

# SONY

## Q1 FY2003 Consolidated Results

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## Q1 FY03 Consolidated Results

(bln yen)

	Q1 FY02	Q1 FY03	YoY Change	YoY Change (LC basis*)
<b>Sales &amp; operating revenue</b>	1,721.8	1,603.8	-7%	-5%
<b>Operating income</b>	51.9	16.7	-68%	-89%
<b>Income before income taxes</b>	116.6	35.8	-69%	
<b>Net income</b>	57.2	1.1	-98%	
<b>Free cash flow</b> (Sony Without Financial Services)	12.2	-194.1	-206.3	(bln yen)

\*Local Currency Basis: change that would have occurred if there had been no change in exchange rates year on year.

### Total Impact of Foreign Exchange in Q1 FY03

Sales and operating revenue: approx -24.1 bln yen

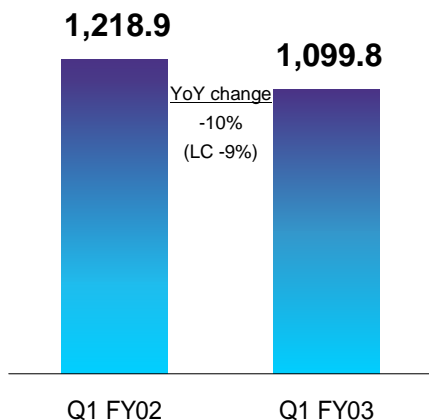
Operating income: approx +11.1 bln yen

Average rate	Q1 FY02	Q1 FY03
1 \$	126 yen	117 yen
1 Euro	115 yen	133 yen

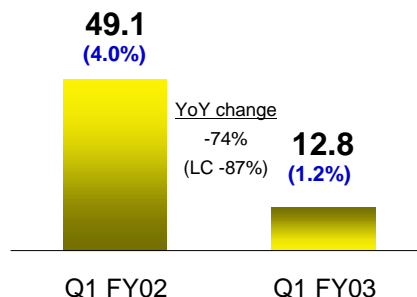
# Electronics Q1 FY03

(bln yen)

