

SONY

Q3 FY2003

Consolidated Results

(Third Quarter Ended December 31, 2003)

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Q3 FY03 Consolidated Results

	Q3 FY02	Q3 FY03	YoY Change	YoY Change (LC basis*)
Sales & operating revenue	2,307.7	2,323.4	+0.7%	+6%
Operating income	199.5	158.8	-20.4%	-15%
Income before income taxes	201.9	157.8	-21.8%	
Net income	125.4	92.6	-26.2%	
Free cash flow**(Apr – Dec) (Excluding Financial Services)	222.1	-77.1	-299.1	(bln yen)
Restructuring Expenses	14.0	53.6	+39.6	(bln yen)

**Net of cash generated from operating activities and cash used in investing activities

Total Impact of Foreign Exchange in Q3 FY03

Sales and operating revenue: approx -118.8 bln yen

Operating income: approx -11.7 bln yen

Average rate	Q3 FY02	Q3 FY03
1 \$	122 yen	108 yen
1 Euro	121 yen	128 yen

*Local Currency basis: change that would have occurred if there had been no change in exchange rates year on year

Electronics Q3 FY03

(bln yen)

Sales

1,468.2 1,474.7

YoY change
+0.4%
(LC +5%)

Q3 FY02

Q3 FY03

* Includes intersegment transactions
* LC=Local currency

Operating Income

82.1
(5.6%)

49.5
(3.4%)

YoY change
-39.7%
(LC -24%)

Q3 FY02

Q3 FY03

* () is operating profit %

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Electronics Sales by Area Q3 FY03

Other Areas

+9%
(LC +19%)

24%

Japan

+15%

23%

Europe

+12%
(LC +10%)

27%

26%

USA

-1%
(LC +11%)

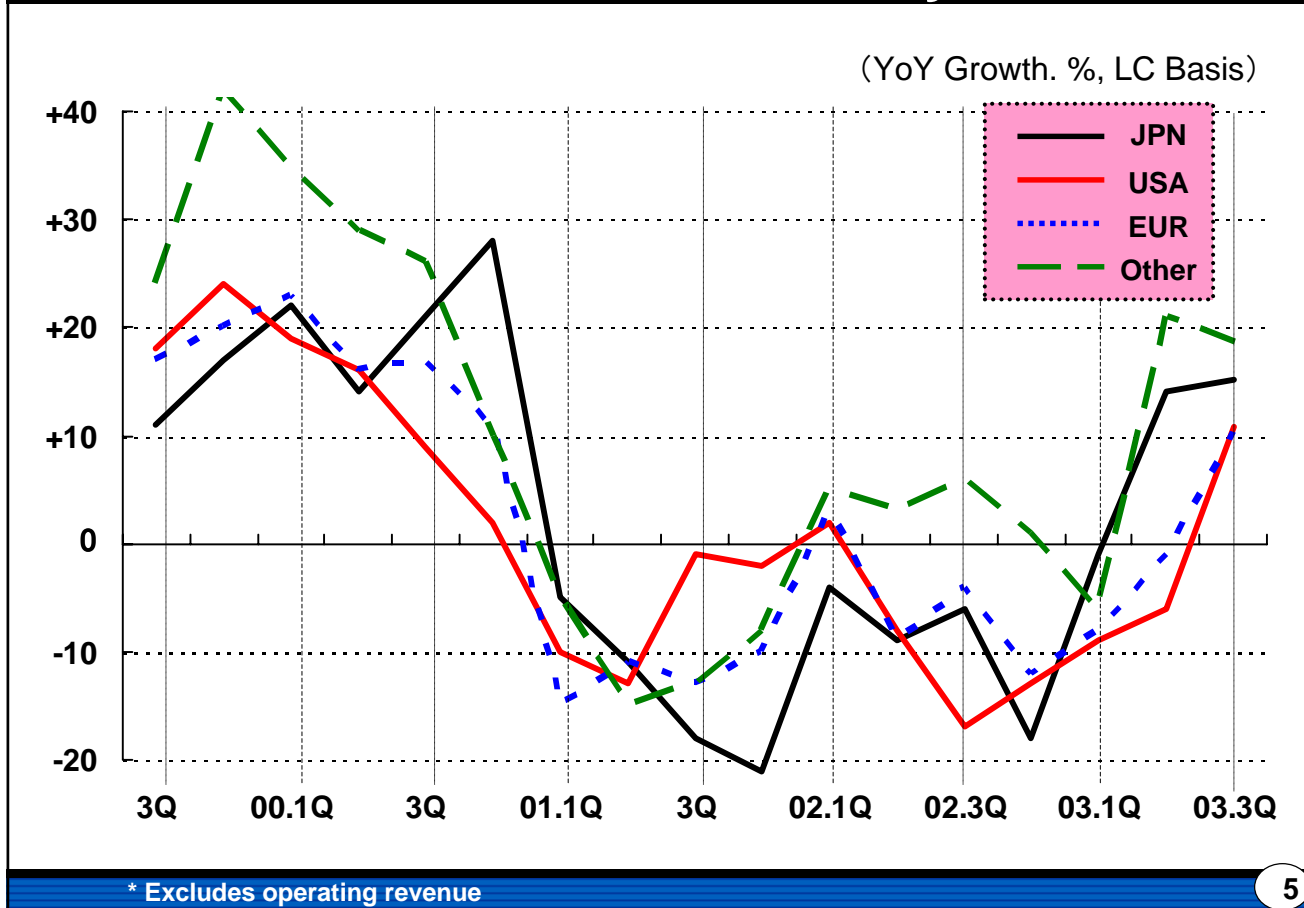
- * Based on location of customer
- * Change over year earlier period
- * LC: local currency
- * Excluding other operating revenue

