



# SONY FY00.2Q 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

## FY2000.2Q (quarter ended September 30, 2000)

		<u>YOY change</u>	<u>LC*</u>
Sales and operating revenue	1,695 bln yen	+4%	+10%
Operating income	61 bln yen	-14%	+51%
Income before income taxes	78 bln yen	-13%	
Net income	20 bln yen	-57%	

### **Impact of Exchange Rates (00.2Q vs 99.2Q)**

(\$1=107 yen vs 113 yen; 1 euro=96 yen vs 118 yen )

Sales impact: -100 bln yen

Oper. Income impact: -45 bln yen

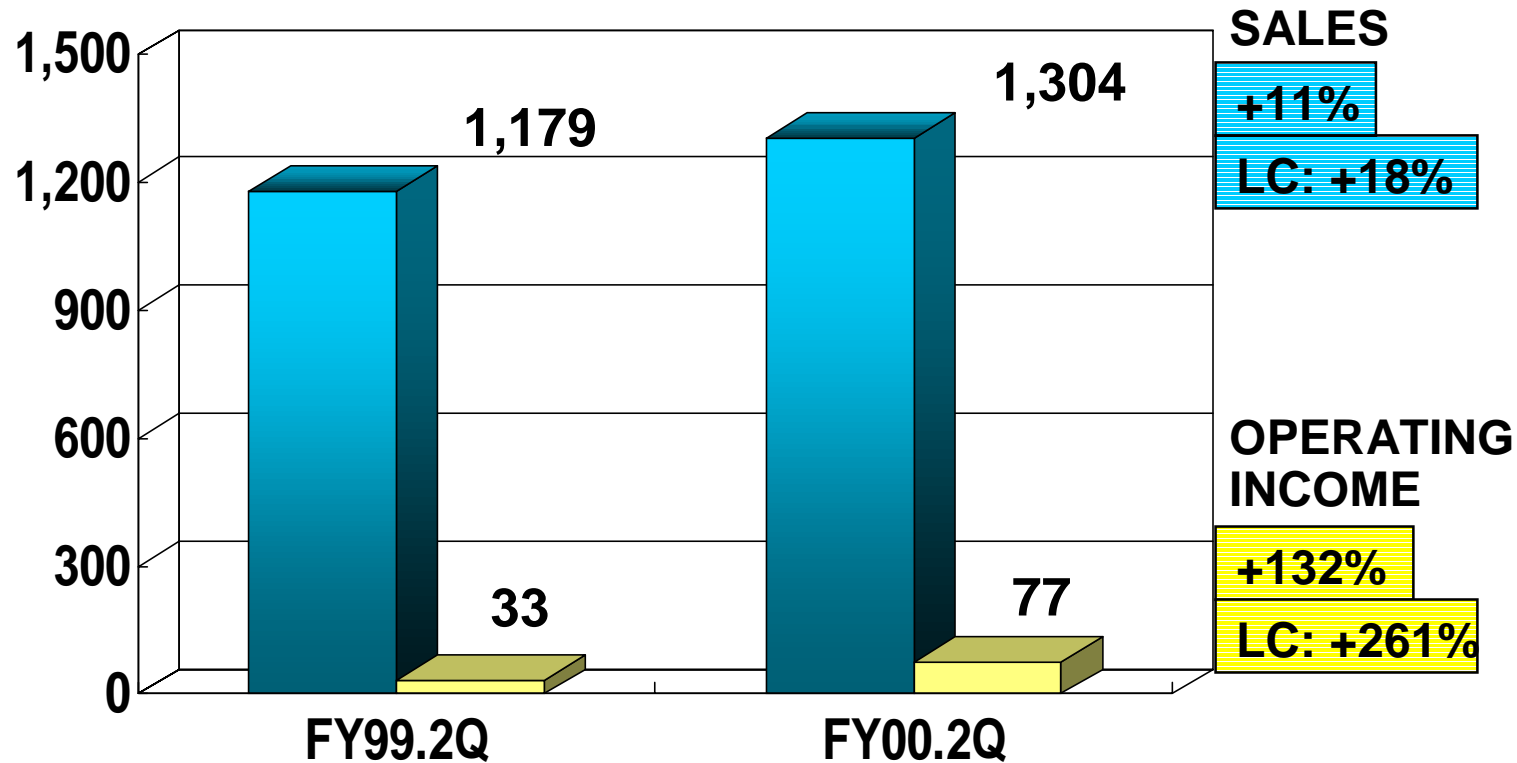
### **Impact of Change in Pictures Accounting**

Operating Income: -5.2 bln yen

\*LC=local currency

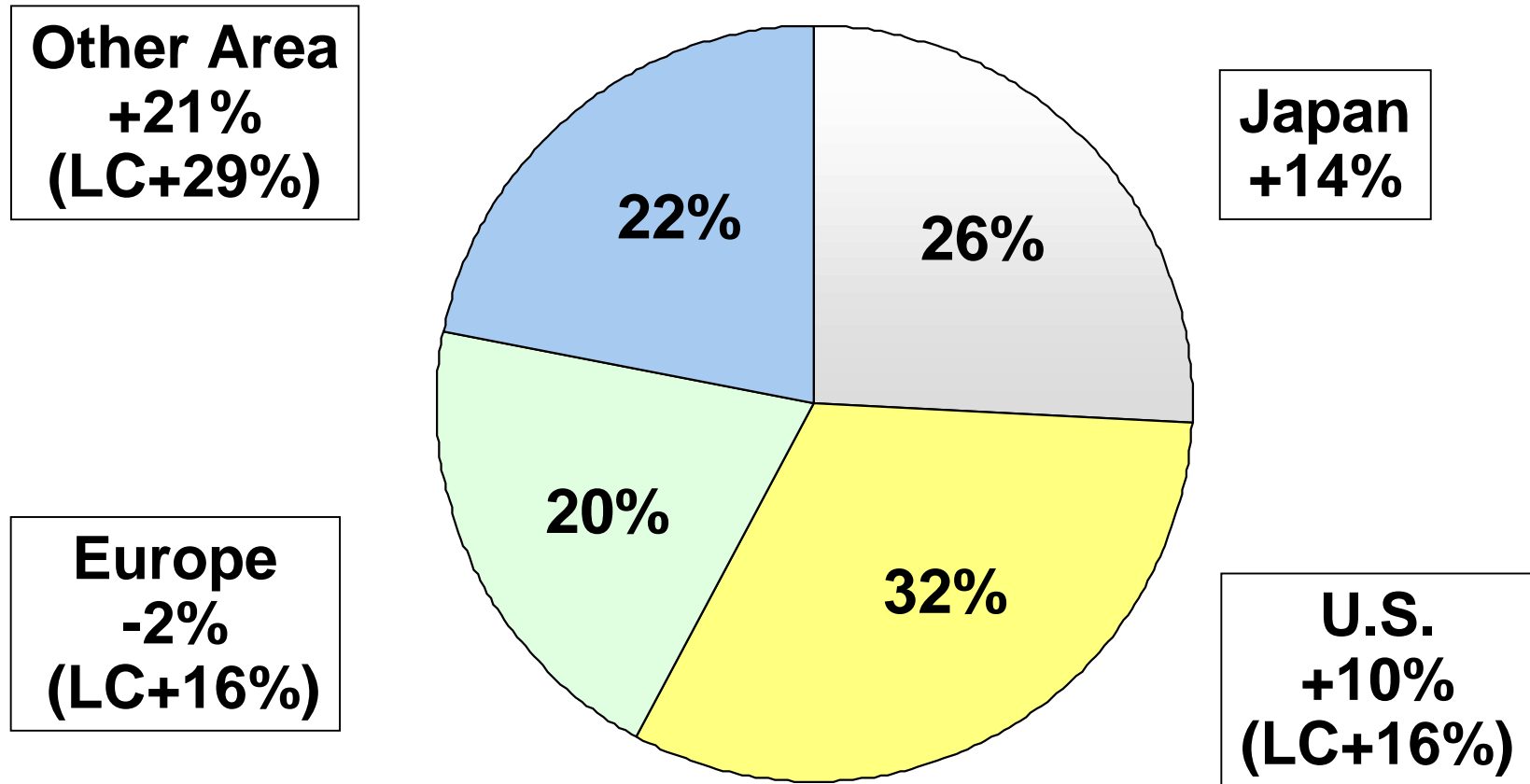
# Electronics FY00.2Q

(bln yen)



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

# Electronics Sales by Area FY00.2Q



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)