## Sales



## Operating Income

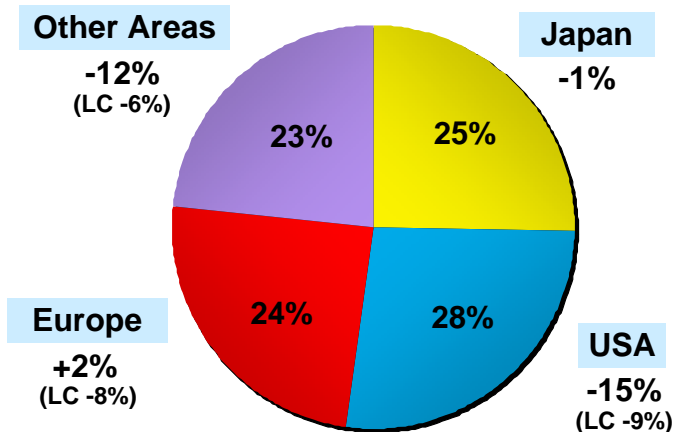


\* Includes intersegment transactions  
\* LC=Local currency

\* ( ) is operating profit %

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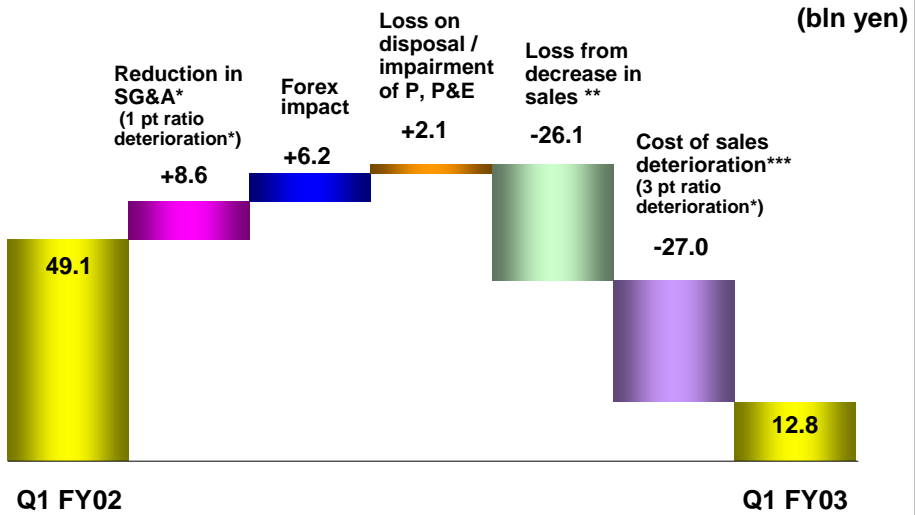
# Electronics Sales by Area Q1 FY03



\* Based on location of customer  
\* Change over year earlier period  
\* LC: local currency  
\* Excluding other operating revenue

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# Electronics: Operating Profit Breakdown Q1 FY03



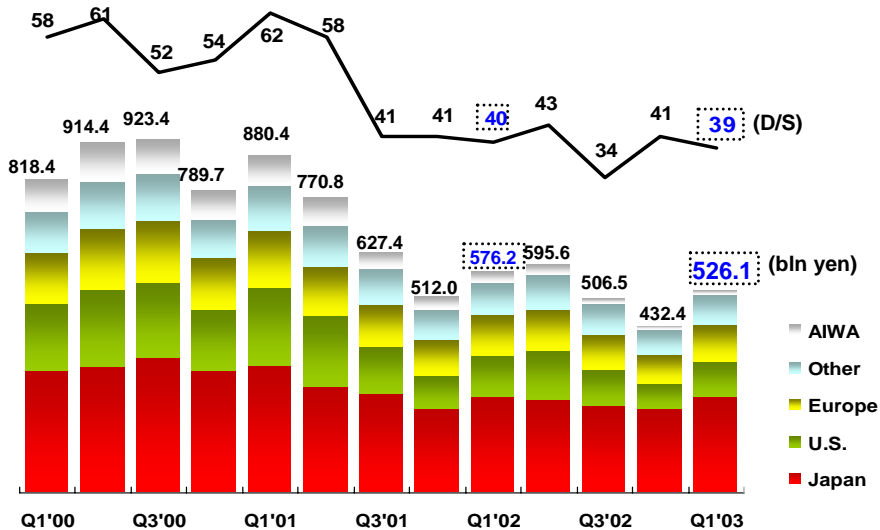
\*Revenue basis compared to last fiscal year

\*\* Decrease in sales = (change in sales) X (year earlier period's gross margin)

\*\*\* Improvement in cost of sales ratio = (point improvement in cost of sales ratio) X (year earlier period's sales)

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# Electronics Inventory Levels by Area



\* Line graph: Days supply (average inventory in quarter divided by average daily sales in quarter)

\* Bar chart: Inventory levels (bln yen)

\* Inventory figures between Q1'00 to Q4'01 have been restated to reflect business segment changes

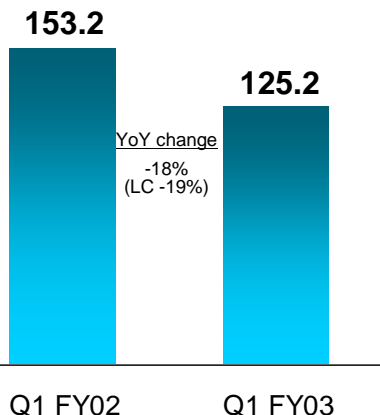
\* Days supply have been restated only for the period between Q1'01 to Q4'01

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# Game Q1 FY03

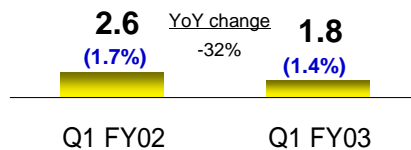
(bln yen)