Sales to Outside Customers

1,451.8 bln yen
+8% (LC+14%)

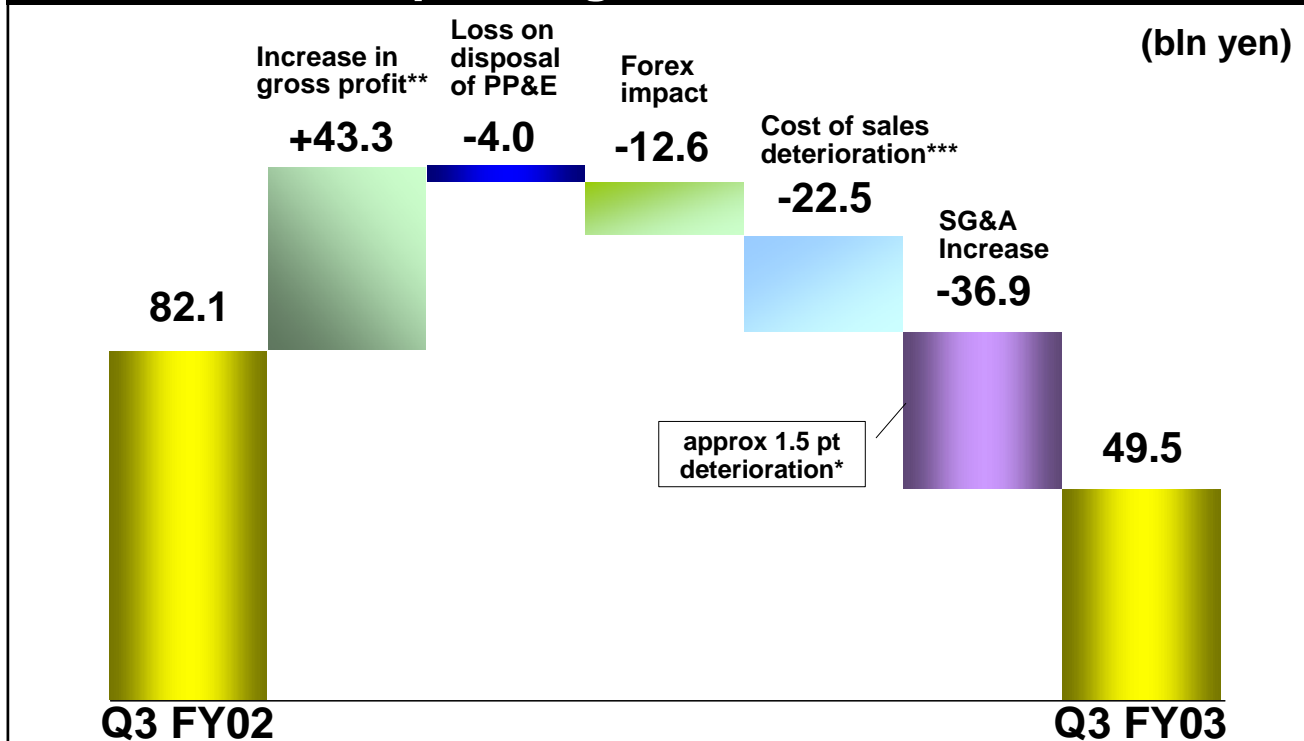
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Electronics Sales Trend by Area



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Electronics: Operating Profit Breakdown Q3 FY03



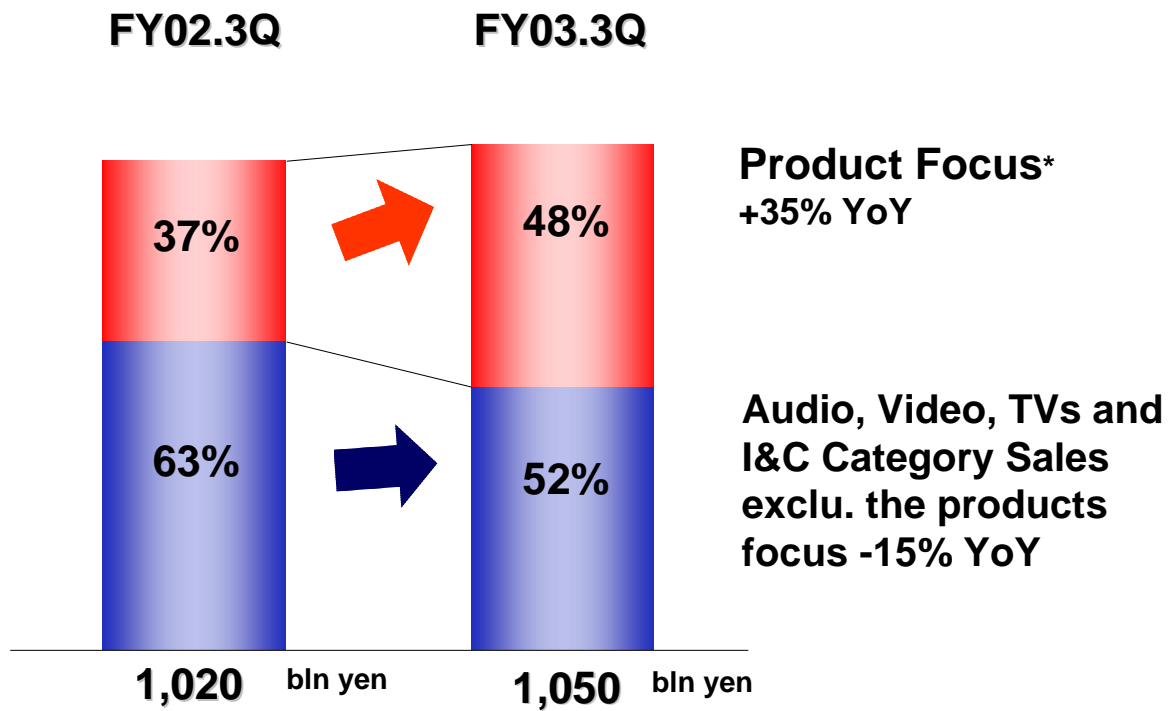
*Revenue basis compared to last fiscal year