### 00.2Q positive factors

- VAIO PC
- Semiconductors

### 00.2Q 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



### 00.2Q positive factors

- VAIO PC
- Television
- Digital Camcorders
- Digital Still Cameras

### 00.2Q negative factors

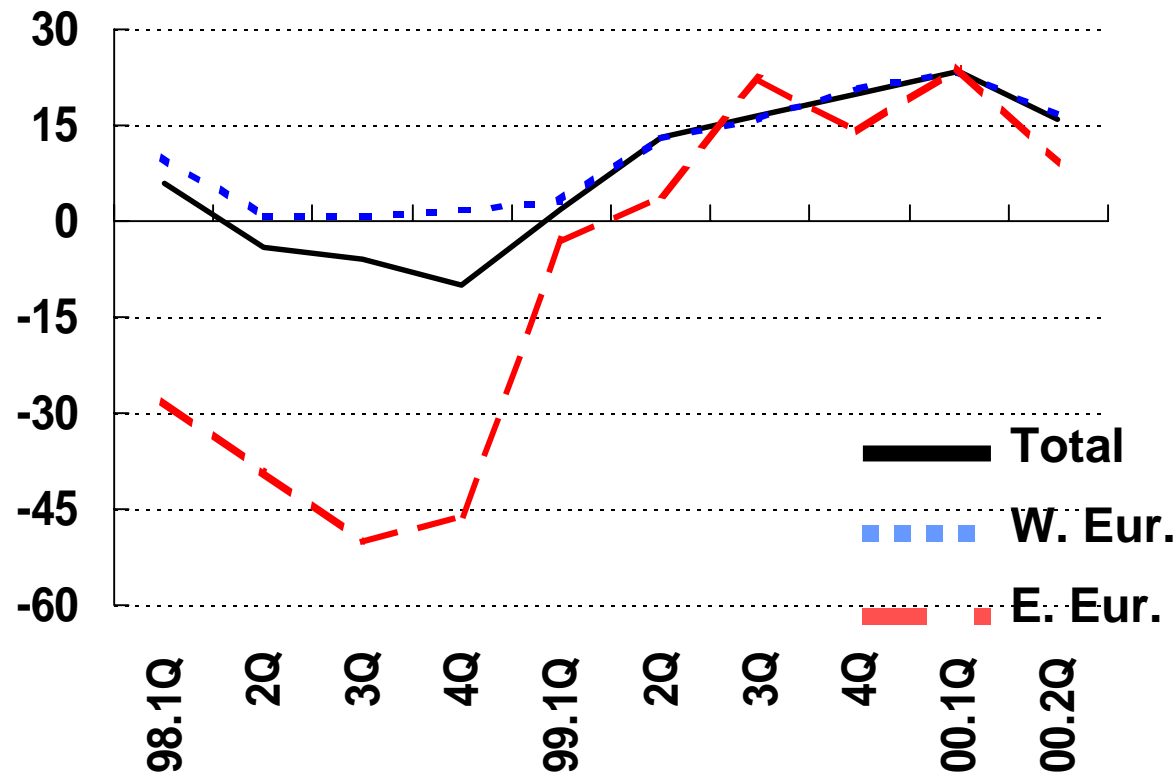
- no major factors

excluding other operating revenue

# Electronics Sales Trends by Area

## Europe

Local currency base;  
Percentage change on year earlier period



### 00.2Q positive factors

- Cell phones
- VAIO PC
- Digital Still Cameras
- Digital Camcorders
- PC Displays

