

No.03 – 056E
 December 1, 2003

**Announcement on determination of terms of issue, etc. of
 Euro Yen Zero Coupon Convertible Bonds due 2008**

Sony Corporation (the “Company”) hereby notifies the determination of the following terms of issue, etc. of the Euro Yen Zero Coupon Convertible Bonds due 2008 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuen-tsuki shasai*) (the “Bonds with Stock Acquisition Rights”, of which the Bonds and the Stock Acquisition Rights are to be the “Bonds” and the “Stock Acquisition Rights”, respectively), issuance of which was resolved by the Executive Board on December 1, 2003.

Description

Matters Regarding the Stock Acquisition Rights

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| (1) The amount to be paid upon exercise of the Stock Acquisition Rights | <u>Equal to the issue price of the Bonds</u> |
| Conversion Price | <u>¥5,605</u> |
| (Reference) | |
| Share price, etc. on Pricing Date (December 1, 2003) | |
| a. Share price (closing price) on the Tokyo Stock Exchange | <u>¥3,800</u> |
| b. Premium $\{((\text{Conversion Price}^*) / (\text{Share price (closing price)})) - 1\} \times 100$ | <u>47.5%</u> |

The amount to be paid per share upon exercise of the Stock Acquisition Rights is called the “Conversion Price”.

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| (2) Amount to be transferred to stated capital | <u>¥2,803 per share</u> |
| (3) Rationale for determining the issue price of the Stock Acquisition Rights as zero and the amount to be paid upon exercise thereof | The issue price of the Stock Acquisition Rights has been determined as zero, taking into consideration that the Bonds and the Stock Acquisition Rights have a close interrelation on the grounds that the Stock Acquisition Rights are incorporated in the bonds with stock acquisition rights of a convertible bonds type (<i>tenkanshasaigata</i>) and shall not be transferable separately from the Bonds, that all the Bonds shall cease to exist upon exercise of the related Stock Acquisition Rights due to substitute payment, and also taking into consideration the value of the Stock Acquisition Rights, and the economic value obtainable from the interest rate, the issue price and other terms of issue of the Bonds. The amount to be paid upon exercise of each Stock Acquisition Right has been determined as the amount equal to the issue price of each Bond, since the Bonds are bonds with stock acquisition rights of a convertible bonds type (<i>tenkanshasaigata</i>). The initial Conversion Price has been the amount obtained by multiplying the closing price of the shares of common stock of the Company on the Tokyo Stock Exchange on December 1, 2003 by 47.5%. |

Note: This press release is intended as general information regarding Sony Corporation's issuance of convertible bonds and shall not be considered an offering of securities. This press release shall not be construed as an offering of securities in any region including Japan, the United States or Canada. The securities may not be offered or sold in the United States absent registration or an applicable exemption under the Securities Act of 1933. In the event of an offering of securities in the United States, a prospectus in English prepared in accordance with the Securities Act of 1933 will be used. This transaction does not involve any public offering of securities in the United States.

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(Reference)

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| 1 . Total amount of issue of the Bonds: | The aggregate amount of ¥220,000,000,000, plus an aggregate principal amount of the Bonds in respect of the Bonds with Stock Acquisition Rights to be additionally issued upon exercise of the option granted to the Managers, and an aggregate principal amount of replacement Bond Certificates that may be issued against appropriate evidence and indemnity in case of loss, theft or destruction of any Bond Certificate. |
| 2 . Date of resolution of issuance: | December 1, 2003 |
| 3 . Subscription period: | Not applicable. |
| 4 . Date of payment and date of issuance: | December 18, 2003 |
| 5 . Exercise period of the Stock Acquisition Rights: | From and including January 28, 2004, up to, and including December 4, 2008 when the Exercise Agent closes its business (the "Exercise Period"). Provided, however, that the Stock Acquisition Rights shall be exercised in each case (a) if the relevant Bond shall have been called for redemption at the Company's option, then up to the close of business on the 10th business day in Tokyo prior to the date fixed for redemption thereof, or (b) if such Bond shall have been cancelled by the Company or delivered by a subsidiary of the Company for cancellation, then up to the time when such Bond is so cancelled or delivered, or (c) if such Bond shall become due and repayable, then up to the time when such Bond shall become so due and repayable; provided, however, that the relevant Deposit Date falls during the Exercise Period above, and provided further that in no event shall the Stock Acquisition Rights be exercised after December 4, 2008. |
| 6 . Maturity Date: | December 18, 2008 |

Contacts:

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