



SONY FY00.3Q Results

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

FY2000.3Q (quarter ended December 31, 2000)

		<u>YOY change</u>	<u>LC*</u>
Sales and operating revenue	2,110 bln yen	+10%	+10%
Operating income	146 bln yen	- 11%	+5%
Income before income taxes	133 bln yen	- 20%	
Net income	72 bln yen	- 23%	

Impact of Exchange Rates (00.3Q vs 99.3Q)

(\$1= 109 yen vs 104 yen; 1 euro= 94 yen vs 107 yen)

Sales impact: -4 bln yen

Oper. Income impact: -25 bln yen

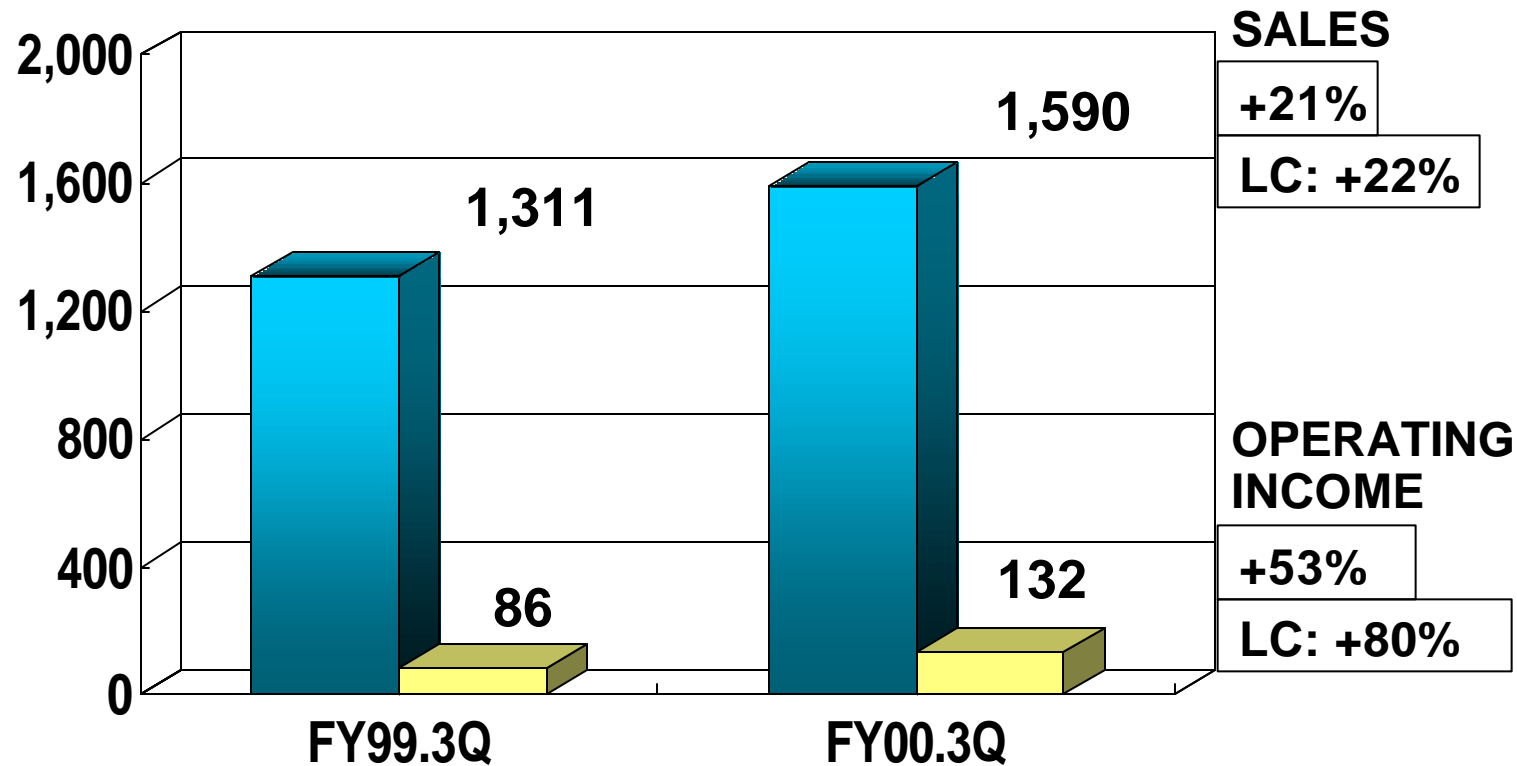
Impact of Change in Pictures Accounting

Operating Income: -14 bln yen

*LC=local currency

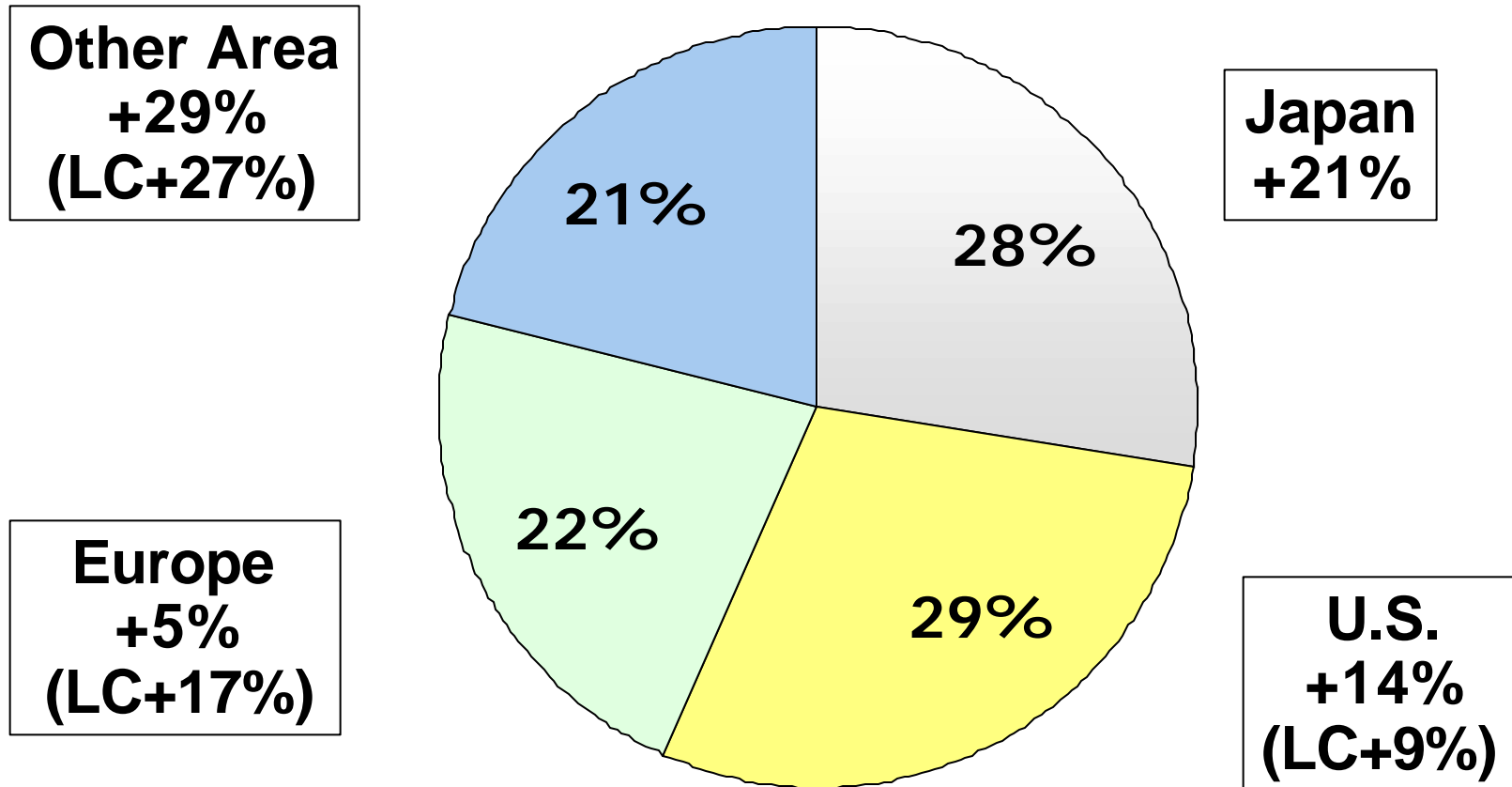
Electronics FY00.3Q

(bIn yen)



including intersegment transactions
LC=local currency basis
% change over year earlier period

Electronics Sales by Area FY00.3Q



based on location of customer
change over year earlier period, LC = local currency
excluding other operating revenue