### 00.2Q negative factors

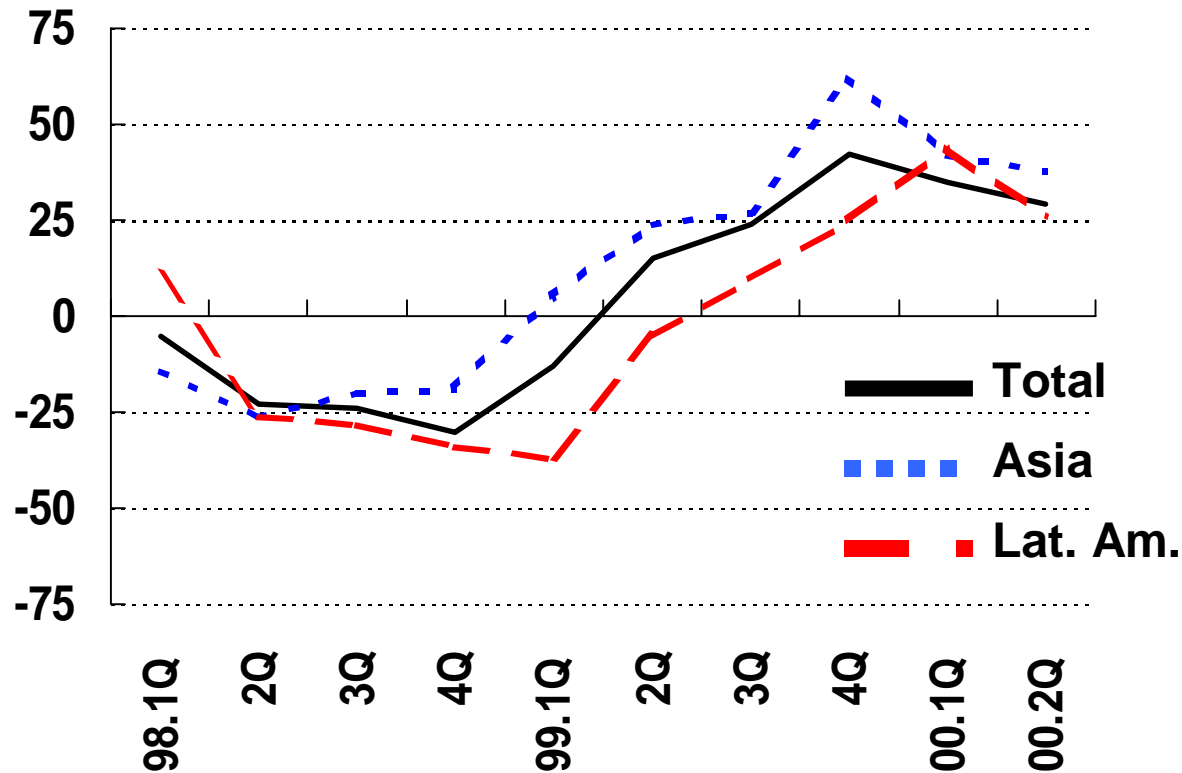
- no major factors

excluding other operating revenue

# Electronics Sales Trends by Area

## Other Area

Local currency base;  
Percentage change on year earlier period



### 00.2Q positive factors

- Television
- Semiconductors
- Optical pick-ups
- CD-R/RW

### 00.2Q negative factors

- no major factors

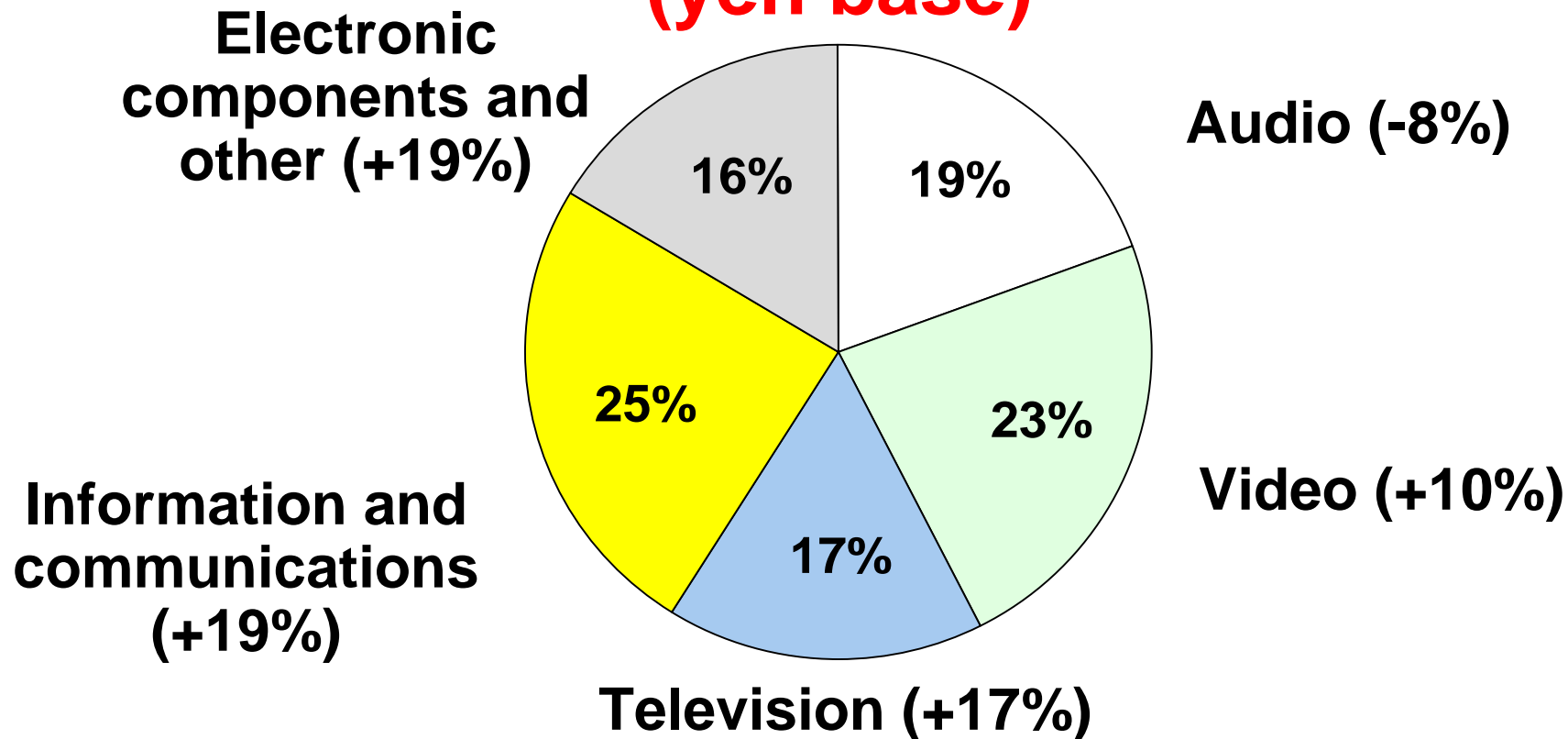
excluding other operating revenue



# Composition of Electronics Sales

**FY00.2Q**

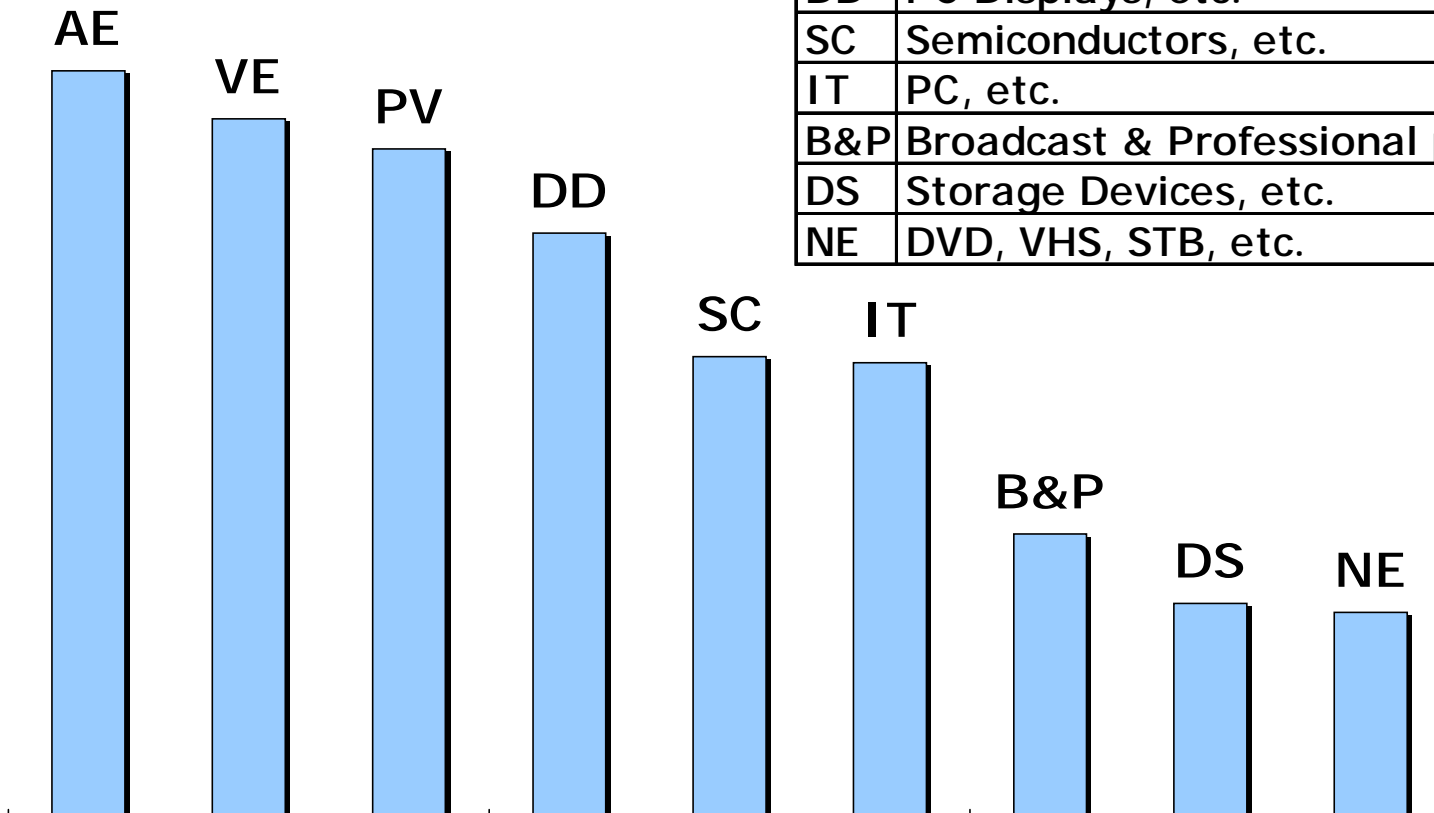
**(yen base)**



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

# Electronics: Sales by Major Product Area

00.2Q  
yen base



AE	Audio, etc.
VE	CTV, etc.
PV	Camcorder, DSC, etc.
DD	PC Displays, etc.
SC	Semiconductors, etc.
IT	PC, etc.
B&P	Broadcast & Professional products, etc.
DS	Storage Devices, etc.
NE	DVD, VHS, STB, etc.

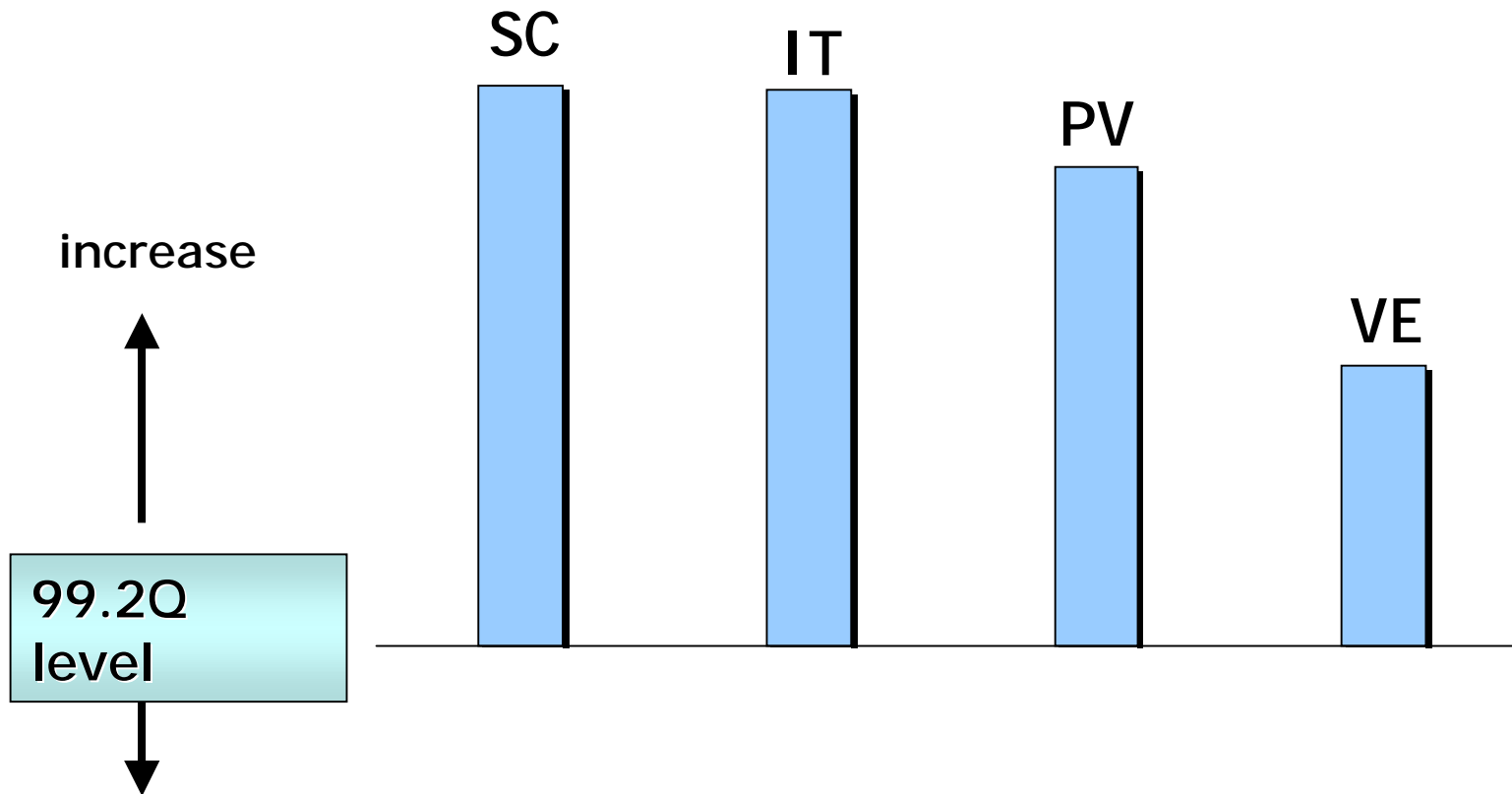
\*Note that the total of these categories is different from the actual total of the Electronics segment.