## Sales



\* Includes intersegment transactions  
\* LC=Local currency

## Operating Income



\* ( ) is operating profit %

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# PlayStation H/W,S/W Production Shipments

## PS2 Hardware

(mil units)

	Q1 FY02	Q1 FY03	Change
Total	4.59	2.65	-42%
Japan	0.51	0.90	+76%
N.America	3.08	1.44	-53%
Europe	1.00	0.31	-69%

## PS2 Software

(mil units)

	Q1 FY02	Q1 FY03	Change
Total	27.00	31.00	+15%
Japan	7.00	6.00	-14%
N.America	12.00	15.00	+25%
Europe	8.00	10.00	+25%

## PS/PSone Hardware

(mil units)

	Q1 FY02	Q1 FY03	Change
Total	0.67	0.83	+24%
Japan	0.19	0.10	-47%
N.America	0.38	0.37	-3%
Europe	0.10	0.36	+260%

## PS/PSone Software

(mil units)

	Q1 FY02	Q1 FY03	Change
Total	13.00	8.00	-38%
Japan	3.00	1.00	-67%
N.America	7.00	3.00	-57%
Europe	3.00	4.00	+33%

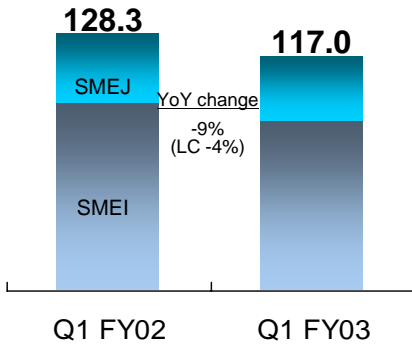
\* Production shipment units of hardware and software are counted upon shipment of the products from manufacturing bases. Sales of such products are recognized when the products are delivered to customers.

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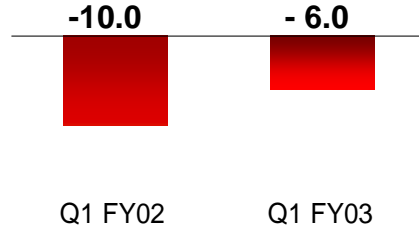
# Music Q1 FY03

(bln yen)

## Sales



## Operating Loss



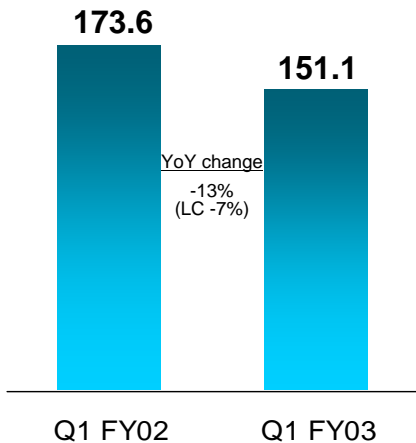
\* Includes intersegment transactions  
\* LC=Local currency

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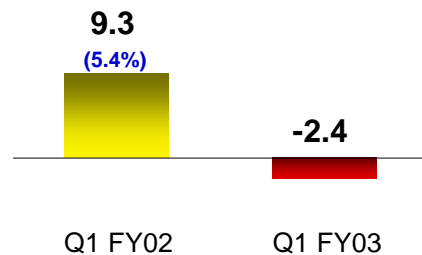
# Pictures Q1 FY03

(bln yen)