Electronics Sales Trends by Area

Japan

Percentage change on year earlier period



00.3Q positive factors

- VAIO PCs
- Digital Still Cameras
- Semiconductors
- Cellular Phones

00.3Q negative factors

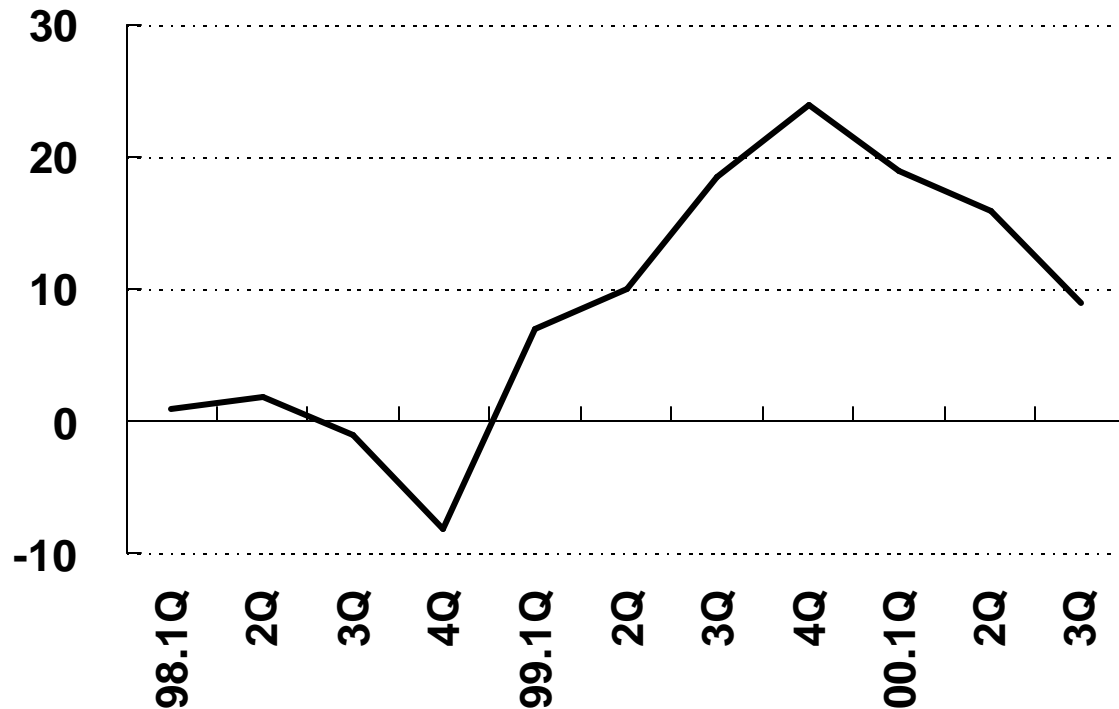
- no major factors

excluding other operating revenue

Electronics Sales Trends by Area

U.S.