\*Semiconductor, etc. includes internal sales

# Electronics: Major Areas Sales Changes

00.2Q  
(yen base)

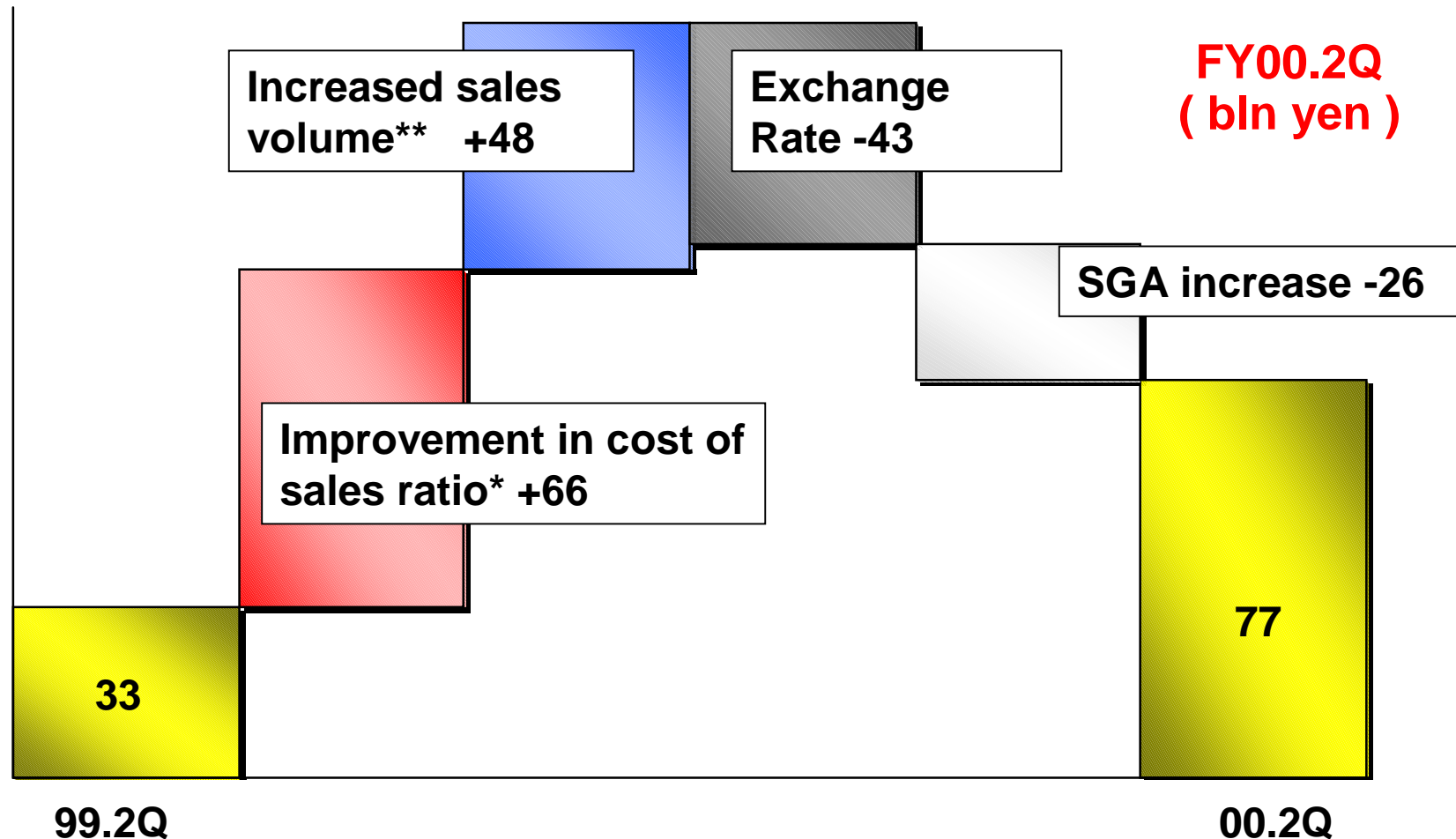
SC	Semiconductor, etc.
IT	PC, etc.
PV	Camcorder, DSC, etc.
VE	CTV, etc.



\*Note that the total of these categories is different from the actual total of the Electronics segment.

\*Semiconductor, etc. includes internal sales

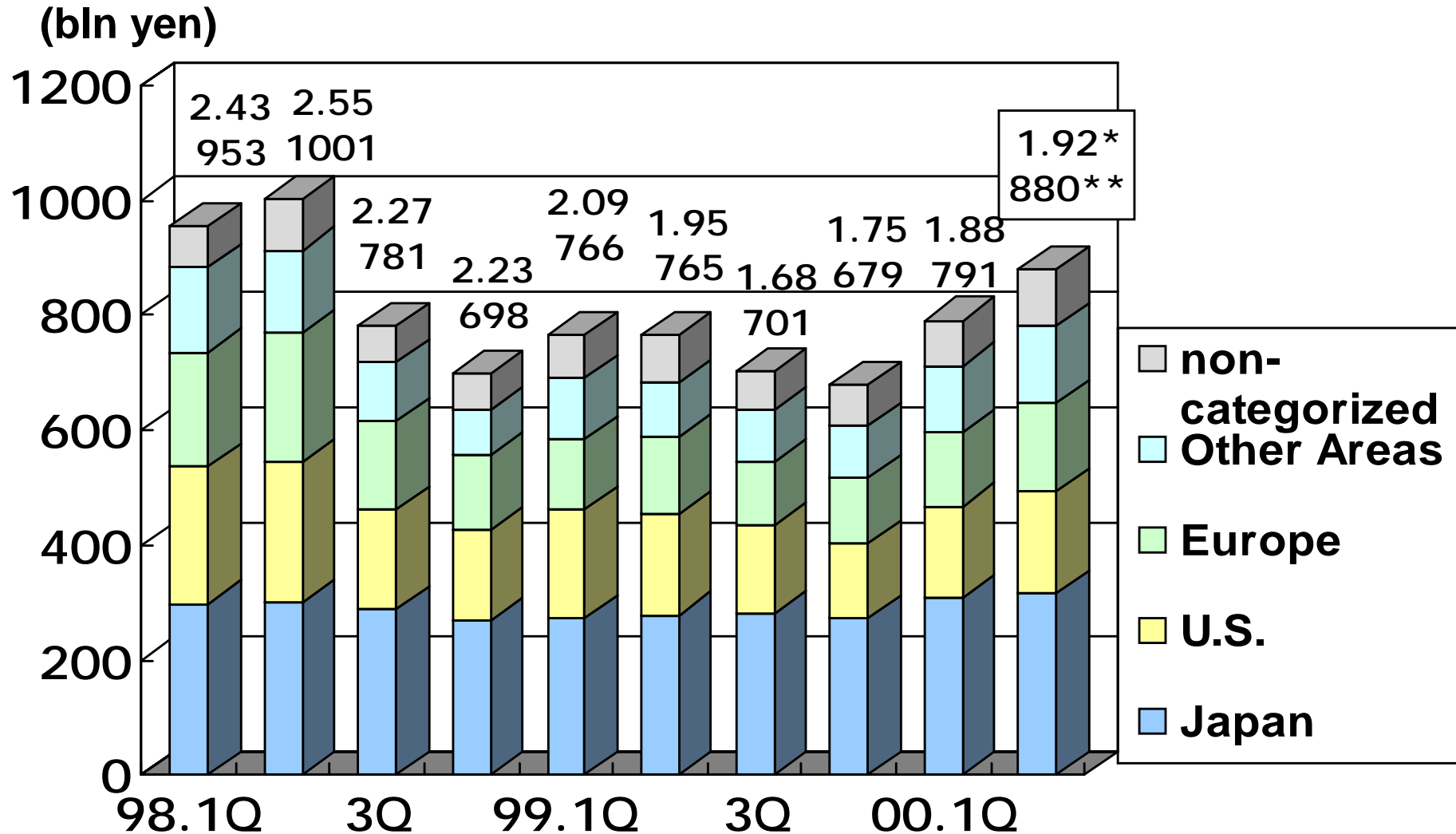
# Electronics: Factors in Operating Profit