**Increase/decrease in gross profit from the change in sales = (change in sales) X (year earlier period's gross margin); change in profit is the sum of gross profit of intersegment sales and sales to outside customers, calculated separately.

***Cost of sales = (point change in cost of sales ratio) X (year earlier period's sales); change in cost of sales is the sum of gross profit of intersegment sales and sales to outside customers, calculated separately.

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Sales of Product Focus (FY02.3Q >>> FY03.3Q)



*Six Product Focus: PDP/LCD WEGA, DVD recorder&CoCoon, PSX, VAIO, Camcorder, DSC

(Yen base)

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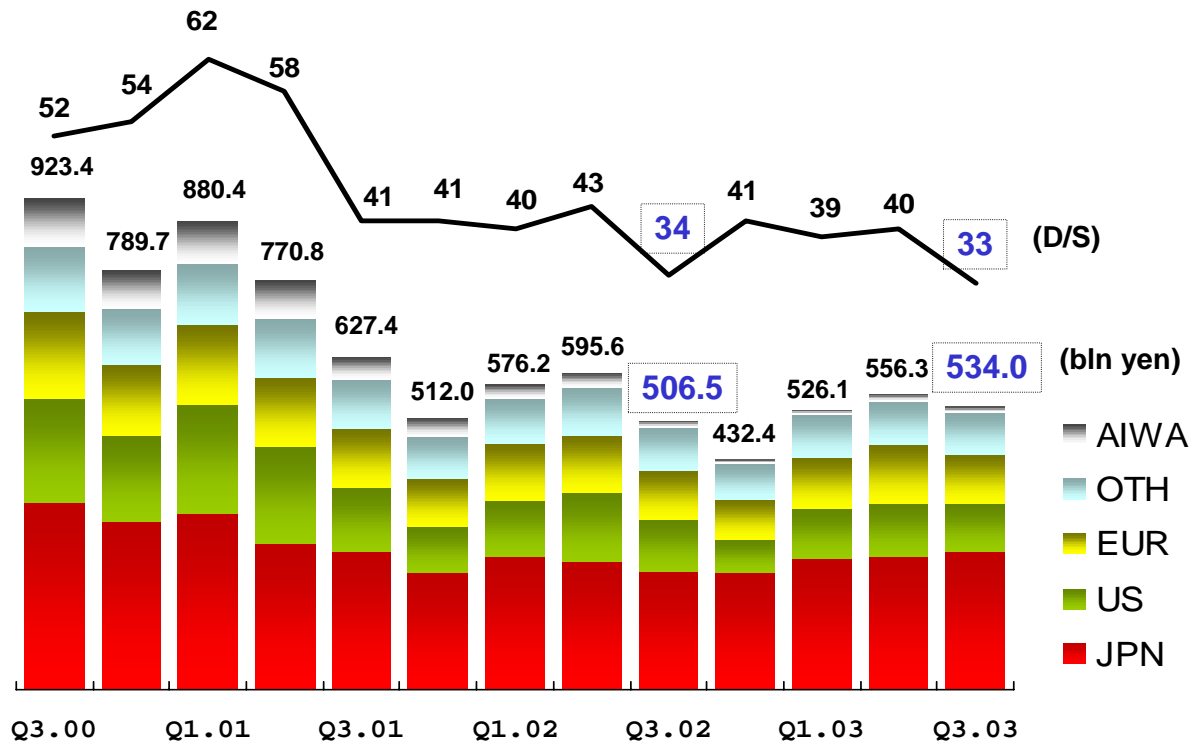
FY03 Product Focus Project

<p>PDP/LCD WEGA ENGINE</p> <p>Expanding LCD/PDP-TV line-up to 27 models</p>  <p>Oct 2003*</p>	<p>DVD Recorder DVDRW, PSX, CoCoon</p> <p>PSX: Convergence of Game & Electronics</p> <p>Sugoroku 4 Recorder Models</p> <p>CoCoon 2 Models</p>  <p>Nov 2003* Dec 2003*</p>	
<p>DSC Expanding Line-Up Cyber-shot T1, F828</p>  <p>Nov 2003*</p>	<p>Camcorder Stronger Differentiation PC300K</p>  <p>Sep 2003*</p>	<p>VAIO Improving Profitability</p>  <p>Nov 2003 V-Series*</p>