Local currency base;
Percentage change on year earlier period



00.3Q positive factors

- VAIO PCs
- Televisions
- DVD Players
- Camcorders

00.3Q negative factors

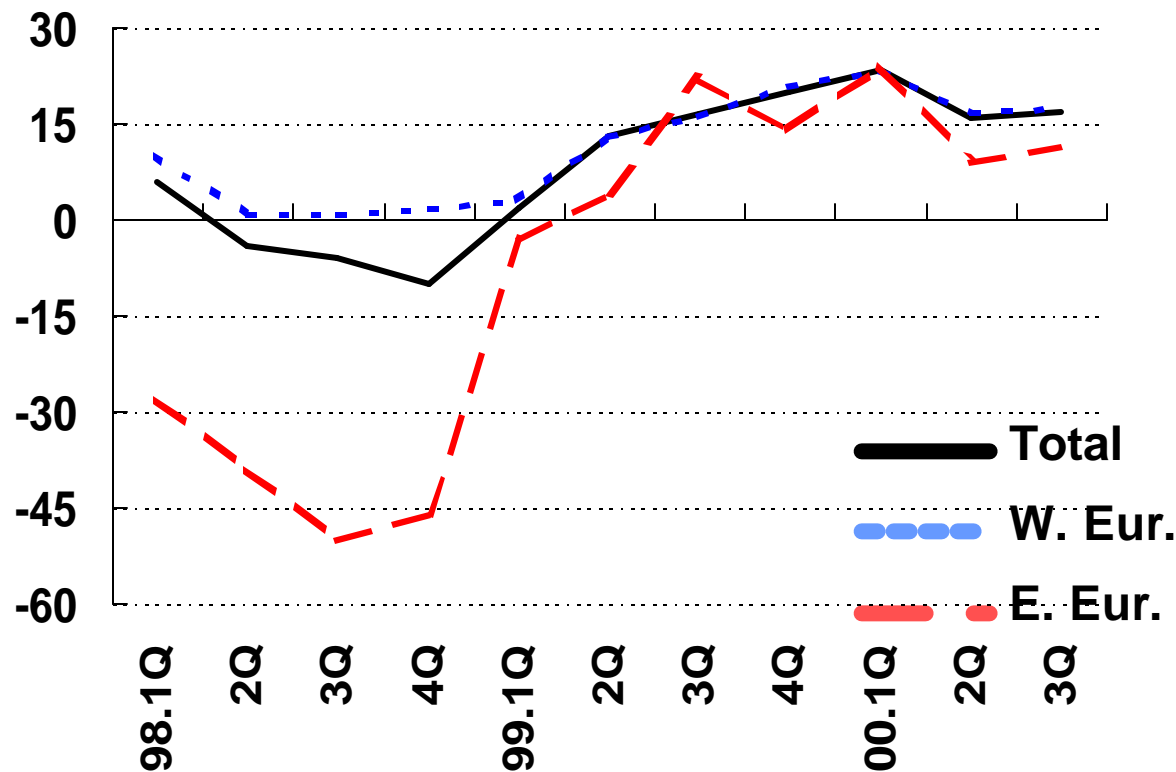
- no major factors

excluding other operating revenue

Electronics Sales Trends by Area

Europe

Local currency base;
Percentage change on year earlier period



00.3Q positive factors

- VAIO PCs
- Cellular Phones
- Camcorders
- Digital Still Cameras

00.3Q negative factors

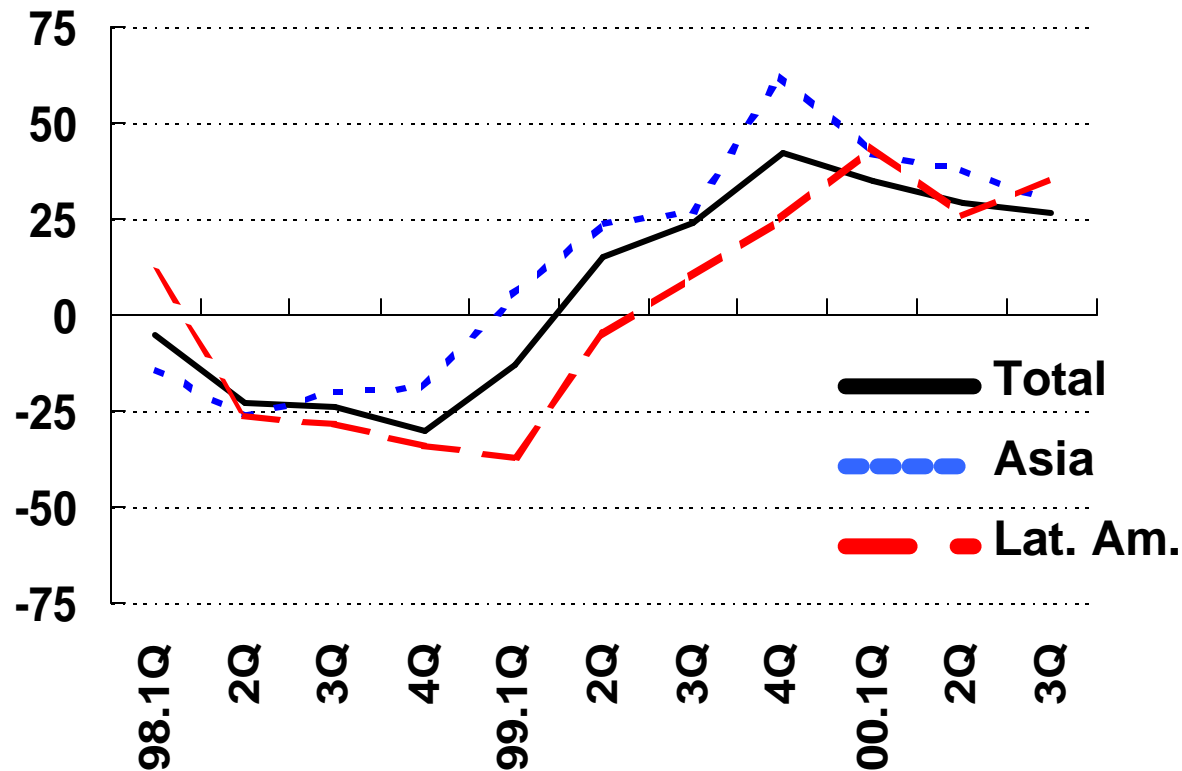
- no major factors

excluding other operating revenue

Electronics Sales Trends by Area

Other Area

Local currency base;
Percentage change on year earlier period



00.3Q positive factors

- CD-R/RW
- Televisions
- Semiconductors
- Hi-Fi audio

00.3Q negative factors

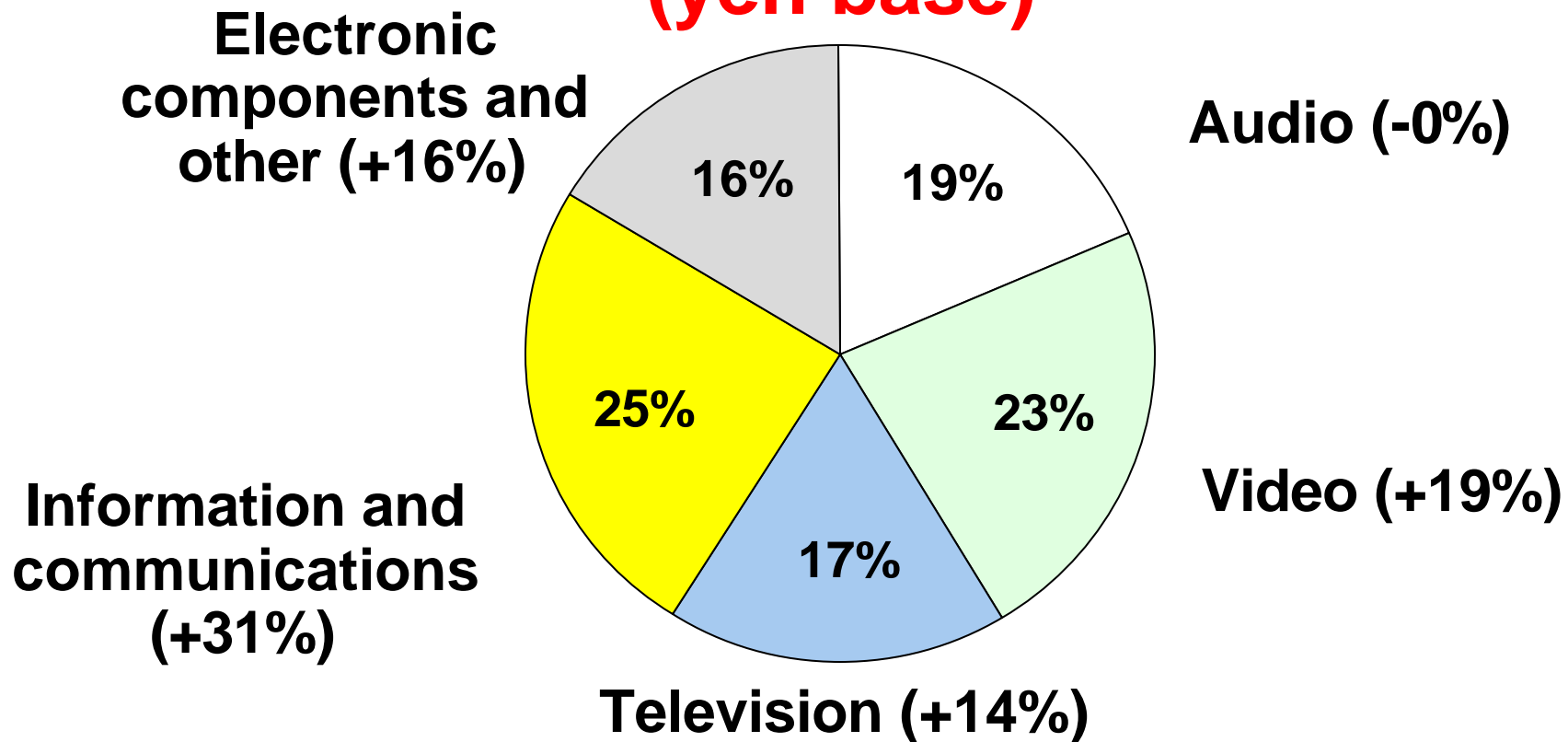
- no major factors

excluding other operating revenue

Composition of Electronics Sales

FY00.3Q

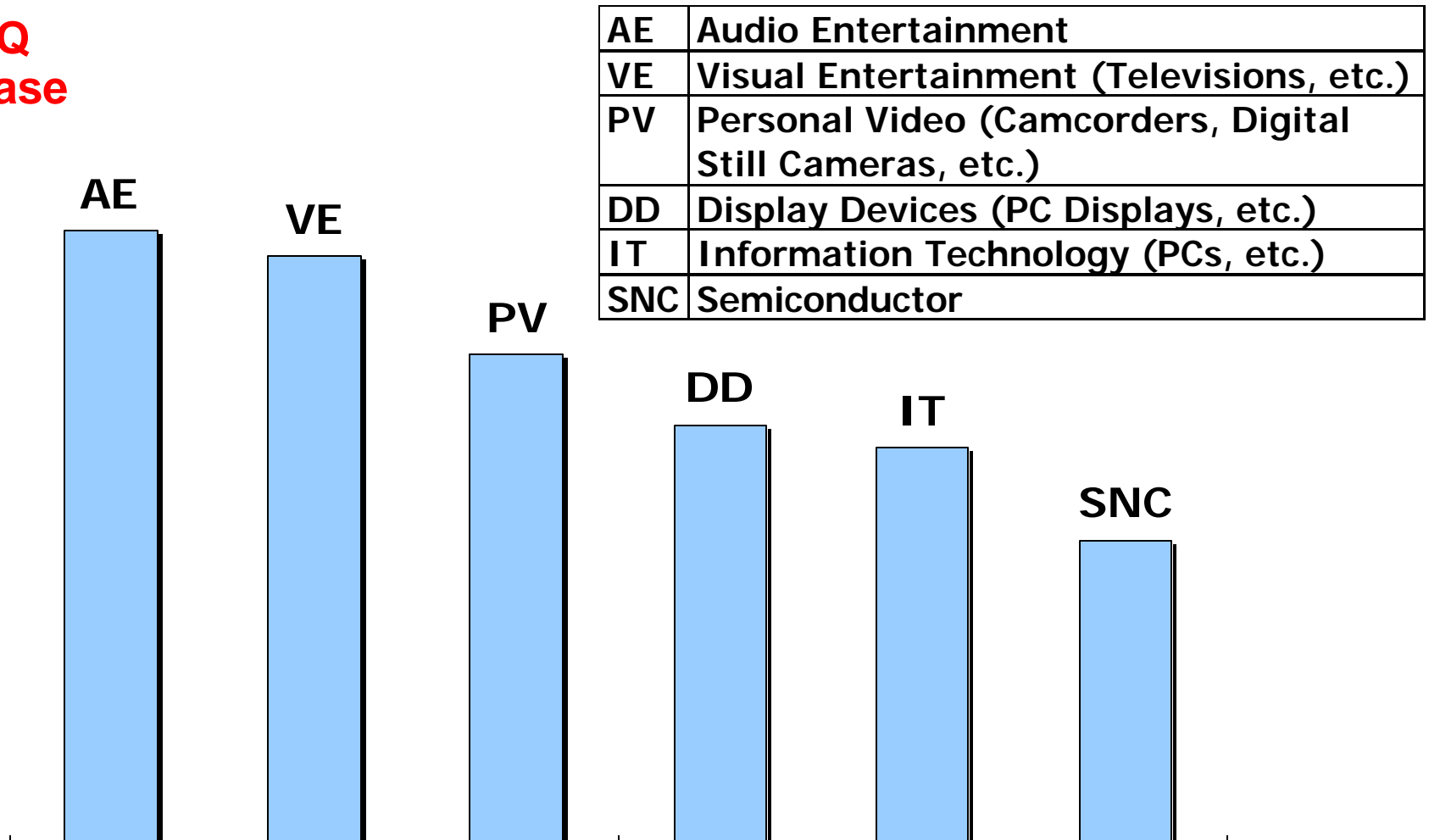
(yen base)



Percentage of total Electronics business;
year on year growth rates;
excluding intersegment transactions