## Sales



## Operating Income (Loss)



\* Includes intersegment transactions  
\* LC=Local currency

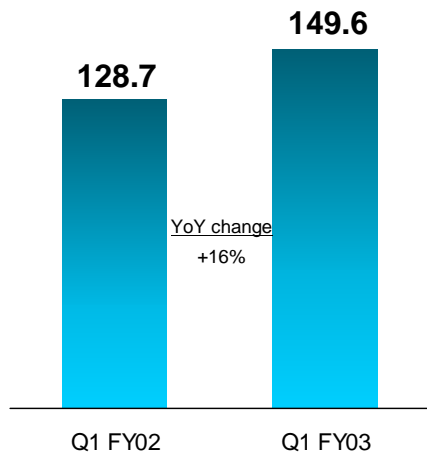
\* ( ) is operating profit %

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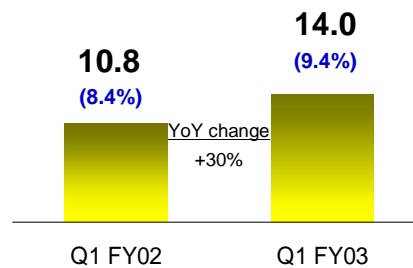
## Financial Services Q1 FY03

(bln yen)

### Financial Services Revenue



### Operating Income



\* Includes intersegment transactions

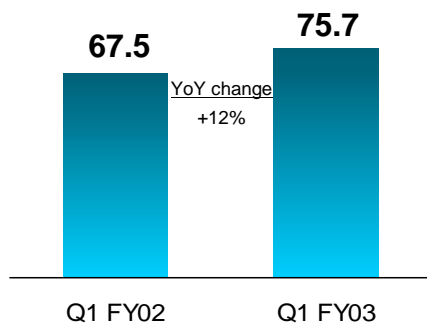
\* ( ) is operating profit %

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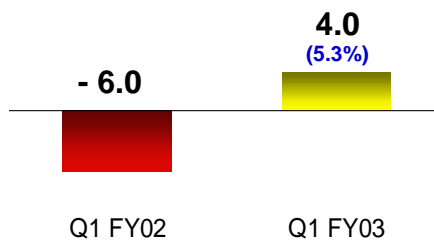
## Other Q1 FY03

(bln yen)

### Sales



### Operating Loss



\* Includes intersegment transactions

\* ( ) is operating profit %

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# Sony Ericsson Mobile Communications



US GAAP, Mil. Euro



	Apr – June 2002	Apr – June 2003	YoY Change
Net sales	950	1,125	+ 18%
Losses before tax	- 98	- 102	- 4 Mil. Euro
Net losses	- 83	- 88	- 5 Mil. Euro
Number of units shipped (Million units)	5.0	6.7	+ 1.7 Mil. units

\*Restructuring cost of 58 mil Euro has been recognized in Losses before tax in the April-June 2003 period.

\*SEMC is counted as an affiliated company accounted at equity method for Sony and 50% of its net income (loss) will be recorded in net income of Sony's consolidated statements of income.

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## FY2003 Forecast

(bln yen)

As of July 24, 2003

	FY02	FY03	YoY change
Sales & operating revenue	7,473.6	7,400.0	- 1%
Operating income	185.4	130.0	- 30%
Income before income taxes	247.6	130.0	- 48%
Net income	115.5	50.0	- 57%
Capex	261.2	350.0	+34%
Depreciation & Amortization *	351.9	390.0	+ 11%
(of that, dep. for tangible assets)	279.5	280.0	Flat

Foreign Exchange Rates	Actual	Forecast Assumption
1US\$	121yen	115yen
1Euro	120yen	125yen

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

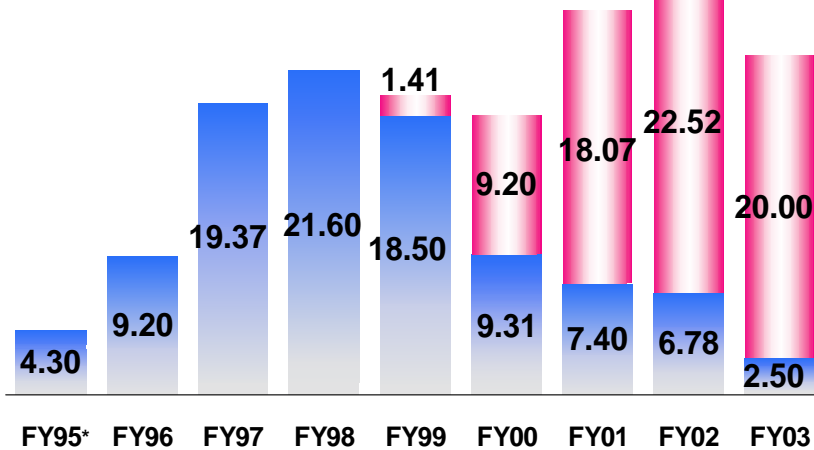
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## PlayStation H/W Production Shipments & Forecast