* Sales date

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Electronics Inventory Levels by Area



- Line graph: Days supply (average inventory in quarter divided by average daily sales in quarter)
- Inventory figures between Q3'00 to Q4'01 have been restated to reflect business segment changes
- Days supply have been restated only for the period between Q1'01 to Q4'01

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Game Q3 FY03

Sales

384.1
367.0

YoY change
-4.5%
(LC -2%)

Q3 FY02

Q3 FY03

Operating Income

71.7
(18.7%)
70.5
(19.2%)

YoY change
-1.6%
(LC -7%)

Q3 FY02

Q3 FY03

- * Includes intersegment transactions
- * LC=Local currency

* () is operating profit %

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PlayStation H/W, S/W Production Shipments

PS2 Hardware (mil units)

	Q3 FY02	Q3 FY03	Change
Total	8.03	6.83	-15%
Japan	1.49	1.64	+10%
N.America	3.26	1.67	-49%
Europe	3.28	3.52	+7%

PS2 Software (mil units)

	Q3 FY02	Q3 FY03	Change
Total	79.00	104.00	+32%
Japan	12.00	14.00	+17%
N.America	38.00	50.00	+32%
Europe	29.00	40.00	+38%

PS/PSone Hardware (mil units)

	Q3 FY02	Q3 FY03	Change
Total	3.02	1.02	-66%
Japan	0.25	0.19	-24%
N.America	1.47	0.60	-59%
Europe	1.30	0.23	-82%

PS/PSone Software (mil units)

	Q3 FY02	Q3 FY03	Change
Total	22.00	**10.00	-55%
Japan	3.00	**0.50	-83%
N.America	10.00	5.00	-50%
Europe	9.00	5.00	-44%

* Production shipment units of hardware and software are counted upon shipment of the products from manufacturing bases. Sales of such products are recognized when the products are delivered to customers.
 ** PS/PSone software shipments are rounded to the nearest million units. PS/PSone software production shipment in Japan (Q3.FY03) are rounded to the nearest ten thousand units for reference purposes. As a result, the total does not add up.

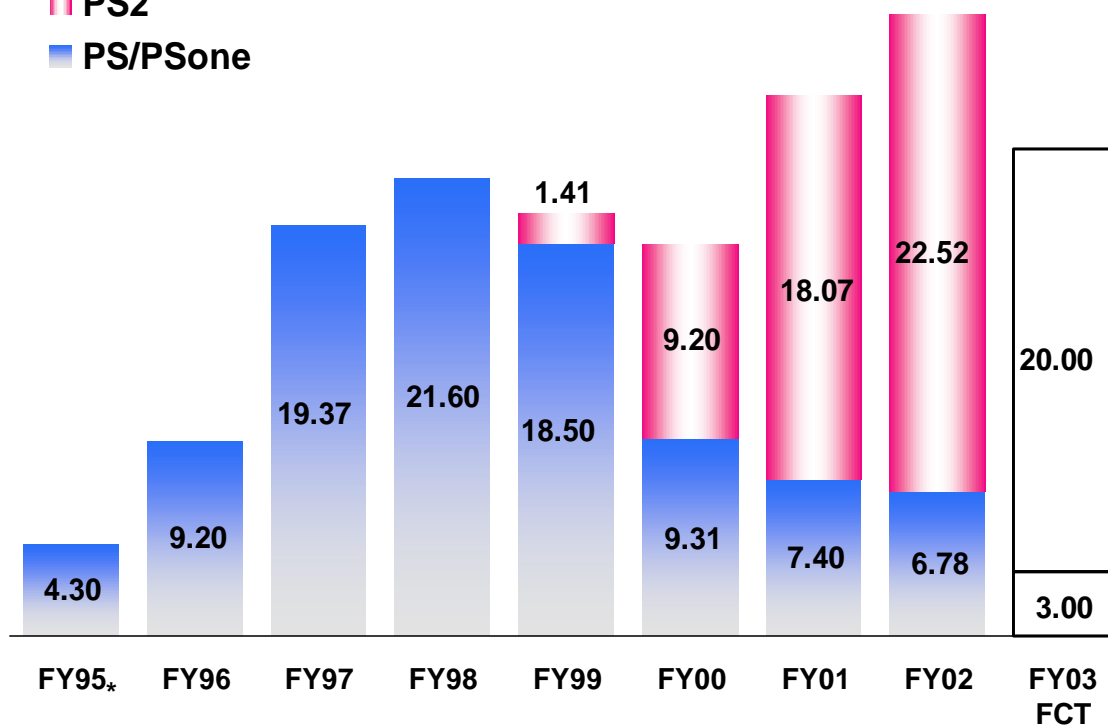
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PlayStation H/W Production Shipments & Forecast

(mln units)