Electronics: Sales by Major Product Area

00.3Q
yen base



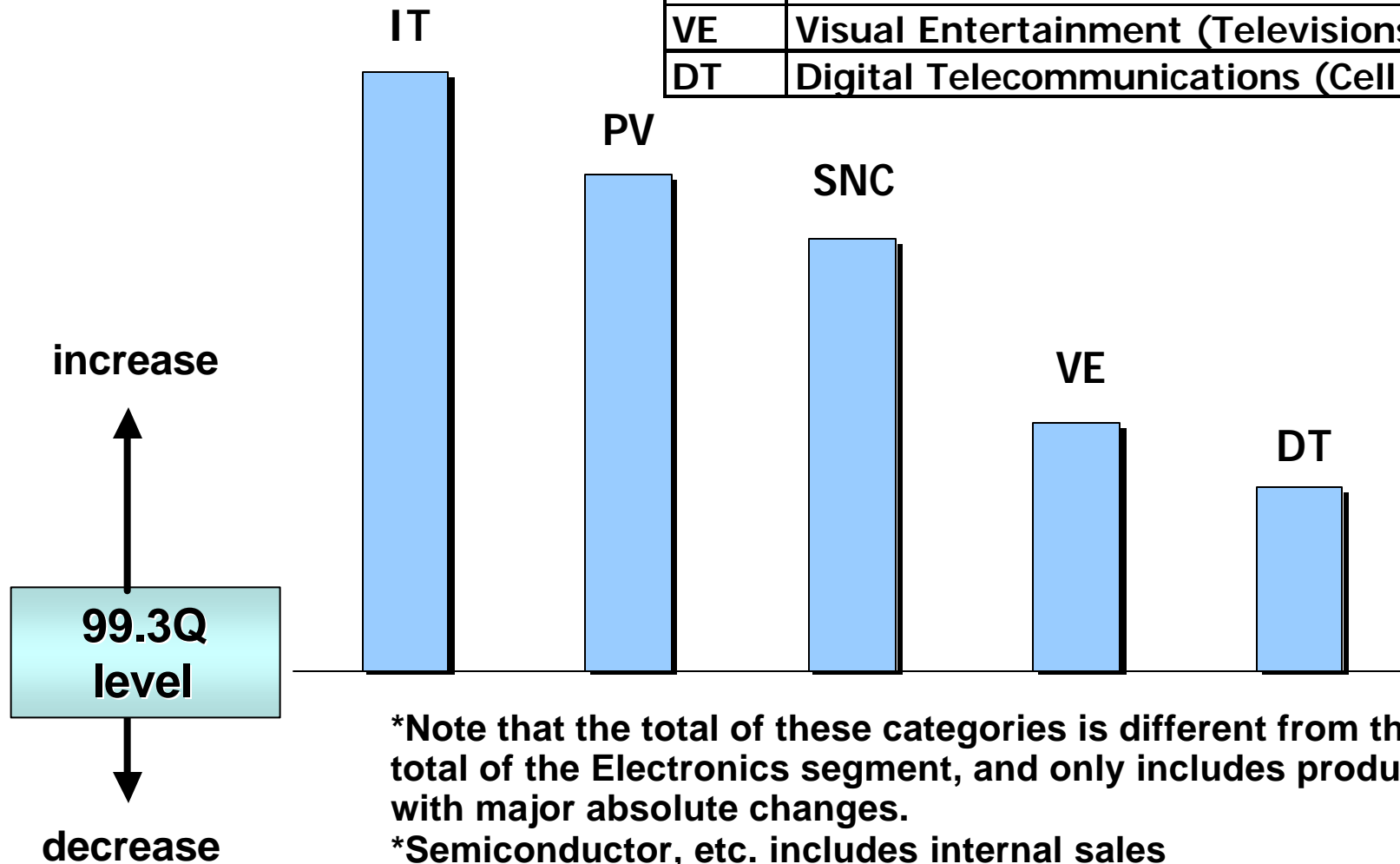
*Note that the total of these categories is different from the actual total of the Electronics segment, and only includes major product areas.

*Semiconductor, etc. includes internal sales

Electronics: Major Areas Sales Changes

00.3Q
yen base

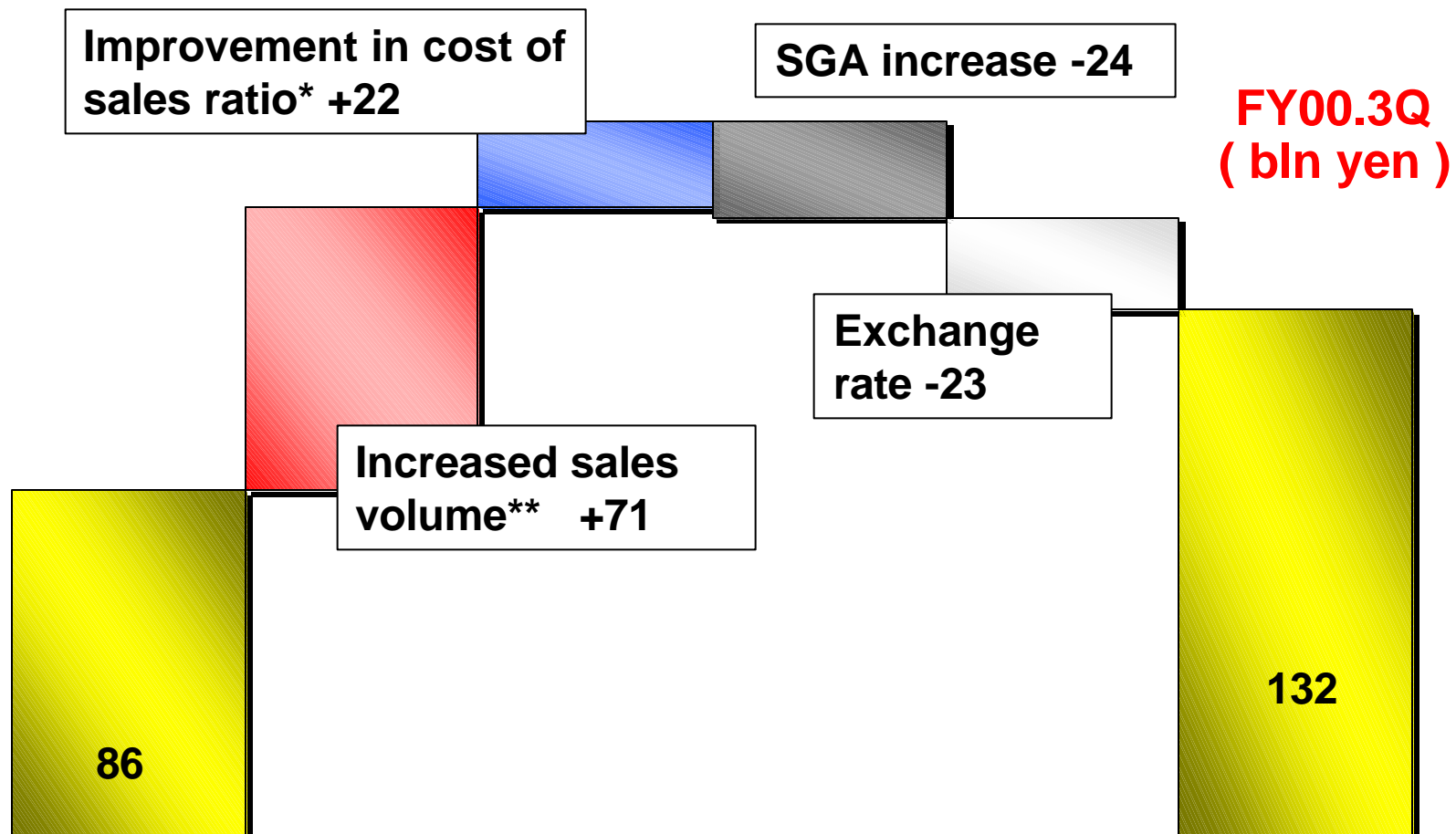
IT	Information Technology (PCs, etc.)
PV	Personal Video (Camcorders, Digital Still Cameras, etc.)
SNC	Semiconductor
VE	Visual Entertainment (Televisions, etc.)
DT	Digital Telecommunications (Cell Phones)



*Note that the total of these categories is different from the actual total of the Electronics segment, and only includes product areas with major absolute changes.

*Semiconductor, etc. includes internal sales

Electronics: Factors in Operating Profit



99.3Q

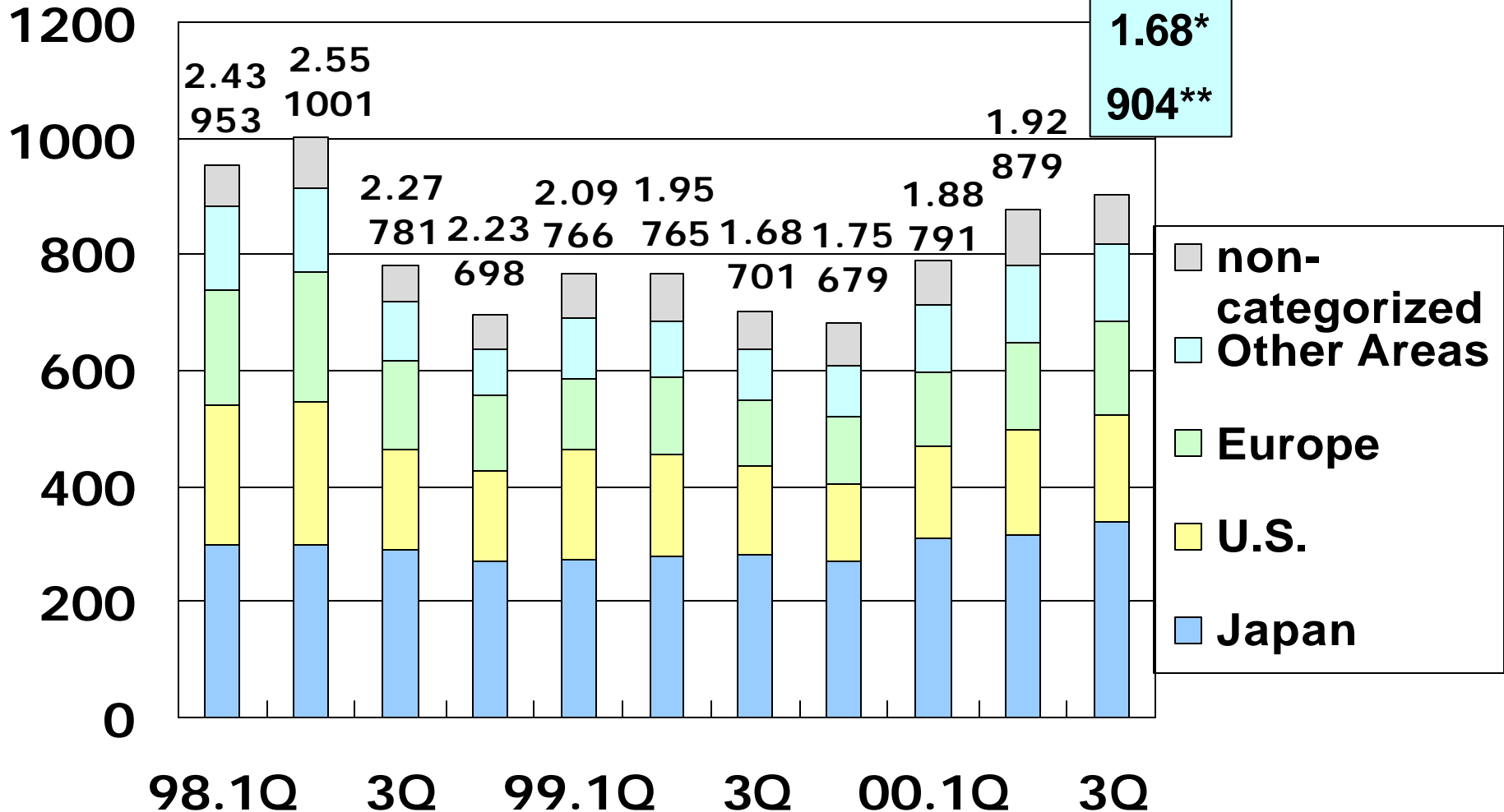
* Improvement in cost of sales ratio = % change in cost of sales ratio X year earlier period's sales