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

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

# Electronics Inventory Levels by Area

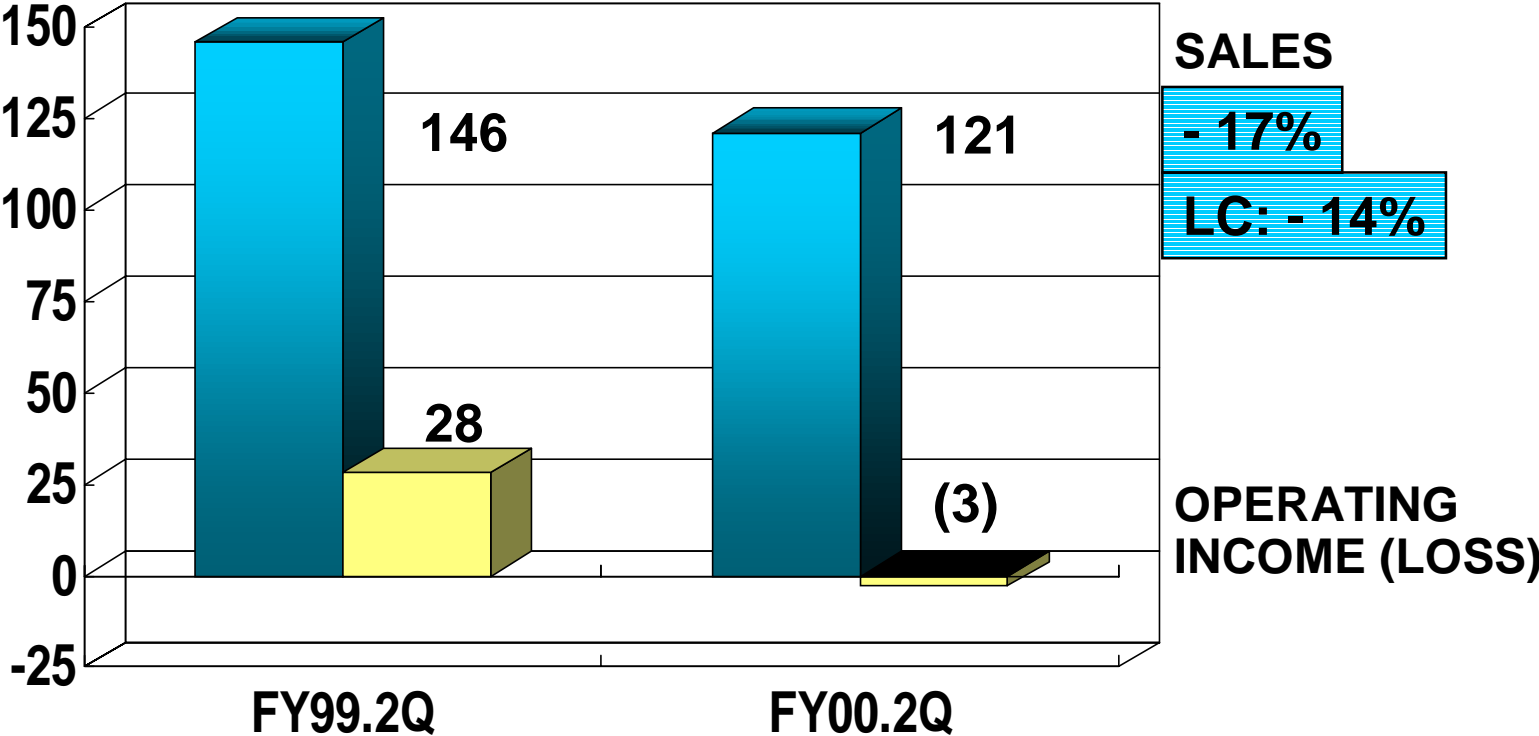


\* months of sales (average inventory level in quarter divided by average monthly sales in quarter)

\*\* inventory levels

# Game FY00.2Q

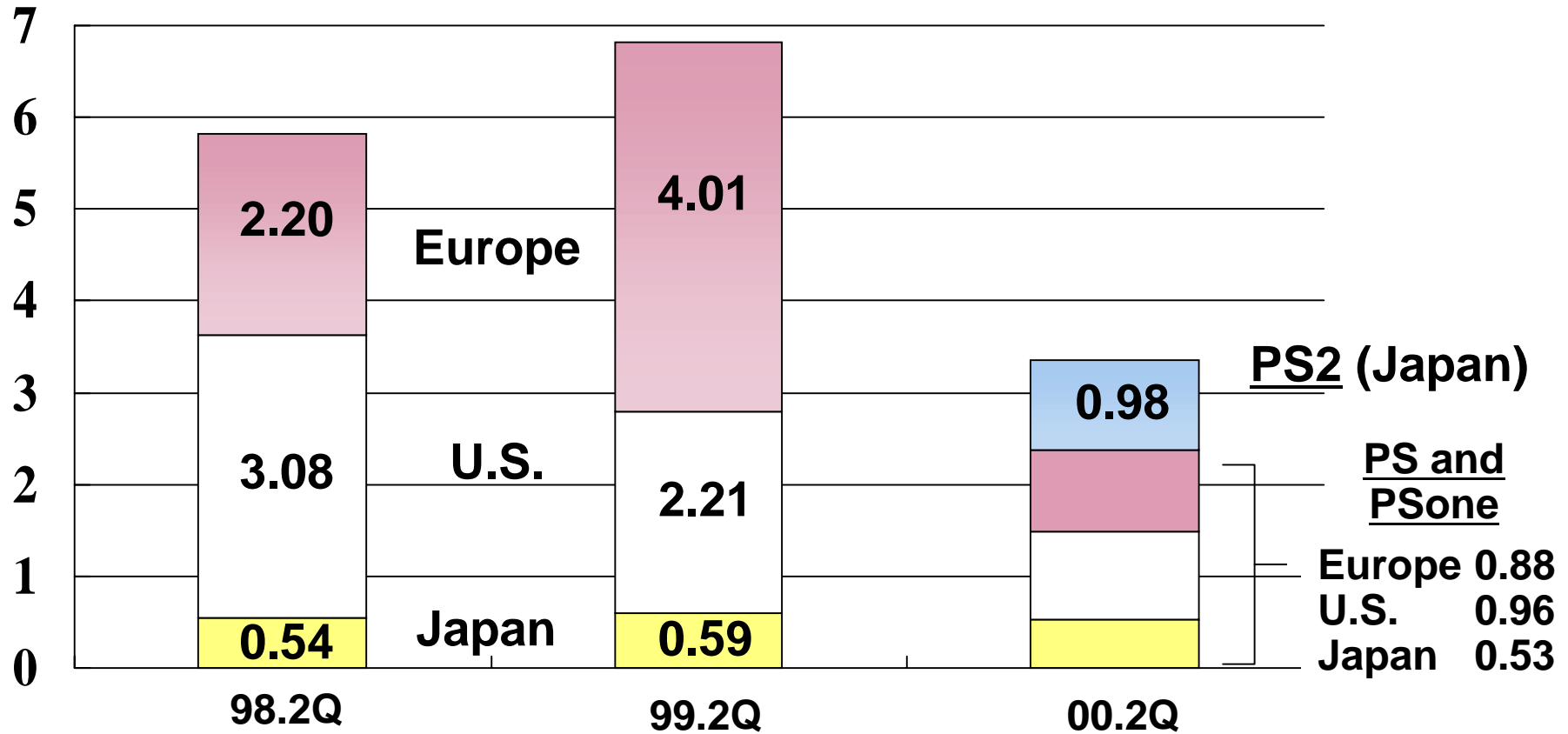
(bln yen)



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

# PS, PS2 Hardware Shipments FY00.2Q

(mln units)