■ PS2

■ PS/PSone



*Cumulative between Dec '94 to Mar '96

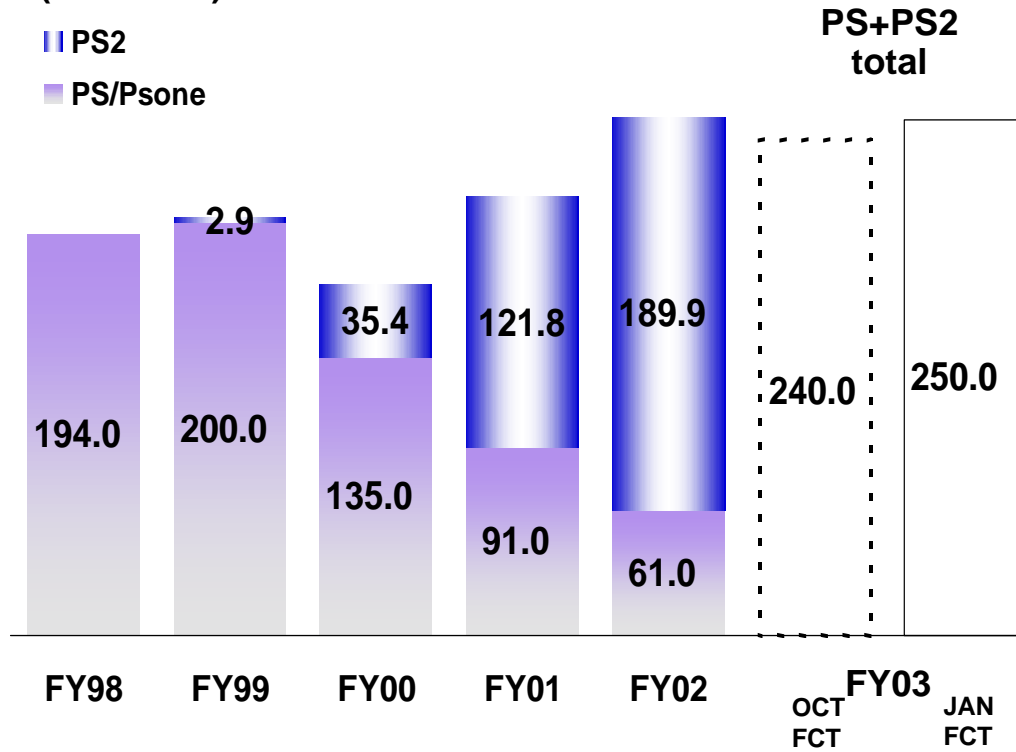
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PlayStation Software Shipments & Forecast

(mln units)

PS2

PS/Psone



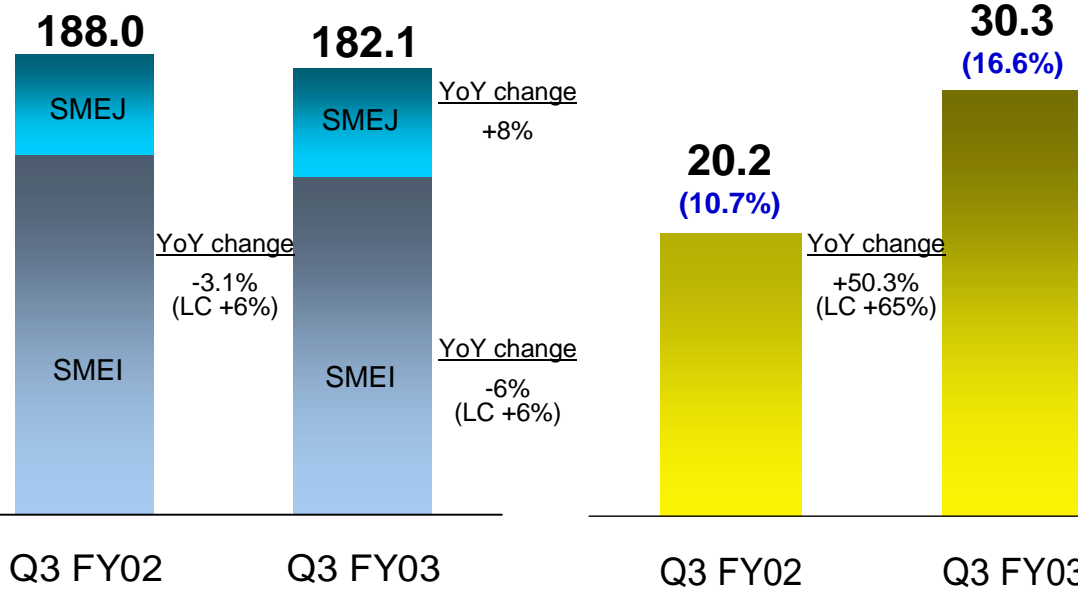
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Music Q3 FY03

(bln yen)