00.3Q

** Increased sales volume = amount change in sales X year earlier period's gross profit margin

Electronics Inventory Levels by Area

(bln yen)

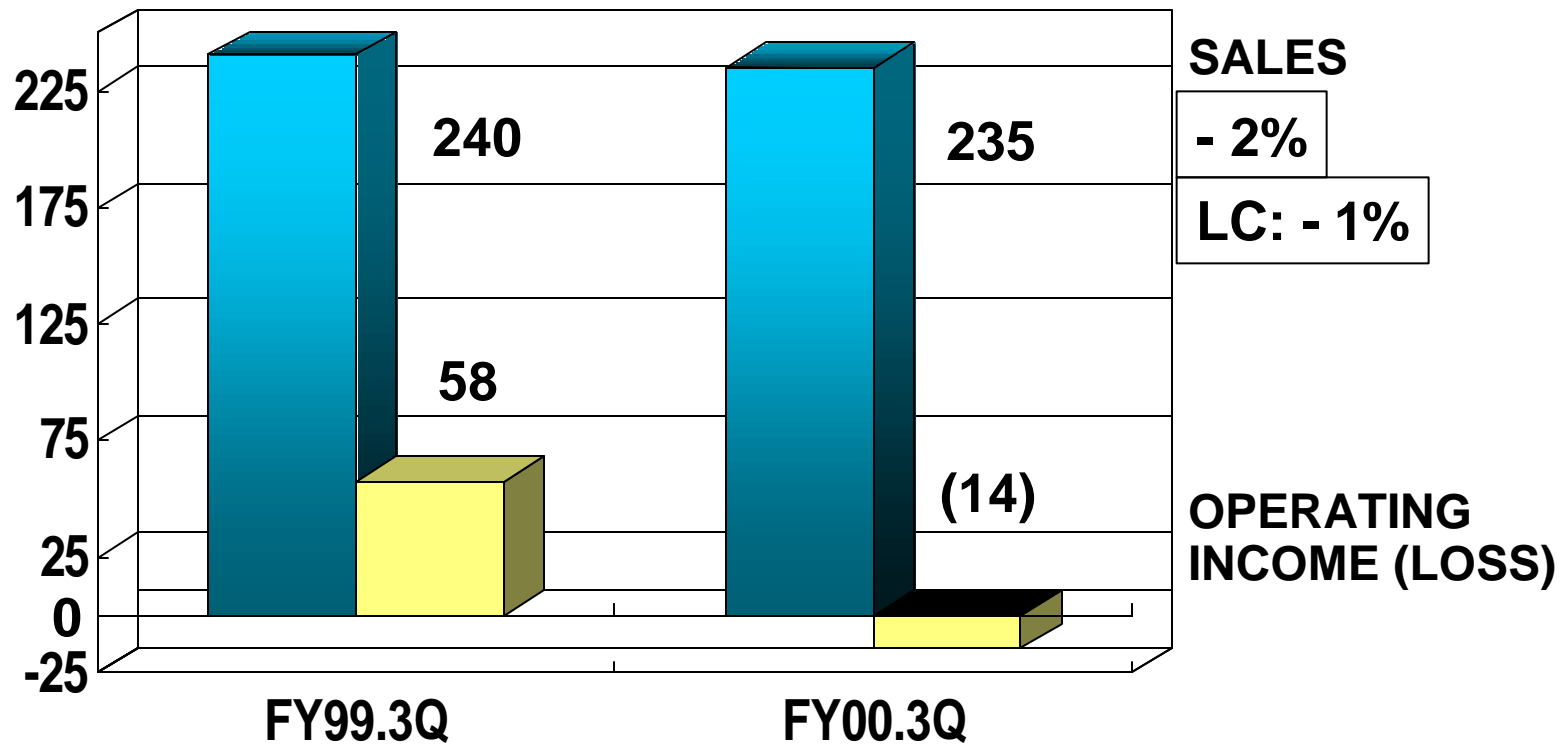


* months of sales (average inventory level in quarter divided by average monthly sales in quarter)

** inventory levels

Game FY00.3Q

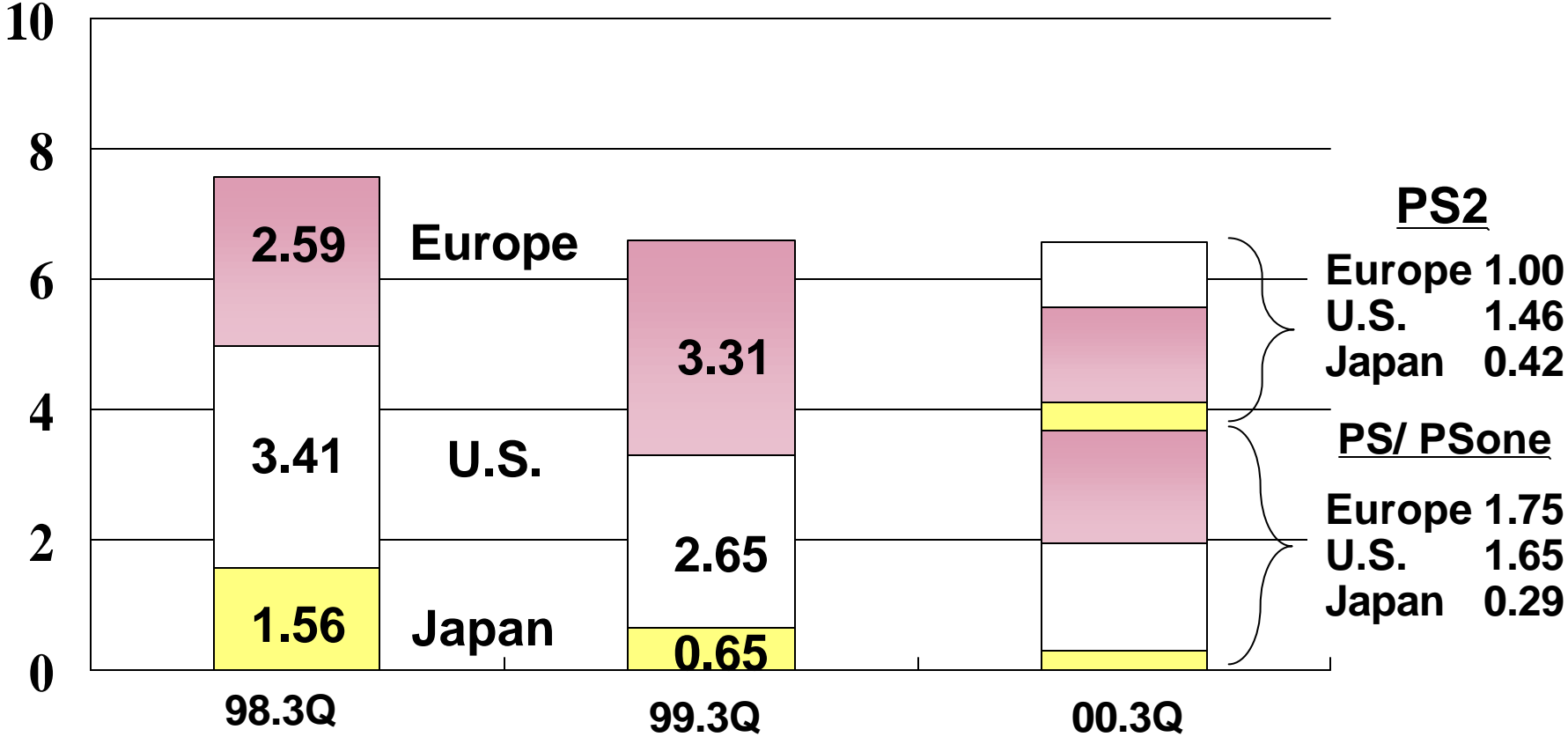
(bln yen)



including intersegment transactions
LC=local currency basis
% change over year earlier period

