

SONY HISTORY

Sony's roots were planted in a bombed out Department Store in **Tokyo** in 1946. **Masaru Ibuka**, an Engineer and **Akio Morita**, a Physicist invested the equivalent of £845.00 to start a company with 20 employees repairing electrical equipment and attempting to build their own products.

The success story really began when Tokyo Tsuchin Kogyo, as the company was named, obtained a license in 1954 to make transistors. The transistor had been invented in America but it had not been applied to radios, which were valve driven appliances. Sony made Japan's first transistor in May 1954 and the first all-transistor radio.

Since then Sony has led the field in invention and innovation - with the first Trinitron Colour Television in 1968, the colour video-cassette in 1971, the Betamax VCR which was the world's first home use video system in 1975, the Walkman in 1979, the 3.5 inch micro floppy disk in 1989, an electronic camera in 1981, the world's first CD Player in 1982, the first consumer camcorder in 1983, 8mm video in 1988, the first digital VTR in 1985 and so on and so on through to 1995 with the launch of PlayStation.

In the 45 years since the company first began trading it has grown from 20 employees to over 100,000 people around the world. Akio Morita recognised from the beginning that his company needed to regard the whole world as their marketplace and not to restrict activities to Japan alone.

He also insisted that the Sony name be prominent on all the company's products. The company quickly became an international force. Sony Corporation of America was formed in 1960, Sony UK Limited was founded in 1968. Once products were being sold in a country it made sense to begin to manufacture them locally. A factory was established in San Diego in 1972, followed by the factory in Bridgend to service the UK and Europe in 1974. Akio Morita was determined to maintain the spirit of enterprise and innovation and avoid the company becoming a huge and bureaucratic entity. His philosophy can be described as "global localisation."

Operations were centred in small business groups which act as self-sufficient companies designing and developing products which are "sold" within the larger group. The corporate functions of Research, Strategic Planning as well as the Advertising and Marketing activities bind the diversity of companies together.

Sony has in recent years, turned its attention to establishing a lead position in the Software market having conquered the Hardware scene.

Having revolutionised the way that people listen to or view music and pictures Sony wanted to establish a presence in the production of Software products that play on Sony Hardware.

In January 1988 Sony bought CBS Records Inc. to form Sony Music Entertainment, and in 1989 Sony purchased Columbia Pictures , to form Sony Pictures Entertainment.

The launch of PlayStation was the culmination of a long term plan to take a lead in the burgeoning videogames market. In 1988 Sony had entered into a arrangement with Nintendo to develop a CD-ROM drive for the 16bit Super Famicom, a console that was due on the market in 18 months time.

The technology that was responsible for this deal was Sony's and Philips CD-ROM/XA, an extension of the CD-ROM format that combines compressed audio, visual and computer data, allowing all to be accessed simultaneously with the aid of extra hardware. Sony also had plans to develop another Nintendo compatible machine, a self-contained entertainment system that would play both SFC cartridges and a new CD format designed and solely licensed by Sony. Called SuperDisc this proprietary format would also form the basis of Nintendo's own CD-ROM drive - **PlayStation was born!**

Sony had long recognised the potential to create a new kind of videogame on CD-ROM through its vast entertainment resources within Sony Music and Sony Pictures. As the PlayStation began to take shape Nintendo felt increasingly sidelined and less relevant to Sony's plans. Nintendo perceived that Sony's success could threaten its survival and to the surprise and annoyance of Sony announced in 1991 that it had entered an agreement with Philips to develop a CD-ROM platform for Super Nintendo. After much legal wrangling Nintendo succeeded in extricating itself from the contract previously signed with Sony but the development of PlayStation continued on the basis that an agreement on the licensing of Nintendo CD Software would be reached.

At the end of 1992 Sony, Nintendo and Philips signed a deal whereby PlayStation would be able to run SNES CD-ROMs but left Nintendo with the sole rights to all its games. The version of PlayStation being developed at that time never made it into production.

But, having come so far Sony were not about to abandon the idea completely and the engineers and designers went back to their drawing boards and started again. When the PS-X surfaced in 1993 it took the industry pundits by storm. Sony had created its own thoroughbred games machine and advanced beyond existing formats. Sony had already learned the lesson that in addition to the best hardware it needed the support and recognition of the best Software developers. The company recruited the best and ensured that companies like Konami and Namco were involved from the earliest days. Sony knew that it would be a good move to use PlayStation as a breeding ground for Arcade products.

Sony has spent more than **£300 million** developing PlayStation and the investment has paid off. By August 1998 over 40 million units had been shipped worldwide.

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