

Candidates for Directors

	Internal Directors
	Outside Directors
Nobuyuki Idei	
Kunitake Ando	
Teruhisa Tokunaka	
Minoru Morio	
Teruo Masaki	
Howard Stringer	
Ken Kutaragi	
Göran Lindahl	
Akihisa Ohnishi	
Iwao Nakatani	Director of Research, UFJ Institute, Ltd., President, Tama Univ.
Akishige Okada	Chairman, Sumitomo Mitsui Financial Group, Inc.
Carlos Ghosn	President and CEO, Nissan Motor Co., Ltd.
Hirobumi Kawano*	Former Director-General, Agency for Natural Resources & Energy
Yotaro Kobayashi	Chairman of the Board, Fuji Xerox Co., Ltd.
Sakie T. Fukushima	Representative Director & Regional Managing Director - Japan, Korn/Ferry International
Yoshihiko Miyauchi	Representative Director, Chairman and CEO, ORIX Corporation
Yoshiaki Yamauchi	Director, Sumitomo Mitsui Financial Group, Inc.

*Certain formalities are required by the Public Servants Law and after these are satisfied Mr. Kawano is scheduled to accept his invitation to become a Director.

Candidates for Corporate Executive Officers

Representative Corporate Executive Officers:

Chairman	Nobuyuki Idei	Group CEO
President	Kunitake Ando	Group COO / Electronics CEO and CQO
Exec. Dep. President	Teruhisa Tokunaka	Group CSO, in charge of PSBG and NACS

Corporate Executive Officers:

Vice Chairman	Minoru Morio	Sony Group East Asia Representative, Group CPO
Vice Chairman	Howard Stringer	Sony Group Americas Representative, Officer in charge of Entertainment BG, Chairman & CEO, CSA
Exec. Dep. President	Shizuo Takashino	Officer in charge of IT&Mobile Solutions NC and Home NC
Exec. Dep. President	Ken Kutaragi	Officer in charge of Game BG and Broadband NC, President & CEO, SCE
Corp. Sen. Exec. VP	Teruo Masaki	Group General Counsel
Corp. Sen. Exec. VP	Akira Kondoh	Group CIO
Corp. Sen. VP	Takao Yuhara	Group CFO
Corp. Exec. Officer	Göran Lindahl	Sony Group Europe Representative
Corp. Exec. Officer	Nicole Seligman	Group Deputy General Counsel

Major Industry Trends

- Technological advances esp. in semiconductors and networks
- Emergence of competitive high-tech players in East Asia
- Transition from AV → AV/IT → Networked AiVt
- Increasing dominance of major retailers
- Imbalance between supply and demand leading to deflationary price environment

Characteristic	20 th Century	21 st Century
Organization	The Pyramid	The Web or Network
Focus	Internal	External
Style	Structured	Flexible
Source of Strength	Stability	Change
Structure	Self-sufficiency	Interdependencies
Resources	Atoms – Physical Assets	Bits – Information
Operations	Vertical Integration	Virtual Integration
Products	Mass Production	Mass Customization
Reach	Domestic	Global
Financials	Quarterly	Real-time
Inventories	Months	Hours
Strategy	Top-down	Bottom-up
Leadership	Dogmatic	Inspirational
Workers	Employees	Employees and Free Agents
Job Expectations	Security	Personal Growth
Motivation	To Compete	To Build
Improvements	Incremental	Revolutionary
Quality	Affordable Best	No Compromise

From August 28, 2000 edition, Business Week

Restructuring to Date

Electronics

1. Consolidation of plants
2. Integration of Aiwa
3. Inventory reduction

Pictures

1. Exit from primetime network production
2. Sale of Telemundo

Music

1. Organizational reform
2. Drastic restructuring plan (incl. closure of plant)

Strategic Investments

1. Semiconductor investment
2. Establishment of JV with Ericsson
3. Acquisition of InterTrust

Invest ¥1.3 trillion towards Sony's 60th Anniversary

- Make use of the latest process technology to drive the development and manufacture of key devices and strengthen our semiconductor business **¥500 billion**
- Increase investment in R&D to enhance competitiveness of products and create a new laboratory to further stimulate content distribution **¥500 billion***
- Further restructuring including downsizing, withdrawal from selected businesses and continued implementation of fixed cost reductions **¥300 billion**

*includes investments in previously identified development areas

Sony Group Organization

(2003.4.1)