PS, PS2 Hardware Shipments FY00.3Q

(mln units)



Quarterly Totals

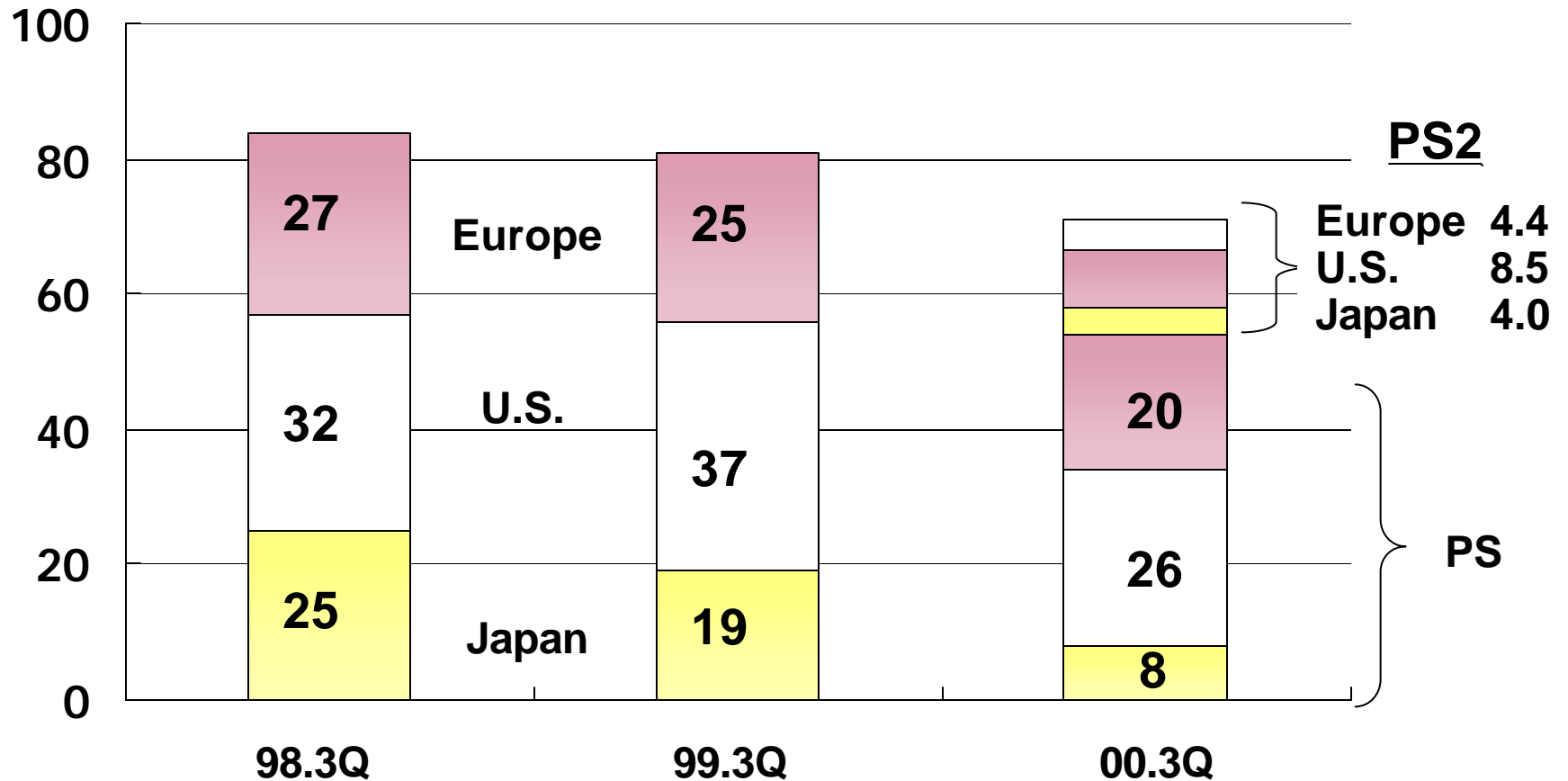
PS: 7.56 mln
PS2:

6.61 mln

3.69 mln (- 44%)
2.88 mln

PS, PS2 Software Shipments FY00.3Q

(mln units)



Quarterly Totals

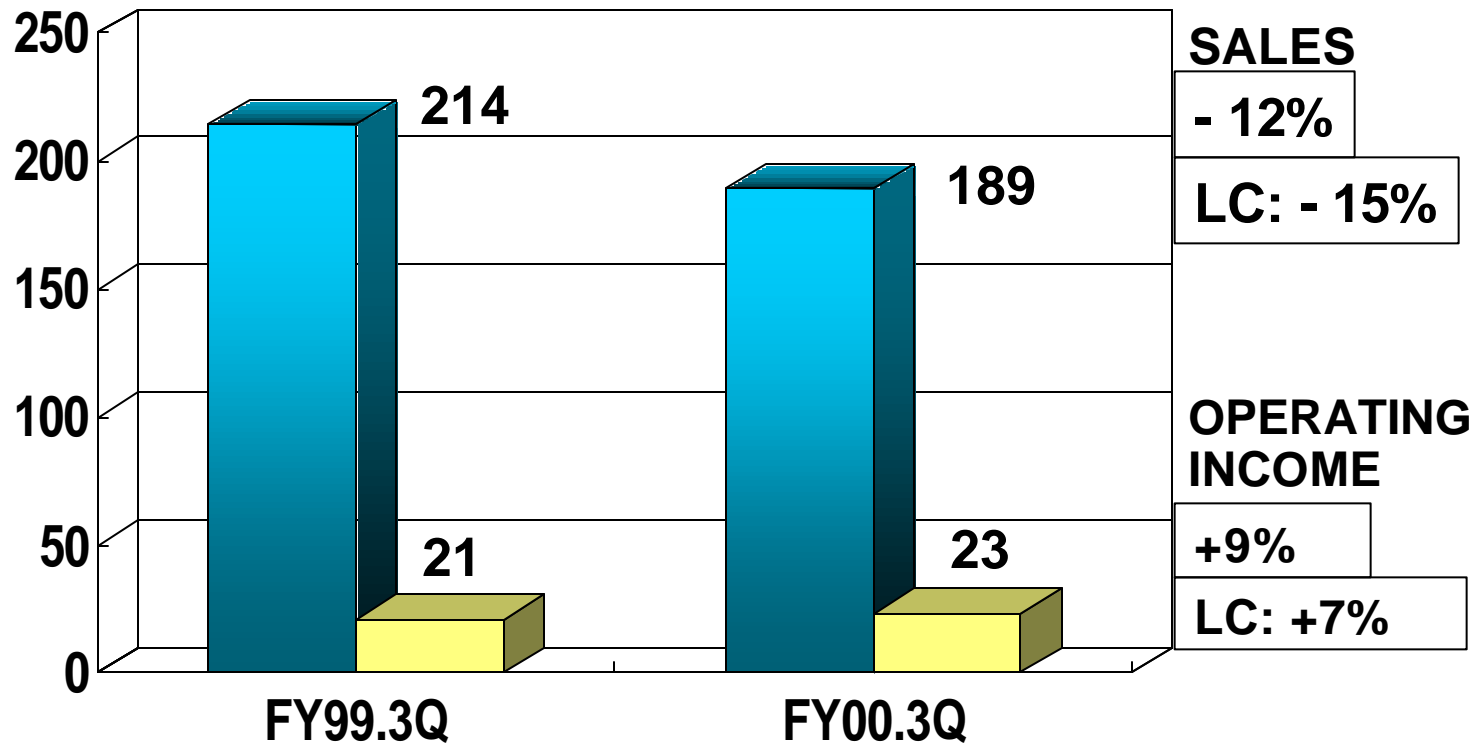
PS: 84 mln
PS2:

81 mln

54 mln (- 33%)
16.9 mln

Music FY00.3Q

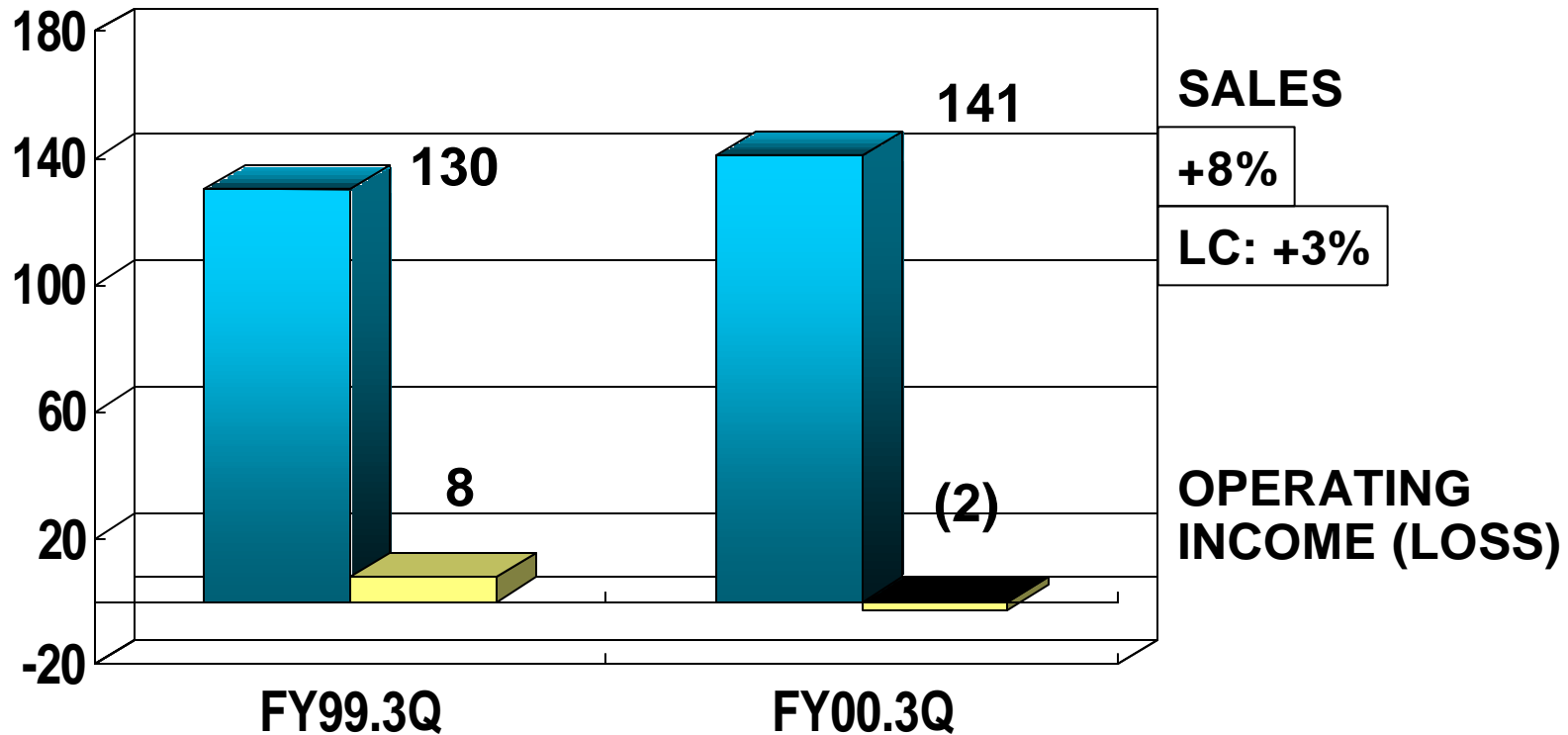
(bln yen)



including intersegment transactions
LC=local currency basis
% change over year earlier period

Pictures FY00.3Q

(bln yen)

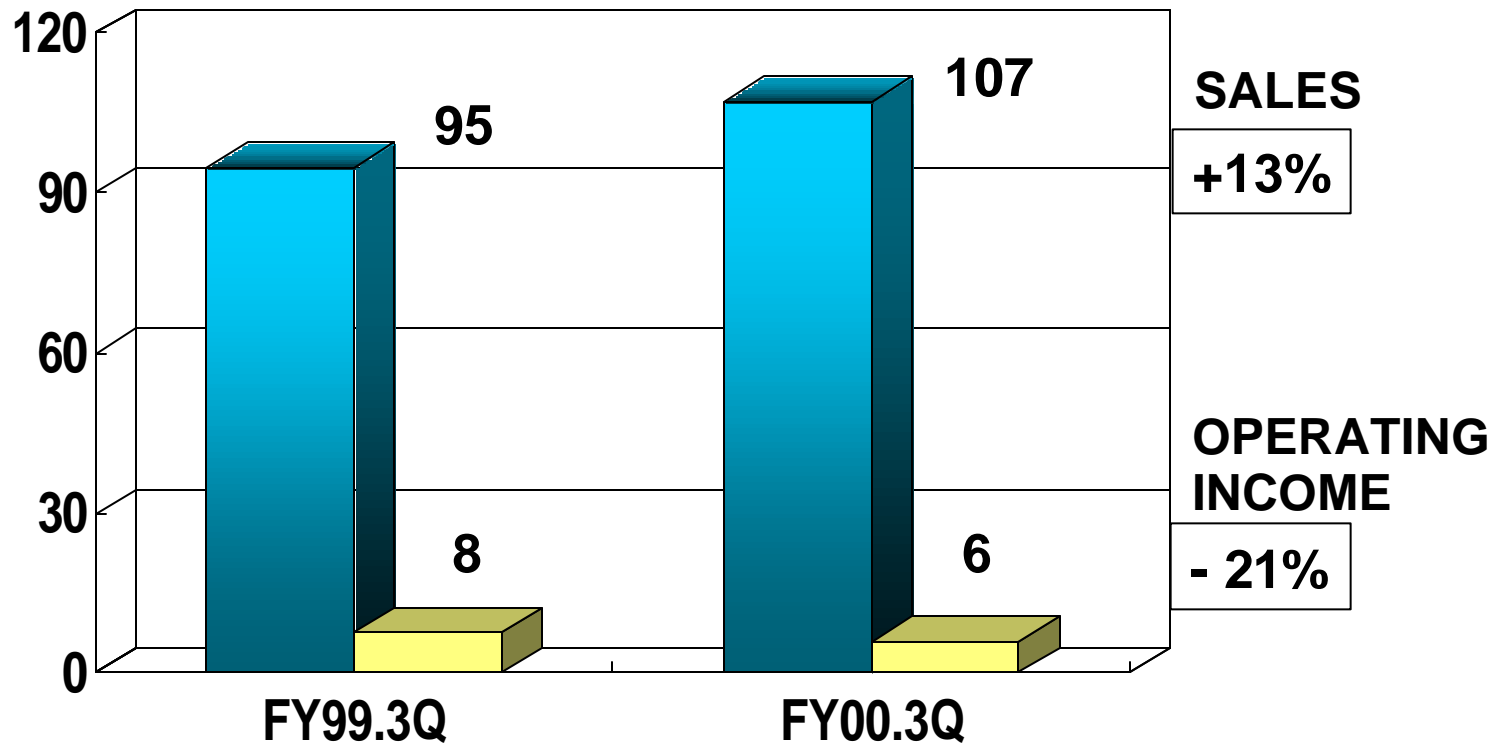


including intersegment transactions
LC=constant currency basis
% change over year earlier period

*Impact of Change in Pictures Accounting on Operating Income: -14 bln yen

Insurance FY00.3Q

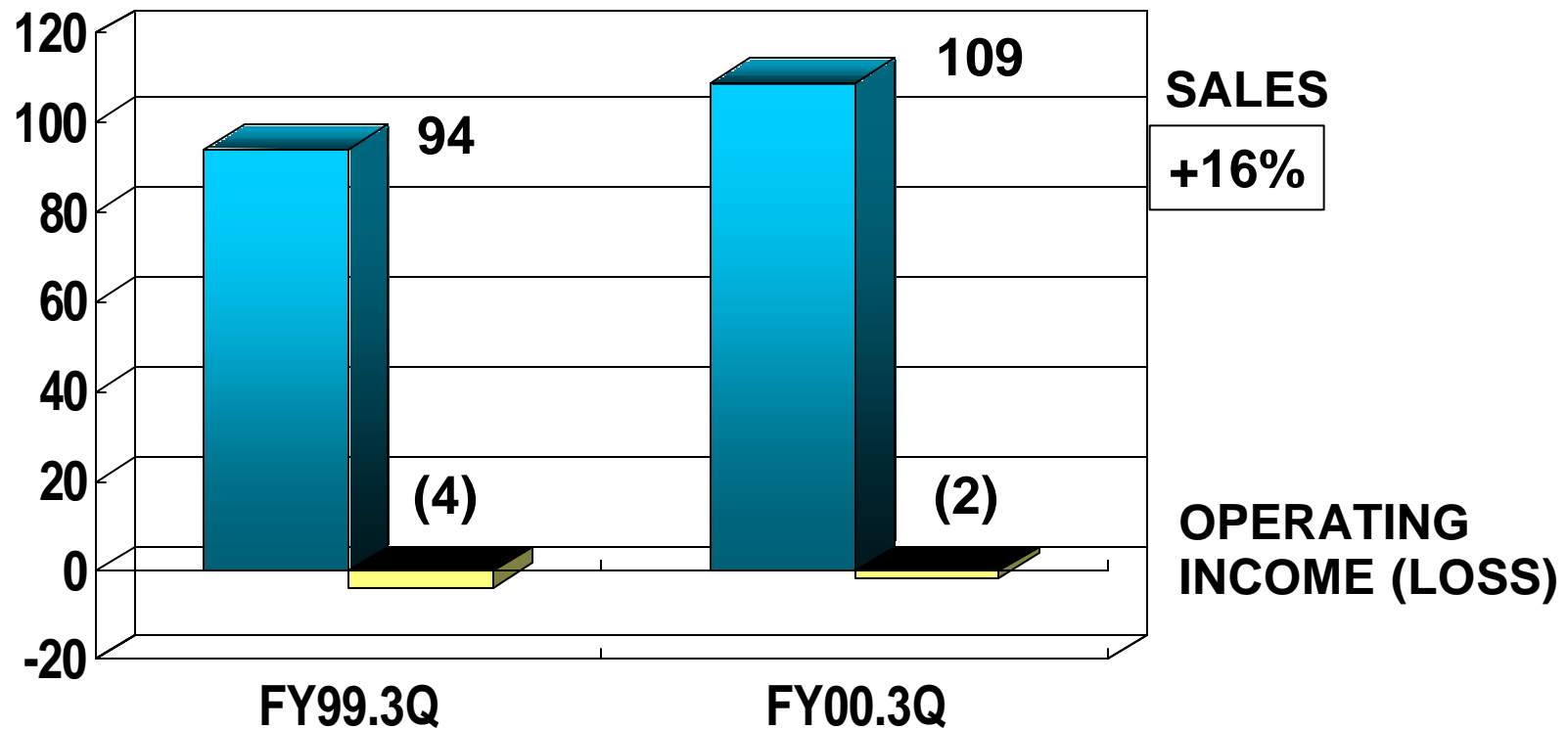
(bln yen)