(mln units)

■ PS2

■ PS/PSone



\*Cumulative between Dec '94 to Mar '96

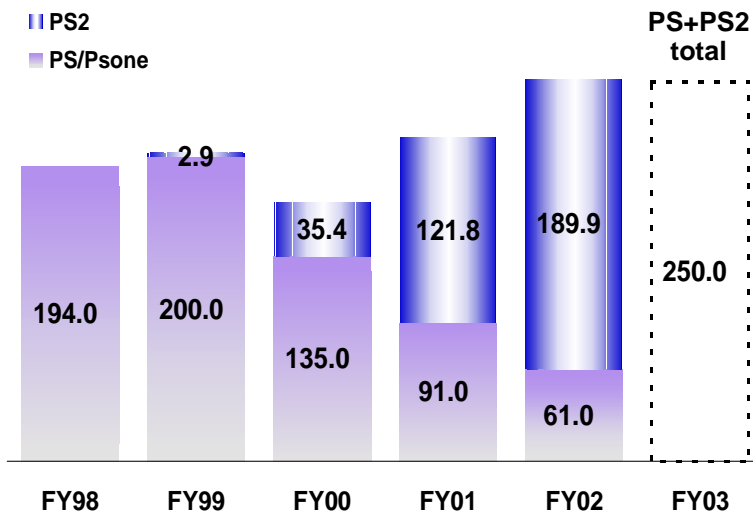
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## PlayStation Software Shipments & Forecast

(mln units)