Sales

Operating Income



* Includes intersegment transactions
* LC=Local currency

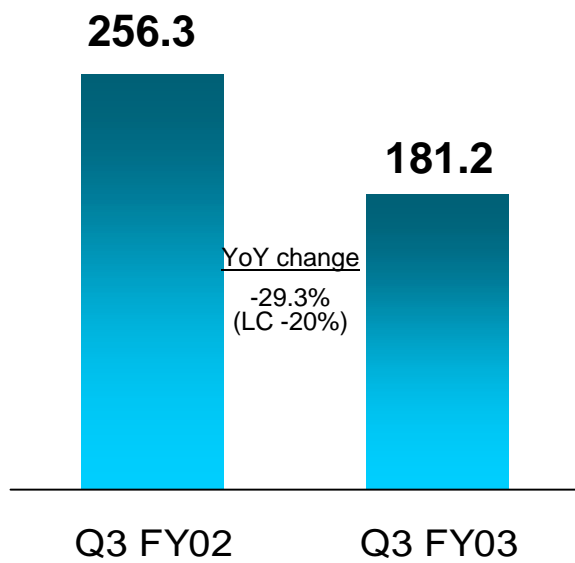
* () is operating profit %

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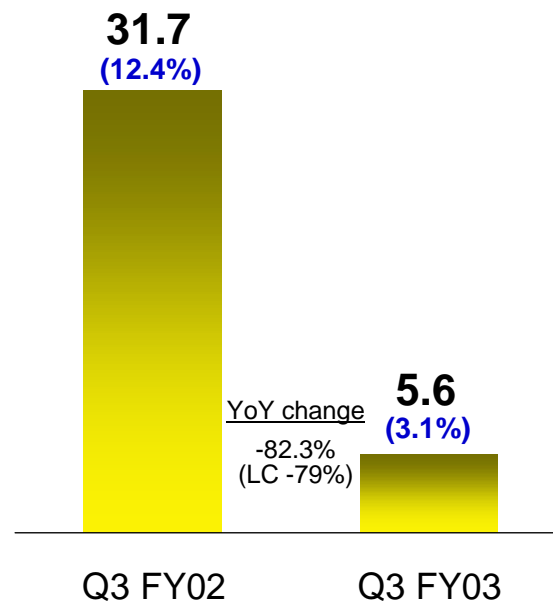
Pictures Q3 FY03

(bln yen)

Sales



Operating Income



* Includes intersegment transactions
* LC=Local currency

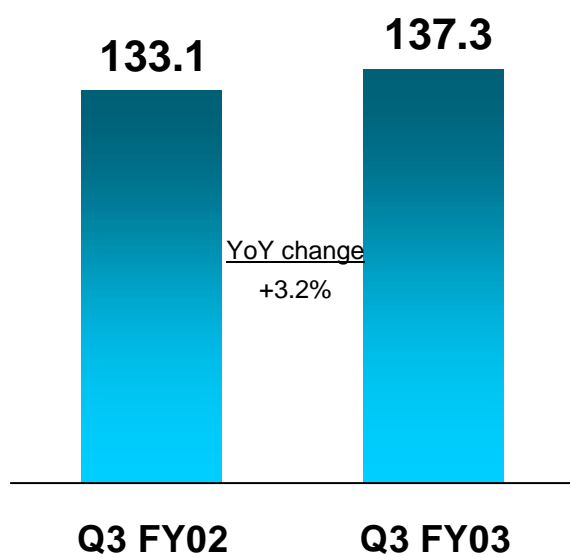
* () is operating profit %

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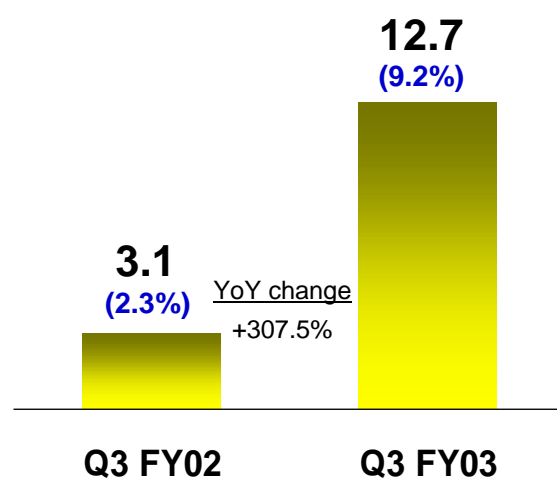
Financial Services Q3 FY03

(bln yen)