% change over year earlier period

Other FY00.3Q

(bln yen)



including intersegment transactions
% change over year earlier period

FY00.3Q Balance Sheet

(units: bln yen, unaudited)

Main Factors

Item	<u>00.3</u>	<u>00.12</u>	<u>change</u>	
[Assets]				
Current Assets	3,022	3,738	+716	# Increase in accounts receivables due to strong Electronics sales # Increase in inventories in Electronics business # Increase in investments and advances in connection with increase in life insurance-in-force at Sony Life
Non-current Assets	3,785	3,981	+196	
Total	6,807	7,719	+912	# excluding impact of currency changes, increase of about 700
[Liabilities and Stockholders' Equity]				
Current Liabilities	2,160	2,757	+597	# Increase in accounts payable due to strong Electronics sales # Increase in short-term debt due to increase in working capital from CF issuance and conversion of 2001 unsecured bonds to short-term borrowings
Long-Term Liabilities	2,429	2,673	+244	
Total Liabilities	4,590	5,430	+840	# Increase in future insurance policy benefits due to increase in life insurance-in-force at Sony Life
Minority Interest	35	29	-6	
Stockholders' Equity	2,183	2,260	+77	
Total	6,807	7,719	+912	

*amounts are rounded off to the nearest billion yen

FY2000 9-months Cash Flow

(units: bln yen, unaudited)

CF Item	99.4-12	00.4-12	change	Main Factors
Operating	253	125	-129	<ul style="list-style-type: none"> # Decrease in net income # Increase in inventories in Electronics business
Investing	-308	-446	-137	<ul style="list-style-type: none"> # Increase in capital expenditures, primarily in Electronics and Game businesses
Financing	180	261	81	<ul style="list-style-type: none"> # Increase in payments for investments and advances due to increase in life insurance-in-force at Sony Life
Effect of exchange rate	-33	12	45	
Cash and cash equivalents at beginning of year	592	626	34	<ul style="list-style-type: none"> # Increase in long-term debt from issuance of straight bonds
Cash and cash equivalents at end of third quarter	684	577	-107	

*amounts are rounded off to the nearest billion yen

FY2000 Forecast

(bln yen)	<u>10/00</u>	<u>current</u>	<u>YoY change</u>
Sales and operating revenue	7,200	7,200	+ 8%
Operating income	230	260	+ 8%
Income before income taxes	255	255	- 4%
Net income	10	5	- 96%

Assumed Exchange Rates (for remainder of FY00)

	<u>as of 10/00</u>	<u>as of 1/01</u>
1 U.S. dollar	= 105 yen	116 yen
1 euro	= 93 yen	110 yen

FY00.4Q Forecast

Sales and operating revenue

YoY change

+11%

Oper. Income/ IBIT/ Net Income

Change from loss to profit
(99.4Q: 36 bln yen oper. loss)

PlayStation FY2000 Forecast

Hardware

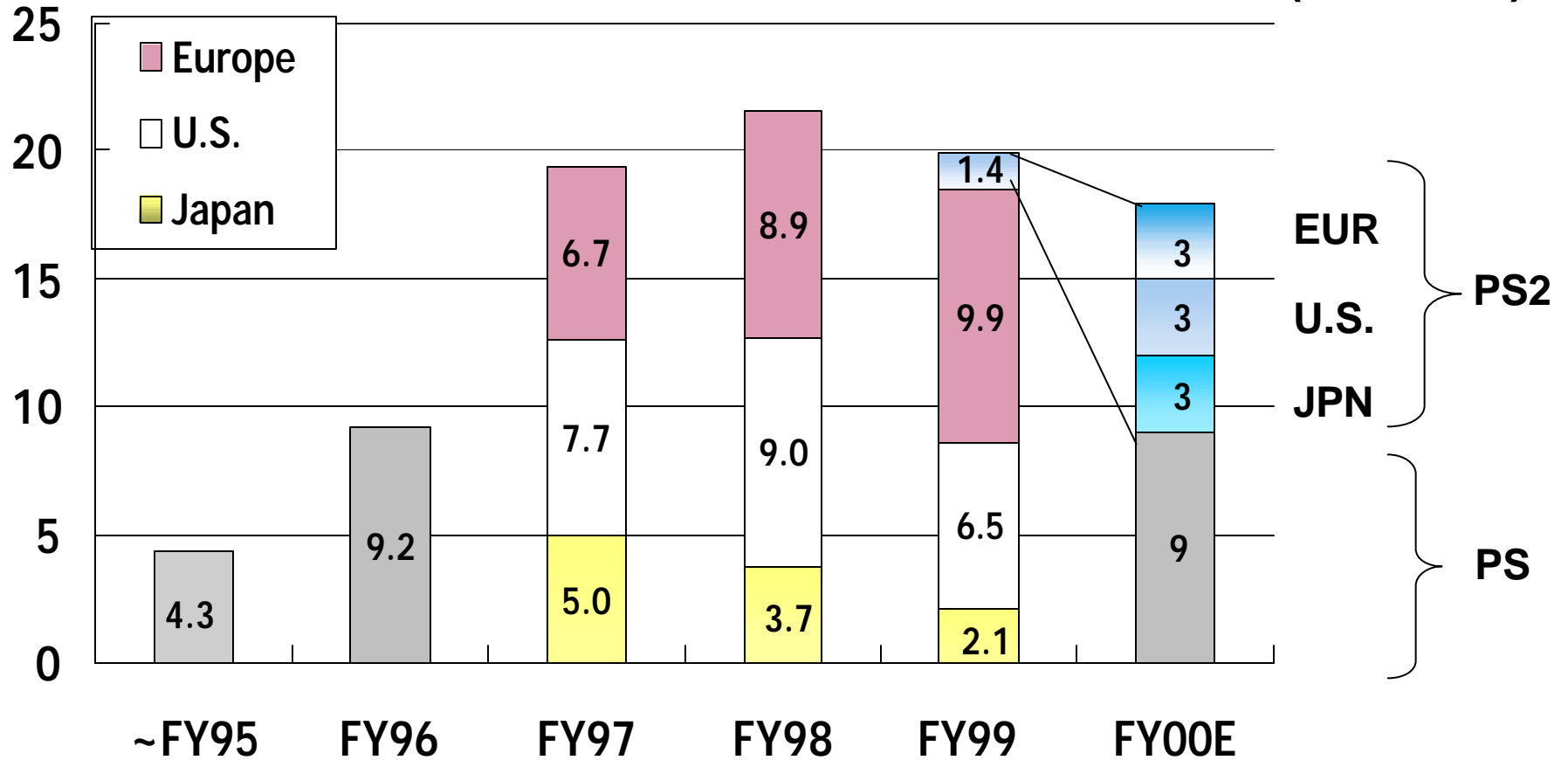
	<u>As of 00.7</u>	<u>As of 00.10</u>	<u>Current</u>	<u>YoY</u>
PS/PSone	8 mln	9 mln	9 mln	-51%
PS2	10 mln	10 mln	9 mln	n.a.

Software

**Total shipments (PS/PS2) are expected to be about
15% less than the total in FY99.
(Previously, 10% decrease was expected.)**

PS, PS2 Hardware Shipments (by year)

(mln units)



(from 12/94)

00.4Q Assumptions

Hardware: PS2 4 mln (Japan 0.47, N.A. 1.54, Eur. 2.00)
 PS 2.3 mln (YoY +110%)

Software: 34 mln units (YoY -19%)

PS, PS2 Software Shipments (by year)