## Quarterly Totals

PS: 5.82 mln

6.81 mln

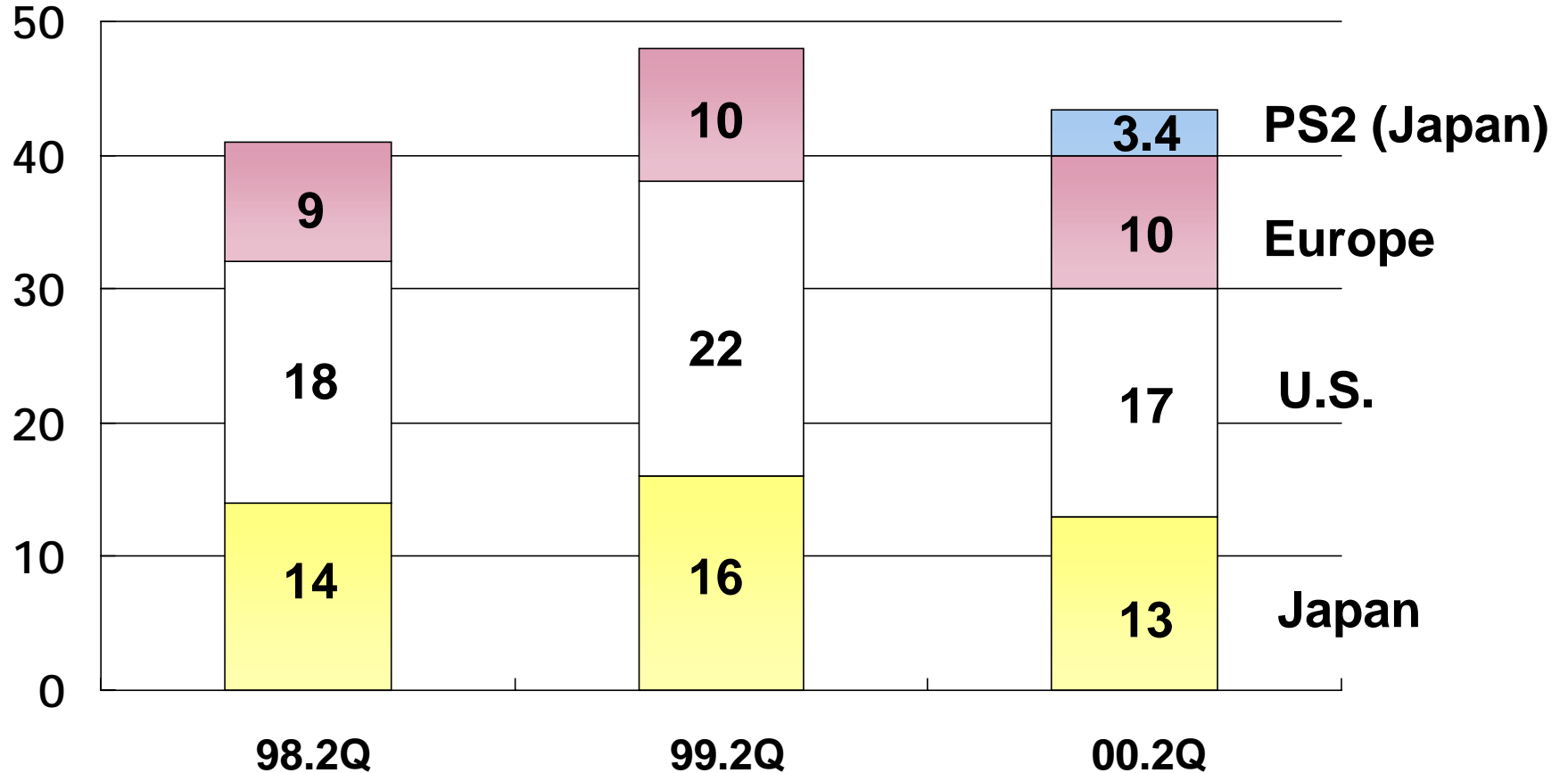
2.37 mln (- 65%)

PS2:

0.98 mln

# PS, PS2 Software Shipments FY00.2Q

(mln units)



Quarterly Totals

PS: 41 mln  
PS2:

48 mln

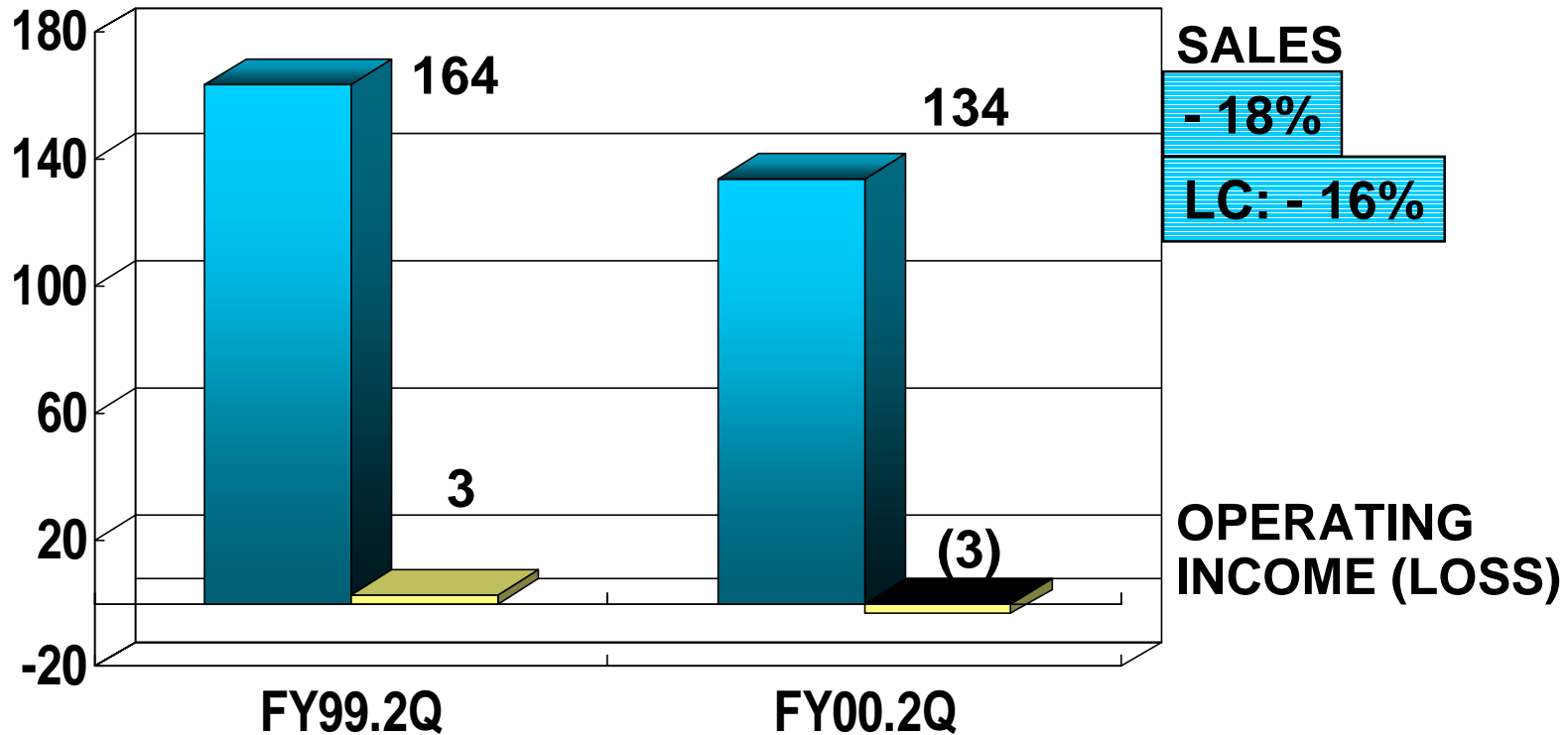
40 mln (- 17%)  
3.4 mln

16



# Music FY00.2Q

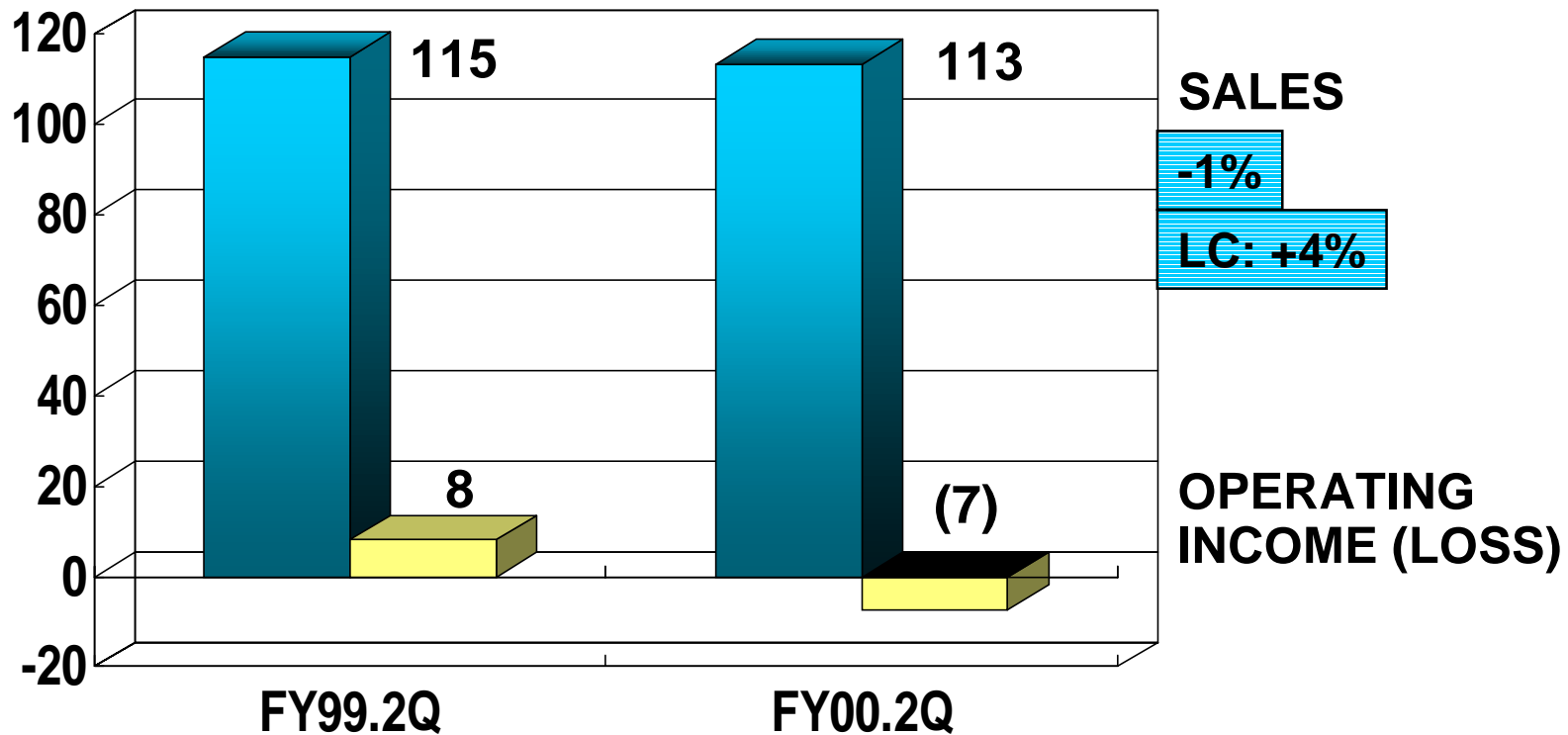
(bln yen)



