

SONY COMPUTER ENTERTAINMENT INC

Sony Computer Entertainment Inc (SCEI) is a joint venture of Sony Corporation and Sony Music Entertainment. SCEI directs the global PlayStation business from its offices in Tokyo and manages the Japanese and emerging South East Asian markets on a day to day basis. SCEI is also the parent company of Sony Computer Entertainment Europe and Sony Computer Entertainment America. In addition, SCEI has a significant software development division creating innovative, top quality, videogame entertainment for the global market.

Key Management Personnel

On March 9th 1999, Sony Computer Entertainment Inc. (SCEI) announced that the company had named Ken Kutaragi to succeed Teruhisa Tokunaka as President and Chief Executive Officer, effective April 1, 1999.

Mr. Kutaragi, currently representative director, executive vice president, co-chief operating officer of SCEI, and chairman of SCE America Inc., has played a key role since the inception of the PlayStation video game console. Under the leadership of Mr.Tokunaka and Mr.Kutaragi, PlayStation has become the world's most successful TV-based video game console with global sales of over 50 million units.

While Mr. Tokunaka will continue to serve on the board of SCEI as representative director and continue to play an active role at SCEI, Mr.Tokunaka will assume additional responsibilities as deputy-chief financial officer of Sony Corporation, parent company of SCEI.

Additionally, in order to enhance the strategic co-operation between SCEI and Sony Corporation, two senior executives from Sony Corporation, Mr.Nobuyuki Idei, president and co-CEO, and Mr.Tamotsu Iba, executive deputy president and chief financial officer, will join SCEI's board of directors (effective April 1, 1999). Mr.Iba will serve concurrently as chairman of SCEI.

The main mission of the new management team will be to lead SCEI into the new era of computer entertainment by integrating innovative computer technology with digital AV technology.

Development Studios

On April 1st 1998, SCEI established a new software development company named "Polyphony Digital Inc." The new company was incorporated from one of SCEI's existing development teams which had created GT and Motor Toon series. Polyphony Digital Inc joined a further 3 satellite studio companies that were formed by SCEI on October 16th, 1997.

By setting up these new studios SCEI hopes to provide a development environment that is both motivational and entrepreneurial. SCEI expects that a lot of new and unique software titles will be developed in the near future. The 4 companies will be working on software development for SCEI for the time being, however, in the future, there is a possibility that these companies may become independent.

A new compensation system is introduced for the creators, it is a royalty based system which is linked to the performance of their individual titles. Mr.Akira Sato, Executive Vice President at SCEI will supervise the 4 companies.

Please find below details of the four development companies:

* **Polyphony Digital Inc.**

Address:	8-5-26, Akasaka, Minato-ku, Tokyo Japan
Capital stock:	10 million yen (SCEI 100%)
Officers	Mr.Akira Sato (President & Representative Director) Mr.Kazunori Yamauchi (Corporate Executive Officer)
Stature:	Planning and development of computer software
Staff:	Approx. 20 people at the beginning
Titles developed by this group:	GT, Motor Toon Grand Prix

* **Arc Entertainment Inc.**

Address:	8-5-26, Akasaka, Minato-ku, Tokyo
Capital Stock:	100 million yen (SCEI 100%)
Officer:	Mr.Akira Sato (Representative Director) Mr.Ryoji Akagawa (Corporate Executive Officer)
Stature:	Planning and development of computer software
Staff:	Approx 10 persons at the beginning
Titles developed by this group:	Arc the Lad

* **Sugar and Rockets Inc.**

Address: 8-1-22, Akasaka, Minato-ku, Tokyo
Capital Stock: 100 million yen (SCEI 100%)
Officer: Mr.Akira Sato (Representative Director)
Mr.Tetsuji Yamamoto (Corporate Executive Officer)
Stature: Planning and development of computer software
Staff: Approx. 15 persons at the beginning
Titles developed by this group: IQ, Go! Go! Morikawa

*** Contrail Inc.**

Address: 7-1-15, Akasaka, Minato-ku, Tokyo
Capital Stock: 100 million yen (SCEI 100%)
Officer: Mr.Akira Sato (Representative Director)
Mr.Takahiro Kaneko (Corporate Executive Officer)
Stature: Planning and development of computer software
Staff: Approx 20 persons at the beginning
Titles developed by this group: Wild Arms