin
** Worsening in Cost of sales ratio impact = % change in cost of sales ratio times year earlier period’s sales
Electronics Inventory Levels by Area

*inventory levels ** turnover (average inventory level in quarter divided by average monthly sales in quarter)

FY00 Inventories have been restated to reflect business segment changes

Game Q3 FY01

including intersegment transactions
CC=constant currency basis
% change over year earlier period
line graph is operating margin
**PS, PS2 Hardware Shipments (by quarter)**

(mln units)

<table>
<thead>
<tr>
<th></th>
<th>Q3'99</th>
<th>Q3'00</th>
<th>Q3'01</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>3.31</td>
<td>1.00</td>
<td>2.34</td>
</tr>
<tr>
<td>USA</td>
<td>2.65</td>
<td>1.75</td>
<td>1.45</td>
</tr>
<tr>
<td>JPN</td>
<td>0.65</td>
<td>0.29</td>
<td>0.17</td>
</tr>
</tbody>
</table>

**YOY**

- PS2: +88%
- PS/PSone: -72%

**PS, PS2 Software Shipments (by quarter)**

(mln units)

<table>
<thead>
<tr>
<th></th>
<th>Q3'99</th>
<th>Q3'00</th>
<th>Q3'01</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>25.0</td>
<td>8.5</td>
<td>16.7</td>
</tr>
<tr>
<td>USA</td>
<td>37.0</td>
<td>20.0</td>
<td>9.7</td>
</tr>
<tr>
<td>JPN</td>
<td>19.0</td>
<td>26.0</td>
<td>16.0</td>
</tr>
</tbody>
</table>

**YOY**

- PS2: 3.1x
- PS: -30%
Music Q3 FY01

- Including intersegment transactions
- CC=constant currency basis (for Music, on a US$ basis)
- % change over year earlier period
- Line graph is operating margin

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (bn yen)</th>
<th>Operating Income (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'00</td>
<td>189</td>
<td>20</td>
</tr>
<tr>
<td>Q3'01</td>
<td>209 (CC +11%)</td>
<td>23 (CC +13%)</td>
</tr>
<tr>
<td></td>
<td>+11% (CC +1%)</td>
<td>+13% (CC +4%)</td>
</tr>
</tbody>
</table>

10.8% 11.1%

Operating Income (and as % of sales)

Pictures Q3 FY01

- Including intersegment transactions
- CC=constant currency basis (for Pictures, on a US$ basis)
- % change over year earlier period
- Line graph is operating margin

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (bn yen)</th>
<th>Operating Income (Loss) (bn yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'00</td>
<td>141</td>
<td>-2</td>
</tr>
<tr>
<td>Q3'01</td>
<td>159 (CC +12%)</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>+12% (CC +0.4%)</td>
<td>0.2%</td>
</tr>
<tr>
<td></td>
<td>-1.7%</td>
<td></td>
</tr>
</tbody>
</table>

-0.2%
Financial Services Q3 FY01

- Including intersegment transactions
- % change over year earlier period
- Line graph is operating margin

Sales (bln yen)

Q3'00 Q3'01
119 127 +7%

Operating Income (and as % of sales)

Q3'00 Q3'01
6 2 -65%

Operating Income:

4.9% 1.6%

Sales:

Q3'00 Q3'01

Financial Services Q3 FY01 (bln yen)

Other Q3 FY01

- Including intersegment transactions
- CC=constant currency basis
- % change over year earlier period
- Line graph is operating margin

Sales

Q3'00 Q3'01
40 38 -7%

Operating Loss (and as % of sales)

Q3'00 Q3'01
-1.6 -1.7 -4.1% -4.5%
### FY2001 Forecast

<table>
<thead>
<tr>
<th></th>
<th>FY00</th>
<th>FY01*</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and operating revenue</td>
<td>7,315</td>
<td>7,550</td>
<td>+ 3%</td>
</tr>
<tr>
<td>Operating income</td>
<td>225</td>
<td>130</td>
<td>- 42%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>266</td>
<td>70</td>
<td>- 74%</td>
</tr>
<tr>
<td>Net income</td>
<td>17</td>
<td>10</td>
<td>- 40%</td>
</tr>
</tbody>
</table>

