

SONY

FY2004 Consolidated Results Forecast Revision

Sony Corporation Investor Relations

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Q3 FY04 Preliminary Consolidated Results

(bln yen)

	Q3 FY03	Q3 FY04	Change
Sales & operating revenue	2,323.4	2,150.0	-8 %
Operating income	158.8	140.0	-12 %
Income before income taxes	157.8	150.0	-5 %
Equity in net income of affiliates	3.1	2.0	-35 %
Net income	92.6	140.0	+51 %
Restructuring expenses*	53.6	11.0	-42.6 bln yen

* Restructuring expenses are included within operating income

Average Rate	Q3 FY03	Q3 FY04
1\$	108 yen	105 yen
1 Euro	128 yen	136 yen

FY04 Forecast

(bln yen)

As of January 20, 2005	FY03	FY04 Fct	Change	Oct Fct
Sales & operating revenue	7,496.4	7,150.0	-5%	7,350.0
Operating income	98.9	110.0	+11%	160.0
Income before income taxes	144.1	140.0	-3%	170.0
Equity in net income of affiliates	1.7	24.0	14x	—
Net income	88.5	150.0	+69%	110.0
Restructuring expenses*	168.1	100.0	-68.1 bln yen	110.0

* Restructuring expenses are included within operating income

Average Rate	FY03 Actual	Q4 FY04 Assumption
1\$	112 yen	103 yen
1 Euro	131 yen	136 yen

Primary Factors by Electronics Product Category

1. Greater than anticipated deterioration in unit selling prices of several products including televisions, DVD recorders and video cameras, causing profitability short of October forecasts.
2. Due to a decrease in demand, sales and operating income for semiconductors and components, in particular from external customers, are below expectations.
3. Sales and operating income for portable audio products are also anticipated to fall short of Company estimates as a result of changes in the competitive environment.

Assumed Growth Rates: FY04 Electronics Sales by Region

(Excluding Intersegment Sales, L/C Basis)

	FY04H1	FY04H2		FY04	
	Actual	Oct Fct	Current	Oct Fct	Current
Japan	-5%	-3 ~ +3%	-10 ~ -14%	-3 ~ +3%	-7 ~ -9%
N. America	-1%	-3 ~ +3%	-3 ~ +3%	-3 ~ +3%	-3 ~ +3%
Europe	+7%	+4 ~ +6%	-4 ~ -6%	+4 ~ +6%	-3 ~ +3%
Other Areas	+23%	+10 ~ +14%	+4 ~ +6%	+15 ~ +19%	+10 ~ +14%
Total	+6%	+4 ~ +6%	-3 ~ +3%	+4 ~ +6%	-3 ~ +3%

Sony Ericsson Mobile Communications

 Sony Ericsson	Oct-Dec '03	Oct-Dec '04	YoY Change
Number of units shipped (mln units)	8.00	12.60	+56 %
Sales (bln yen)	198.3	276.7	+40 %
Income before tax	6.3	19.3	+204 %
Net income	5.9	7.6	+28 %

* Amounts converted at a convenience rate of 1 Euro = 138 yen.

* Sony accounts for Sony Ericsson, a 50:50 joint venture, by the equity method with 50% of net income recorded as net income in Sony's consolidated statements of income.

Platforms for Future Improvement

1. Strengthening our Display business

Differentiating our SXRD and LCD TV products
Strengthening our small- and mid-sized lineup
Improving our cost-competitiveness



LCD TV



SXRD RPJ

2. Strengthening our Digital Imaging business

Bringing HD to the video camera market
Expanding our DVD camcorder lineup
Proposing new product groups



HDV-Cam



DVD-Cam



New DSC

3. Establishing the Connect Company

Launching a worldwide download business
encompassing service, content, and hardware



Network WM



4. Investing in Semiconductors and Key Devices

Continuing our investment in semiconductors and
key devices, the "core engine" for generating
added value and product differentiation



SXRD Device



LCD-Driver