

Environmental Activities at Sony

Recognizing that environmental conservation is one of the most pressing issues facing mankind today, Sony incorporates a sound respect for nature in its business activities. Based on this philosophy, Sony conducts environmental programs under a global action plan.

During the year under review, an environmental strategy was incorporated as a key element of Sony's medium-term business plan. Sony's environmental strategy sets forth targets for environmental conservation and other activities, with the ultimate goal of helping to create an environmentally self-sustaining society in which resources move through a cycle of reuse. Based on this strategy, Sony has set targets for operations in Japan, North America, Latin America, Europe, and Asia.

DEVELOPING TECHNOLOGIES TO PROTECT THE ENVIRONMENT

Sony is striving to promote R&D programs that focus on the environment. In Japan, the Environmental Technology Center, located within the Frontier Science Laboratories, is developing a broad range of technologies that protect the environment. Outside Japan, the Environmental Product Laboratory was set up in Stuttgart, Germany to study methods for assessing the environmental impact of Sony products.

In the field of recycling technologies, Sony opened during the year the Sony Limonene Expanded Polystyrene Recycle Research Center in Japan's Aichi Prefecture to study the reuse of waste styrene

foam as high quality polystyrene by using liquid limonene, a substance extracted from citrus rinds. Sony applied this technology to recycle styrene foam as TV packaging material and plans to apply the same technology to other products. In 1996, Sony devised a method to transform polystyrene, found in video cassette shells and other products, into a water-soluble polymer. This polymer can then be used as a polymer flocculant agent for treating waste water. Sony is conducting tests to introduce this technology at its own manufacturing facilities as well as joint experiments with other companies in order to apply this technology more widely.

The reduction process for styrene foam, using limonene

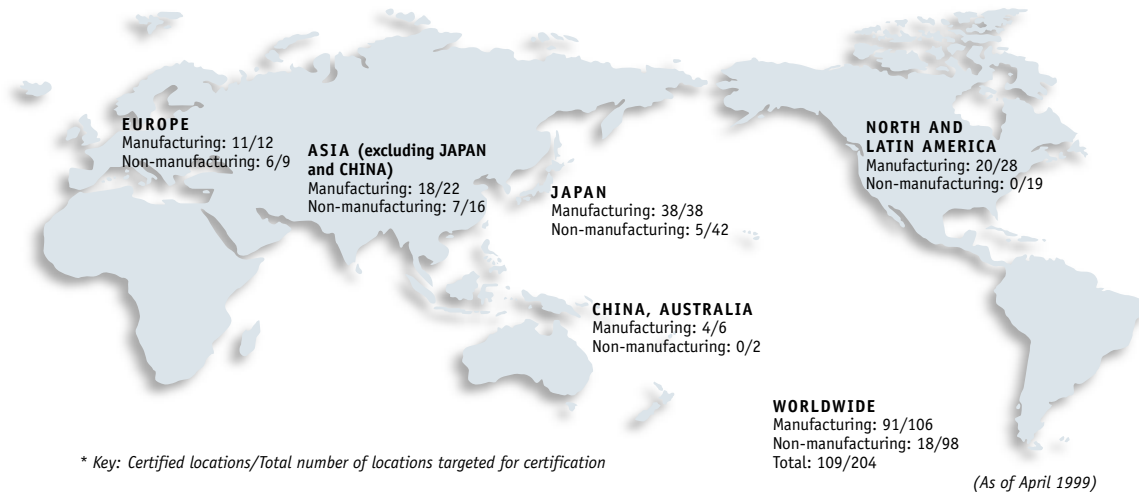


REDUCING THE ENVIRONMENTAL IMPACT OF SONY PRODUCTS

Sony has been working to reduce the environmental impact of its products, starting with the planning and design stages. To this end, the Greenplus Project, involving the whole Sony Group, commenced in 1994. Its aim is to reduce the environmental impact of all Sony products by the end of March 2001.

Sony is making efforts to increase the use of single/double-sided printed wiring boards (PWBs) that do not use a halogenated flame retardant, which may generate toxic substances such as dioxins at the time of incineration. As a start, these boards have been used in color TVs and video decks

ISO-14001 Certified Sony Manufacturing and Non-manufacturing Bases



produced and sold in Europe. In addition, during the year, Sony succeeded in developing multi-layer PWBs that do not use a halogenated flame retardant and will install these PWBs in DVD-Video players to be introduced in Japan, the United States, and Europe. These technologies will be applied to a growing range of products in coming years.

In the United States, Sony Electronics Inc. (SEL) is committed to increasing the number of products that meet the Energy Star standard for energy conservation, a standard in the Energy Star program conducted by the U.S. Environmental Protection Agency (EPA). Some of SEL's color TVs, for example, consume less than one watt of power in the standby mode, far below the three-watt minimum required for Energy Star certification. Due to its efforts, SEL won the EPA's Energy Star Home Electronics Partner of the Year Award in March 1999.



Newly developed multi-layer PWB that does not use a halogenated flame retardant

BUILDING ENVIRONMENTALLY SENSITIVE BUSINESS PROCESSES

Sony is striving to build an environmental management system based on the ISO-14001 international standard in order to reduce its environmental impact systematically and efficiently. As part of this initiative, Sony is working toward obtaining ISO-14001 certification, and as of April 1999, 109 locations worldwide have gained certification under this standard. Sony plans to obtain such certification at 204 locations, covering all major bases in the world, by the end of March 2001.

Sony has set up environmental audit programs in Japan, North America, Latin America, Europe, and Asia and is conducting environmental audits. In the area of environmental risk management, Sony has already accumulated know-how in the United States and is applying this know-how in other regions.

The Organization for Economic Cooperation and Development (OECD) recommended that the Japanese government implement the Pollutant Release and Transfer Register (PRTR). In response, the Japan Federation of Economic Organizations (Keidanren) issued a series of guidelines. During the year, Sony conducted surveys at 40 locations in Japan and reported the results to Keidanren. Furthermore, Sony business sites in the United States annually submit a toxic chemical material release inventory to U.S. government authorities in accordance with the EPA's Toxics Release Inventory system. Sony intends to conduct surveys and disclosure activities in other regions. Looking ahead, Sony will continue to work on reducing releases and transfers of pollutants and take other steps to bolster its global environmental risk management capabilities.

KEEPING THE PUBLIC WELL-INFORMED

Sony discloses its environmental record in line with its conviction that companies have an accountability to explain their environmental activities to the public. Sony's third Environmental Report was published in April 1999. Starting May 1999, Sony will display the results of selected environmental conservation initiatives at the Sony Eco Plaza exhibition space, which is located at its head office.