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

# Pictures FY00.2Q

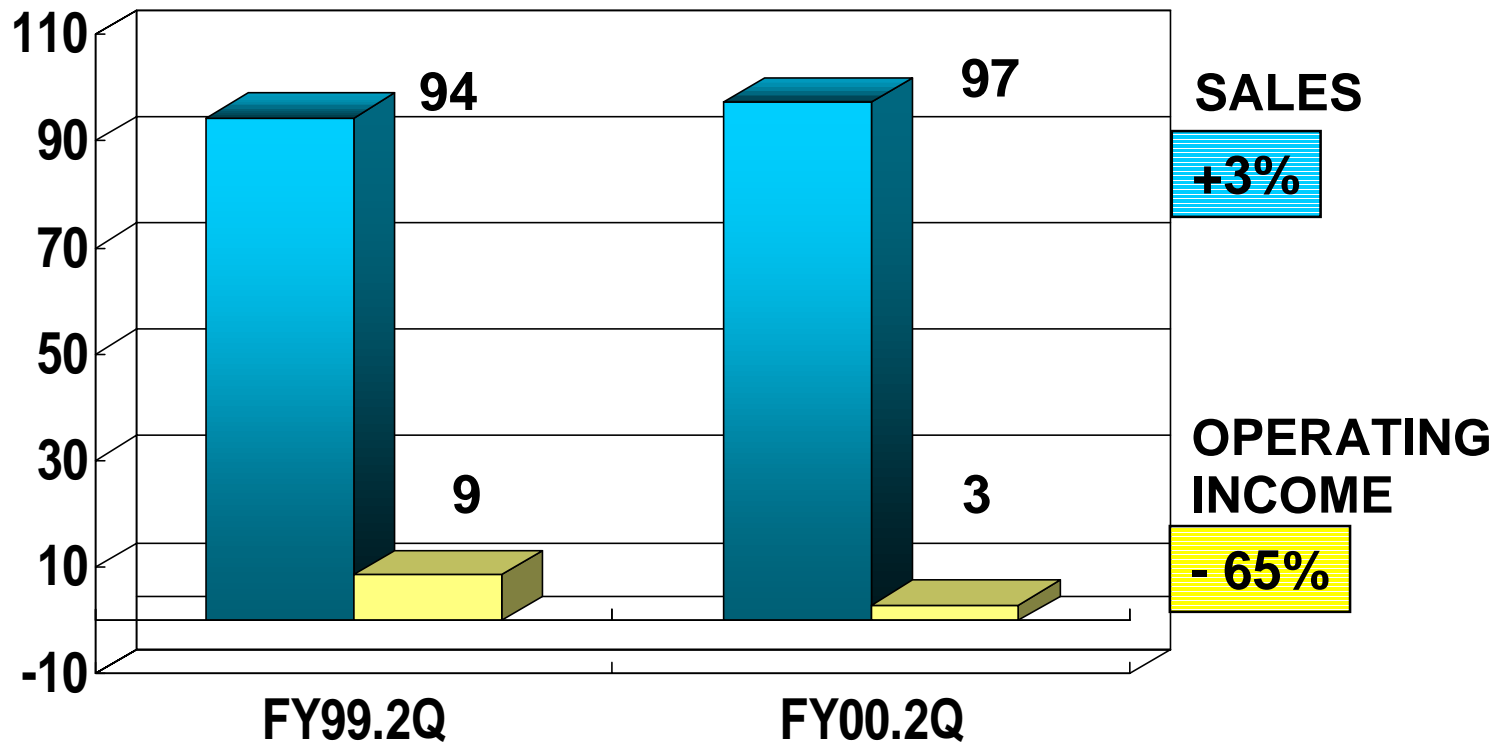
(bln yen)



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

# Insurance FY00.2Q

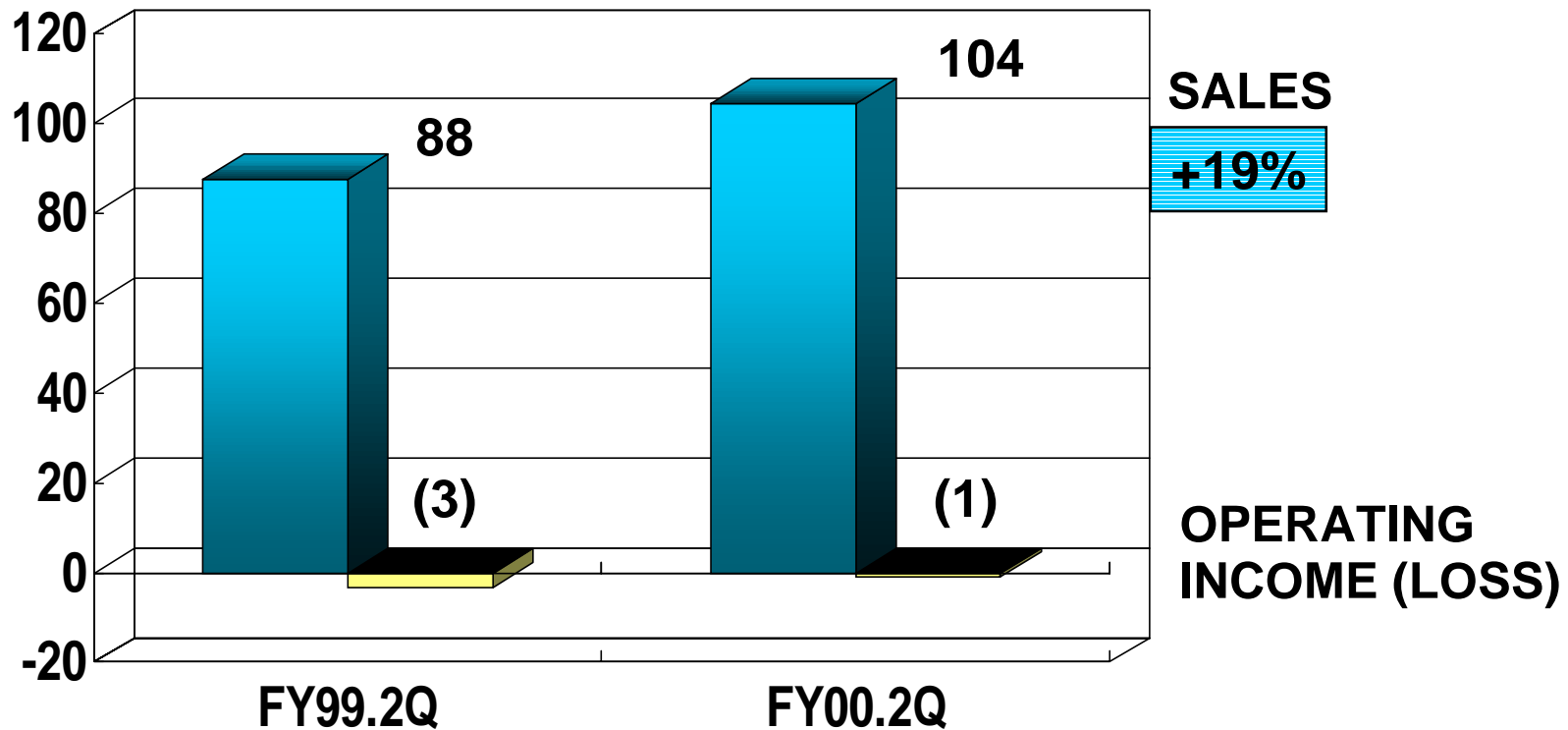
(bln yen)



% change over year earlier period

# Other FY00.2Q

(bln yen)



including intersegment transactions  
% change over year earlier period

# FY2000 Forecast

	<u>4/00</u>	<u>7/00</u>	<u>current</u>	<u>YoY change</u>
Sales and operating revenue	7,000	7,200		+8%
Operating income	255	230	no change since 7/00	- 4%
Income before income taxes	240	255		- 4%
Net income	120	10		- 92%

Capex	350	500	no change since 7/00	+15%
Dep. & Amort.	350	350		+14%

## Assumed Exchange Rates (for remainder of FY00)

	<u>as of 4/00</u>	<u>as of 7/00</u>	<u>as of 10/00</u>
1 dollar =	105 yen	103 yen	105 yen
1 euro =	103 yen	100 yen	93 yen