Financial Services Revenue



Operating Income



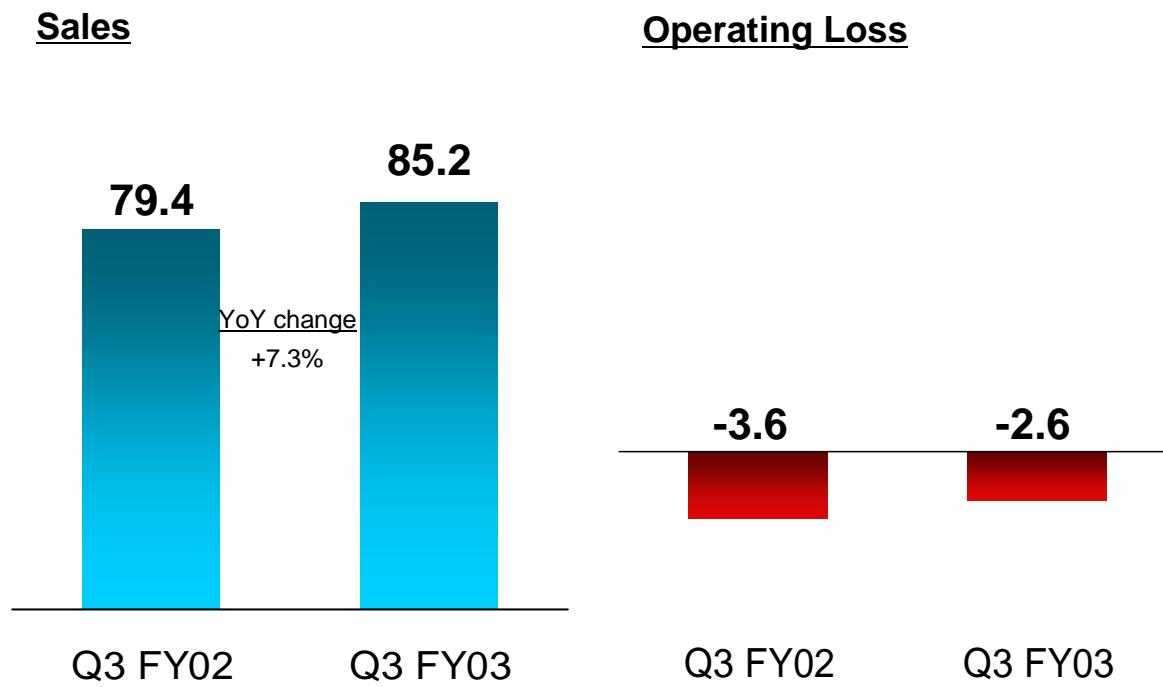
* Includes intersegment transactions

* () is operating profit %

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Other Q3 FY03

(bln yen)



* Includes intersegment transactions

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Sony Ericsson Mobile Communications



US GAAP, Mil. Euro

	Oct – Dec 2003	YoY Change	2003 (Jan-Dec)
Sales	1,437	+16%	4,637
Income (loss) before tax	46	+123 Mil. Euro	(130)
Net income (loss)	43	+112 Mil. Euro	(86)
Number of units shipped (million units)	8.0	+13%	27.2

*Restructuring cost of Euro 9 mil and Euro 63 mil have been recognized in Q4 and full year 2003, respectively

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

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FY2003 Forecast

(bln yen)

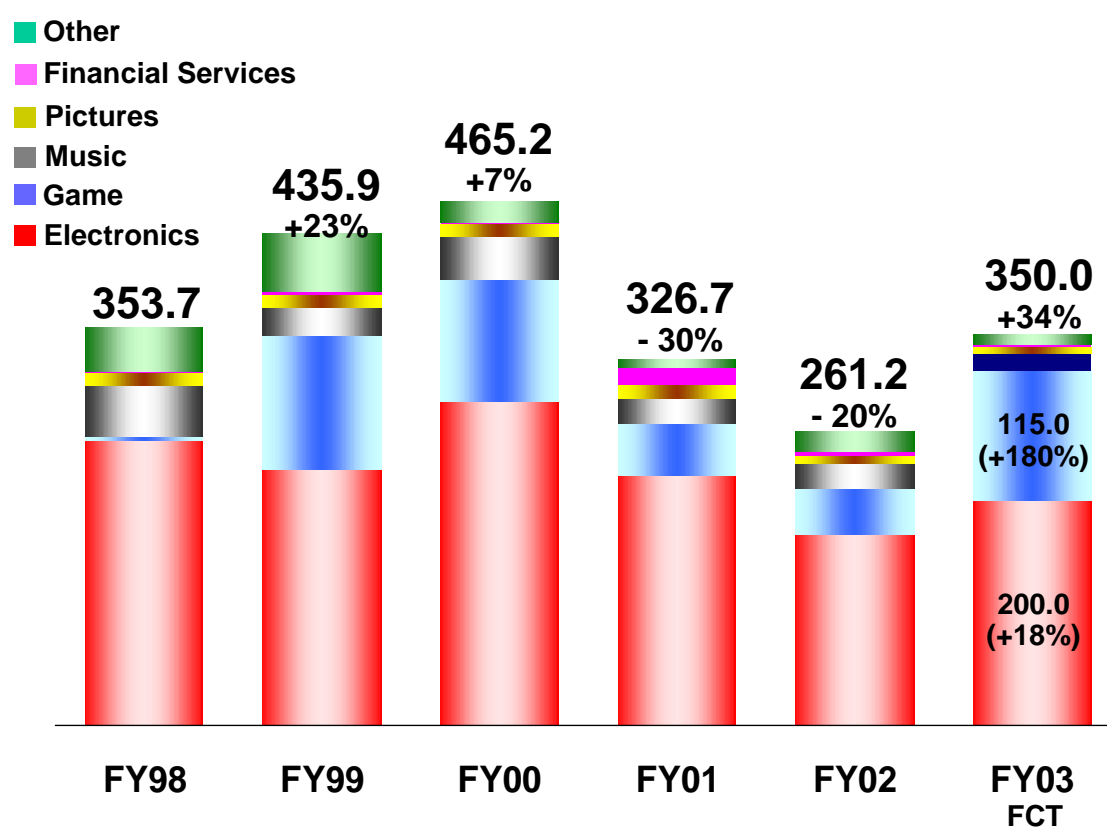
As of January 28, 2004	FY02	FY03	YoY change	Previous Forecast
Sales & operating revenue	7,473.6	7,400.0	-1%	7,400.0
Operating income	185.4	100.0	-46%	100.0
Income before income taxes	247.6	130.0	-48%	120.0
Net income	115.5	55.0	-52%	50.0
Capital Expenditures	261.2	350.0	+34%	350.0
Depreciation & Amortization*	351.9	390.0	+11%	390.0
(of that, dep. for tangible assets)	279.5	280.0	Flat	280.0
Restructuring expenses	107.2	150.0		140.0
- Personnel related expenses	47.0	98.0		89.0
- Write-down of fixed assets and other	60.2	52.0		51.0
Foreign Exchange Rates	FY02 Actual	Q4 Assumption		Q3-Q4 Assumption
1US\$	121 yen	105 yen		110 yen
1Euro	120 yen	135 yen		125 yen

