

Corporate Governance/New Directors and Corporate Executive Officers

Sony is committed to strong corporate governance. As part of such efforts, Sony adopted a “Company with Committees” corporate governance system under the Japanese Company Law. In addition to complying with the requirements of laws and regulations, Sony also has introduced its own mechanisms to help make its governance system even more sound and transparent, including strengthening the separation of the Director’s function from that of management and advancing the proper functioning of the statutory committees. Under this system, the Board of Directors defines the respective areas for which each Corporate Executive Officer is responsible and delegates to them decision-making authority to manage the business, thereby promoting the prompt and efficient management of the Sony Group.

Governance Structure

Sony Corporation’s statutory bodies comprise the Board of Directors, three committees (the Nominating Committee, Audit Committee and Compensation Committee) and the Corporate Executive Officers. In addition to these statutory bodies, Sony has Corporate Executives who carry out business operations within designated areas.

Primary Roles of the Bodies

Board of Directors:

- Determines the fundamental management policies of the Sony Group
- Oversees the management of the Sony Group’s business operations
- Appoints and dismisses the statutory committee members
- Appoints and dismisses Corporate Executive Officers

Nominating Committee:

- Determines the content of proposals regarding the appointment/dismissal of Directors

Audit Committee:

- Audits the performance of duties by Directors and Corporate Executive Officers (with regard to preparation process of financial statements, disclosure controls and procedures, internal controls, compliance structure, risk management structure, internal audit structure, internal hotline system and other matters)
- Determines the content of proposals regarding the appointment/dismissal of, approves the compensation of, and oversees and evaluates the work of Sony’s independent auditors

Compensation Committee:

- Determines compensation for individual Directors, Corporate Executive Officers, Corporate Executives and Group Executives

Corporate Executive Officers:

- Make decisions regarding the execution of Sony Group business activities within the scope of the authority delegated to them by the Board of Directors

Corporate Executives:

- Carry out business operations within designated areas, including business units, research and development and/or headquarters functions, in accordance with the fundamental policies determined by the Board of Directors and the Corporate Executive Officers

Sony Initiatives

To strengthen its governance structure beyond legal requirements, Sony Corporation has added several provisions to its Charter of the Board of Directors to ensure the separation of the Board of Directors from the execution of business, and to advance the proper functioning of the statutory committees. The main provisions are as follows:

- Separating the roles of the Board chairperson/vice chairperson and Representative Corporate Executive Officers
- Limiting the number of terms outside Directors may serve and rotating committee memberships
- Appointing chairs of statutory committees from the ranks of outside Directors
- Setting forth qualifications for Directors for the purpose of eliminating conflicts of interest and ensuring independence
- Raising the minimum number of Nominating Committee members (five or more)
- Prohibiting the appointment of the CEO or COO of the Sony Group (or person at any equivalent position) to the Compensation Committee
- Discouraging the concurrent appointment of Audit Committee members to other committees
- At least two Directors of the Nominating Committee shall be Corporate Executive Officers
- As a general rule, at least one Director of the Compensation Committee shall be a Corporate Executive Officer

Meeting Record

During the fiscal year ended March 31, 2006 (fiscal year 2005), the Board of Directors convened eight times. The Nominating Committee met five times, the Audit Committee 11 times and the Compensation Committee seven times. In fiscal year 2005, each incumbent Director attended at least 75% of the aggregate number of meetings of the Board and Committees on which he/she served (during the period that he/she served).

Cooperation of the Audit Committee and the Internal Audit Division

Sony Corporation has an internal audit division, which coordinates with the internal audit departments of major subsidiaries around the world to promote Sony Group’s internal audit activities on a global basis. The Sony Corporation internal audit division makes periodic presentations to the Audit Committee (in fiscal year 2005, five times) and submits monthly reports to the Audit Committee. To help assure its independence, the appointment and dismissal of the person in charge of the Sony Corporation internal audit division is subject to the prior approval of the Audit Committee.

(Reference)

For an explanation as to the significant differences between the New York Stock Exchange’s corporate governance standards and Sony’s corporate governance practices, please visit us on the Internet at:

<http://www.sony.net/SonyInfo/IR/NYSEGovernance.html>

Structure of Sony Corporate Governance System

Supervision

Board of Directors

Determination of the fundamental management policies for the Sony Group
Oversight of management of Sony Group's business operations
Appointment and dismissal of the statutory committee members
Appointment and dismissal of Corporate Executive Officers

Chairman of the Board: Yotaro Kobayashi*

Vice Chairman of the Board: Hirobumi Kawano*

Sir Howard Stringer	Sony Corporation Chairman and Chief Executive Officer	Yoshihiko Miyauchi*	Director, Representative Executive Officer, Chairman and Chief Executive Officer, ORIX Corporation
Ryoji Chubachi	Sony Corporation President and Electronics CEO	Yoshiaki Yamauchi*	Director, Sumitomo Mitsui Financial Group, Inc.
Katsumi Ihara	Sony Corporation Executive Deputy President, Officer in charge of Procurement Strategies and TV & Video Business	Sir Peter Bonfield*	Member of the Board, Telefonaktiebolaget LM Ericsson
Akishige Okada*	Advisor, Sumitomo Mitsui Banking Corporation	Fueo Sumita*	Chief of Sumita Accounting Office
Hirobumi Kawano*	Senior Vice President, JFE Steel Corporation	Fujio Cho*	Chairman, Toyota Motor Corporation
Yotaro Kobayashi*	Chief Corporate Advisor, Fuji Xerox Co., Ltd.	Ned Lautenbach*	Operating Partner, Clayton, Dubilier & Rice, Inc.
Sakie T. Fukushima*	Representative Director & Regional Managing Director—Japan, Korn/Ferry International	Göran Lindahl	Chairman & CEO, LivSafe AB Chairman & CEO, LivSafe, Inc. Director, INGKA Holding B.V.
	Member of the Board, Korn/Ferry International, U.S.A.		

Nominating Committee

Yotaro Kobayashi* (Chairman)
Hirobumi Kawano*
Sir Peter Bonfield*
Sir Howard Stringer
Ryoji Chubachi

Audit Committee

Yoshiaki Yamauchi* (Chairman)
Sakie T. Fukushima*
Fueo Sumita*

Compensation Committee

Akishige Okada* (Chairman)
Yoshihiko Miyauchi*
Fujio Cho*
Göran Lindahl

* An outside director who satisfies the requirements under Item 15, Article 2 of the Japanese Company Law

Execution

Corporate Executive Officers

Execution of Sony Group Business activities within the scope of authority delegated by the Board of Directors

Sir Howard Stringer**	Chairman and Chief Executive Officer	Keiji Kimura	Executive Vice President, Officer in charge of Technology Strategies and Intellectual Property
Ryoji Chubachi**	President and Electronics CEO	Nicole Seligman	Executive Vice President and General Counsel
Katsumi Ihara**	Executive Deputy President, Officer in charge of Procurement Strategies and TV & Video Business	Yutaka Nakagawa	Executive Vice President, Officer in charge of Products Strategies, Digital Imaging Business and Audio Business
Nobuyuki Oneda	Executive Vice President and Chief Financial Officer		

** Representative Corporate Executive Officer concurrently serving as Director

(Names and positions of new Directors and Corporate Executive Officers as of July 30, 2006)