# FY00 PlayStation Production Forecast

## Hardware

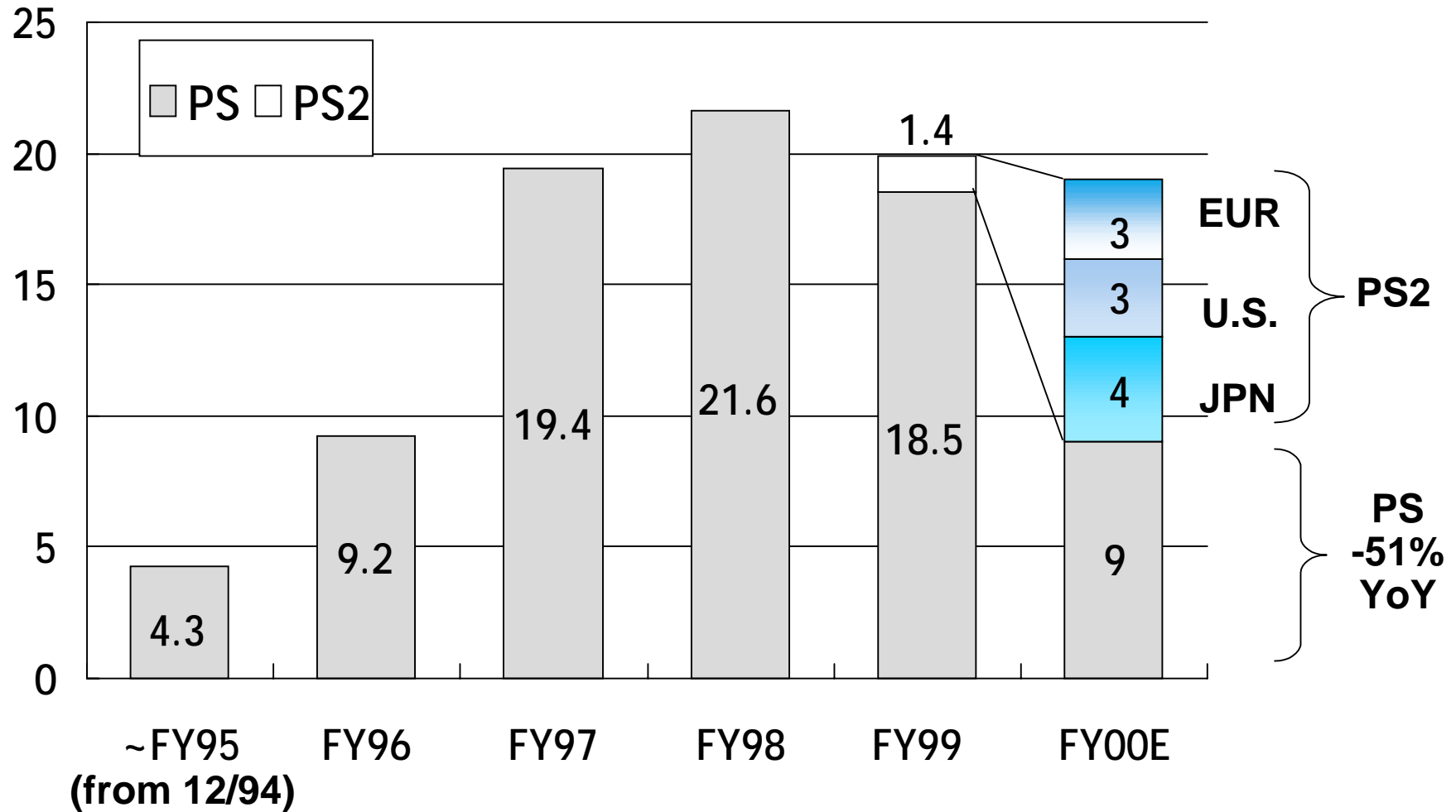
	<u>As of 00.7</u>	<u>Current</u>	<u>YoY</u>
PS/PSone	8 mln	9 mln	-51%
PS2	10 mln	no change	-----

## Software

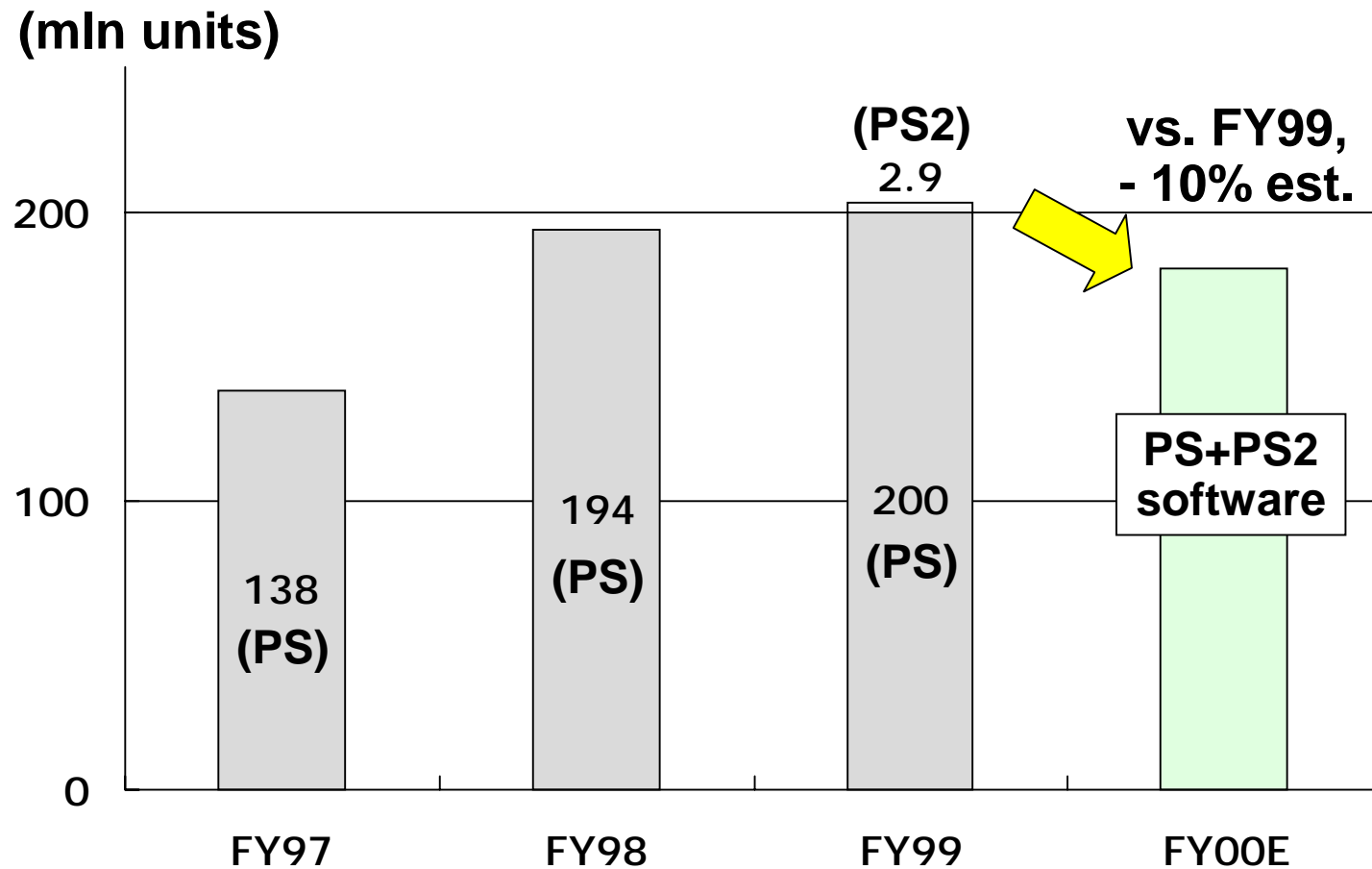
For PS and PS2 software, total shipments are expected to be about 10% less than total shipments in FY99. This expectation is unchanged from 00.7.

# PS, PS2 Hardware Shipments (by year)

(mln units)



# PS, PS2 Software Shipments (by year)





## Supplementary Information (Consolidated)

Years ended/ending March 31 and respective quarters

### 1. Unit Sales of Major Products

(thousand units)

	2000					2001		
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	Full Year(E)
CD players	6,300	7,600	5,000	5,100	24,000	7,200	8,900	28,000
MiniDisc	900	1,000	1,300	800	4,000	900	1,000	4,500
Camcorders	1,300	1,300	1,100	1,000	4,700	1,450	1,600	5,600
Color TVs	2,150	2,600	3,600	2,850	11,200	2,500	2,850	11,800

### 2. Exchange Rates

Average

(yen)

	2000					2001	
	1Q	2Q	3Q	4Q	Full year	1Q	2Q
U.S. dollar	120	113	104	106	111	106	107
Euro	126	118	107	104	114	98	96

Contract

(yen)

	2000					2001	
	1Q	2Q	3Q	4Q	Full year	1Q	2Q
U.S. dollar	119	116	109	106	112	106	106
Euro	128	123	115	115	117	103	99