■ PS2

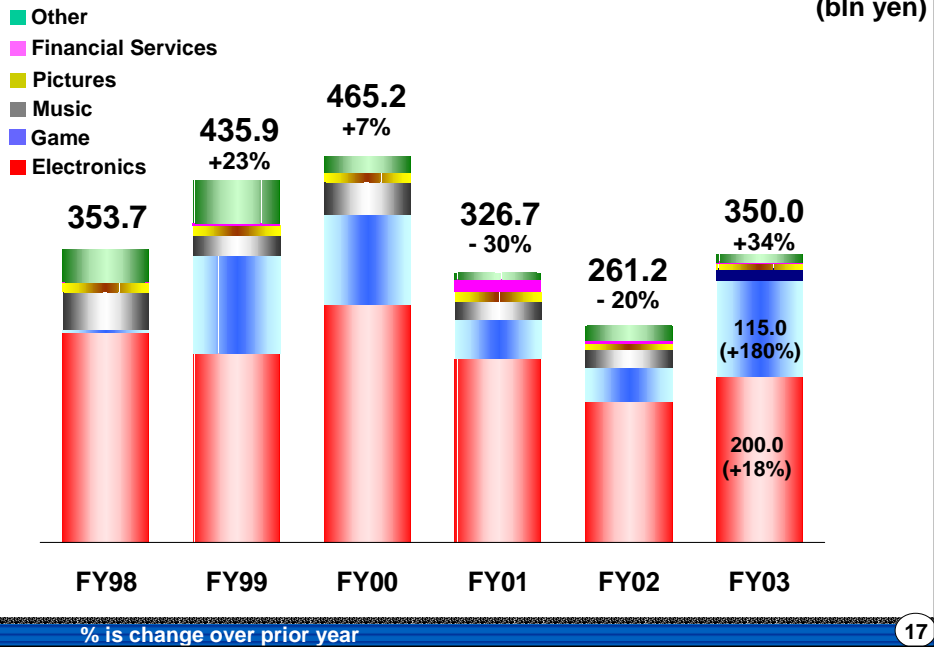
■ PS/PSone



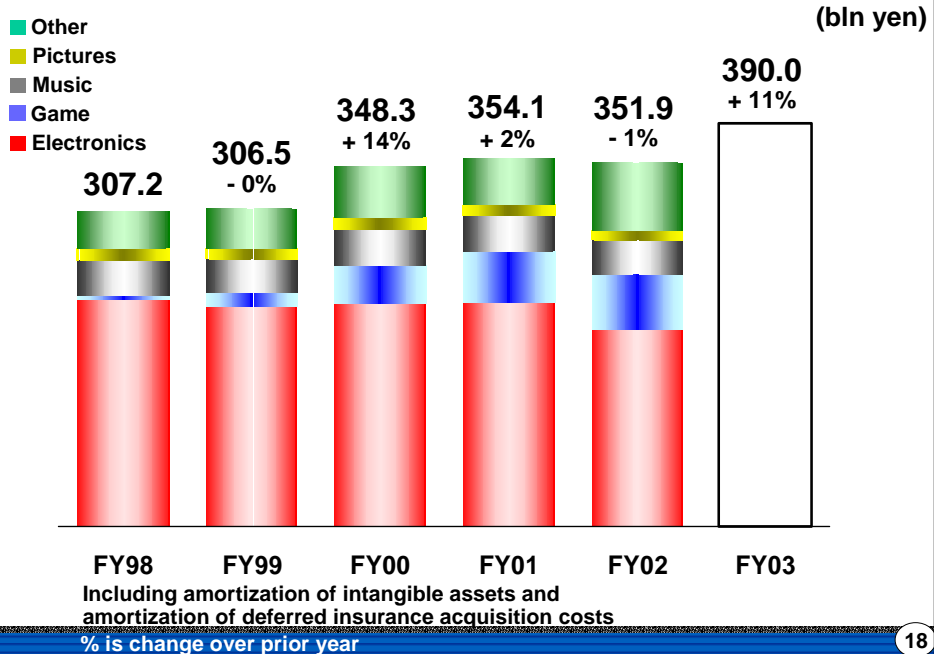
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# FY2003 Capital Expenditures Forecast



# FY2003 Depreciation & Amortization Forecast



## Exchange Rates Trends (Yen)

FY2003	Q1	Q2	Q3	Q4	FY
<b>US\$</b>					
average market rate	117				
*weighted average market rate	117				
fwd. contract rate	118				
<b>Euro</b>					
average market rate	133				
*weighted average market rate	133				
fwd. contract rate	131				
<b>FY2002</b>					
<b>US\$</b>					
average market rate	126	118	122	118	121
*weighted average market rate	126	118	122	118	121
fwd. contract rate	128	121	121	121	122
<b>Euro</b>					
average market rate	115	116	118	126	120
*weighted average market rate	115	116	121	126	119
fwd. contract rate	115	117	120	125	119

\*The above rates are the weighted average rates based upon the net export amounts of each month

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## Sony Main Products Shipment Sales Data

### Sales Volume

(million units)

	FY99	FY00	FY01	FY02	FY03	
					April Forecast	July Forecast
Camcorder	4.70	5.50	5.40	5.75	6.30	6.30
Digital Still Camera	1.40	2.60	3.40	5.60	8.00	10.00
DVD Player	1.90	4.00	5.00	7.00	8.00	8.00
Television	11.20	11.30	10.00	10.00	10.65	10.60
VAIO*	1.40	2.50	3.50	3.10	3.10	3.10
Desktop	0.40	0.80	1.40	1.20	1.20	1.20
Notebook	1.00	1.70	2.10	1.90	1.90	1.90
Non-Japan	N/A	1.10	1.80	1.80	2.00	2.00
Japan	N/A	0.14	1.70	1.30	1.10	1.10

\* Includes shipment sales units

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