*Including amortization expenses for intangible assets and for deferred insurance acquisition costs

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FY2003 Capital Expenditures Forecast

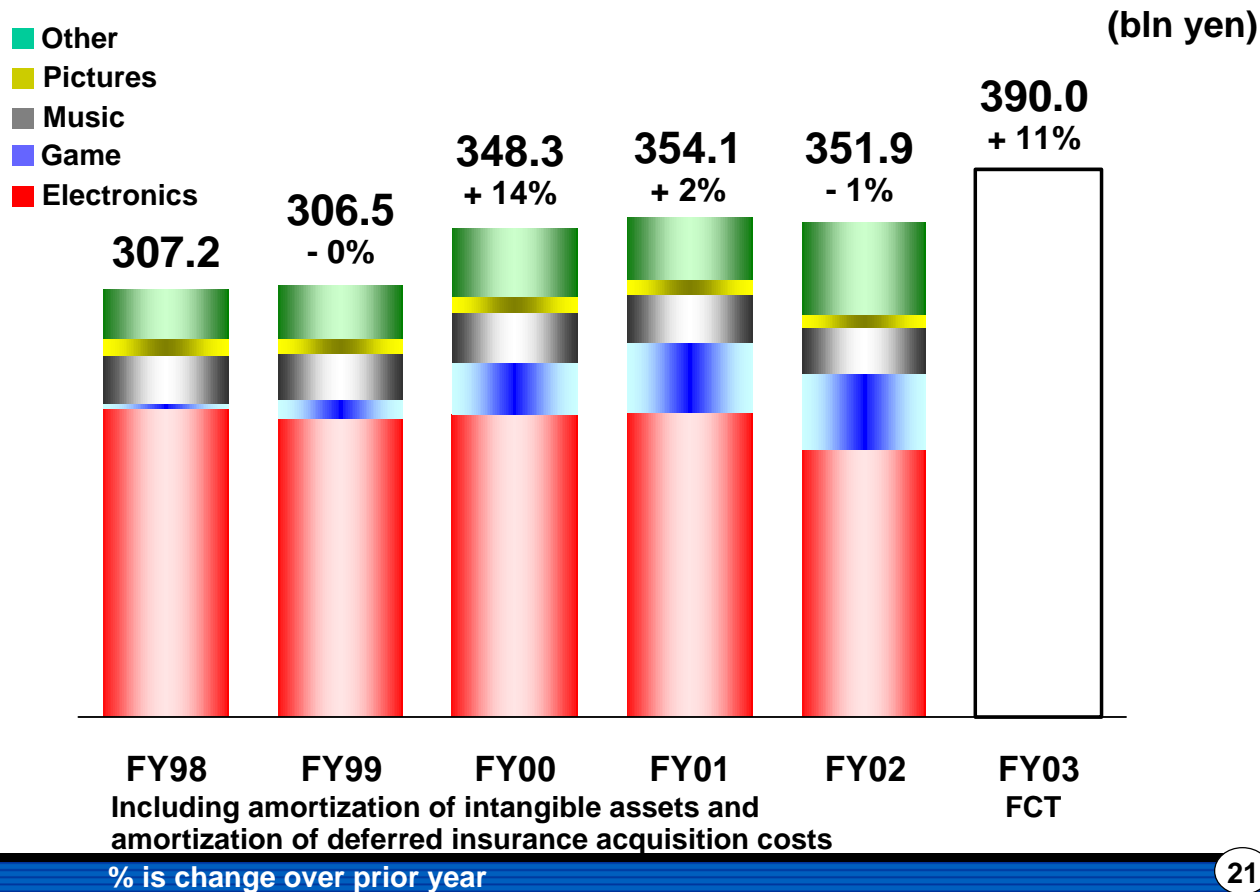
(bln yen)



% is change over prior year

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FY2003 Depreciation & Amortization Forecast



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Exchange Rates Trends

(yen)

FY2003	Q1	Q2	Q3	Q4
US\$				
average market rate	117	117	108	
*weighted average market rate	117	117	108	
fwd. contract rate	118	117	113	
Euro				
average market rate	133	131	128	
*weighted average market rate	133	130	127	
fwd. contract rate	131	133	131	
FY2002				
US\$				
average market rate	126	118	122	118
*weighted average market rate	126	118	122	118
fwd. contract rate	128	121	121	121
Euro				
average market rate	115	116	118	126
*weighted average market rate	115	116	121	126
fwd. contract rate	115	117	120	125

*The above rates are the weighted average rates based upon the net export amounts of each

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Sony Products Shipment Sales Data

Sales Volume

(million units)

	FY99	FY00	FY01	FY02	FY03	
					<i>October Forecast</i>	<i>January Forecast</i>
Camcorder	4.70	5.50	5.40	5.75	6.30	6.70
Digital Still Camera	1.40	2.60	3.40	5.60	10.00	10.00
DVD Player	1.90	4.00	5.00	7.00	8.00	8.00
Television	11.20	11.30	10.00	10.00	11.00	11.00
VAIO*	1.40	2.50	3.50	3.10	3.10	3.10
Desktop	0.40	0.80	1.40	1.20	1.20	1.20
Notebook	1.00	1.70	2.10	1.90	1.90	1.90
Non-Japan	N/A	1.10	1.80	1.80	2.00	2.00
Japan	N/A	0.14	1.70	1.30	1.10	1.10

* Production & shipment units