*Assumes new “Goodwill and Other Intangible Assets” accounting standard

### Assumed Exchange Rates

<table>
<thead>
<tr>
<th></th>
<th>FY00</th>
<th>Jan. to Mar. FY01</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 U.S. dollar</td>
<td>= 110 yen</td>
<td>approx 130 yen</td>
</tr>
<tr>
<td>1 euro</td>
<td>= 99 yen</td>
<td>approx 115 yen</td>
</tr>
</tbody>
</table>

### Capital Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FY00</th>
<th>FY01</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>465</td>
<td>350</td>
<td>- 25%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization**</td>
<td>348</td>
<td>390</td>
<td>+ 12%</td>
</tr>
<tr>
<td>(of that, dep. for tangible assets)</td>
<td>270</td>
<td>330</td>
<td>+ 22%</td>
</tr>
</tbody>
</table>

*Including amortization expenses for intangible assets and for deferred insurance acquisition costs

### PS, PS2 Hardware Shipments (by year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe</th>
<th>U.S.</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY95</td>
<td>4.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY96</td>
<td>9.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY97</td>
<td>19.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY98</td>
<td>21.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY99</td>
<td>18.5</td>
<td>PS2</td>
<td></td>
</tr>
<tr>
<td>FY00</td>
<td>PS</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>FY01E</td>
<td>7.5</td>
<td>PSone</td>
<td></td>
</tr>
</tbody>
</table>

**FY2001 Forecast**

**Assumed Exchange Rates**

**Capital Expenditures**

**Depreciation & Amortization**

**PS, PS2 Hardware Shipments**

*cumulative from Dec ’94 to Mar ’96
PS, PS2 Software Shipments (by year)

FY97 FY98 FY99 FY00 FY01E

PS, PS2 Software Shipments (by year)

PS2
PS

PS+PS2 (total) software, 195 (+15%)

Capex Forecast

FY97 FY98 FY99 FY00 FY01E

388
354
436
465
350

-9%
+23%
+7%
-25%

Other Financial Services Pictures Music (-33%) Game (-54%) Electronics (-13%)
Sony Ericsson Mobile Communications

**Q4 01 Results**

*Oct.-Dec. 2001*

<table>
<thead>
<tr>
<th>&lt; US GAAP</th>
<th>Mil.Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1,046</td>
</tr>
<tr>
<td>Net Income</td>
<td>139</td>
</tr>
<tr>
<td>Numbers of units shipped</td>
<td>6.8 Mil. Units</td>
</tr>
</tbody>
</table>

*Figures for the same period of the previous year are not available.
*SEMC is counted as an affiliated company accounted at equity method for Sony and 50% of its net income will be recorded in net income of Sony's consolidated statements of income.
## Exchange Rates by Quarter (yen)

### FY2001

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ avg rate</td>
<td>122</td>
<td>121</td>
<td>123</td>
</tr>
<tr>
<td>contract rate</td>
<td>119</td>
<td>121</td>
<td>119</td>
</tr>
<tr>
<td>Euro avg rate</td>
<td>106</td>
<td>107</td>
<td>109</td>
</tr>
<tr>
<td>contract rate</td>
<td>107</td>
<td>107</td>
<td>107</td>
</tr>
</tbody>
</table>

### FY2000

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ avg rate</td>
<td>106</td>
<td>107</td>
<td>109</td>
<td>117</td>
</tr>
<tr>
<td>contract rate</td>
<td>106</td>
<td>106</td>
<td>108</td>
<td>112</td>
</tr>
<tr>
<td>Euro avg rate</td>
<td>98</td>
<td>96</td>
<td>94</td>
<td>108</td>
</tr>
<tr>
<td>contract rate</td>
<td>103</td>
<td>99</td>
<td>94</td>
<td>96</td>
</tr>
</tbody>
</table>