

(For reference)

Board of Directors' determination regarding internal control and governance framework pursuant to the Japanese Company Law

At a Board meeting held on April 26, 2006, the Board of Directors reaffirmed the existing internal control and governance framework and determined to continue to evaluate and improve such framework going forward, as appropriate. This determination met the requirements of the Japanese Company Law.

1 . Matters regarding directors and/or employees who support the execution of duties by the audit committee

“Audit committee supporting personnel” who assist the performance by the audit committee of its duties shall be designated by resolution of the Board of Directors. The audit committee supporting personnel, upon instruction by an audit committee member, conduct investigations and analysis on auditing matters as well as engage in physical inspections or visiting audits (either by themselves or by cooperating with relevant departments) in order to support the audit committee.

2 . Matters regarding independence of the above directors and/or employees

Audit committee supporting personnel are employees of Sony Corporation, and any appointment or dismissal thereof shall be subject to the approval of the audit committee. Performance of such personnel shall be evaluated by the audit committee. Such personnel shall be supervised by the audit committee and shall not concurrently hold positions related to the business operations of Sony Group.

3 . System of reporting to the audit committee by the corporate executive officers /employees and others

Corporate executive officers and employees periodically report the following matters to the audit committee. The contents of the report, frequency and person in charge are determined by the audit committee.

- Activity report of divisions in charge of internal controls of Sony Group (internal audit, accounting, finance, IR, compliance and others)
- Activity report of statutory auditors/audit committee members of Sony Group companies
- Material accounting policies/standards of Sony Group and revisions of the same (to be reported before such revisions)
- Contents of release of results and forecasts, contents of material disclosure documents (to be reported before release/disclosure)
- Accounting/finance-related materials
- Report of internal hotline system and of reports received
- Report from attorneys of violations of U.S. securities regulations, etc.
- Change of audit partners of independent auditors
- Appointment and dismissal of statutory auditors/audit committee members of Sony Group companies which are not subject to prior approval of the Audit Committee

In the event that a corporate executive officer recognizes any fact that will cause significant damage to Sony Group, he/she must immediately report the fact to the audit committee.

In addition to the above, the CEO and CFO of Sony Corporation shall, pursuant to the U.S. securities laws, report to the audit committee the following:

- i) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Sony's ability to record, process, summarize and report financial information; and
- ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in Sony's internal control over financial reporting.

4 . Other system to ensure effective audit by the audit committee

- Audit committee works with internal audit departments and statutory auditors of Sony Group companies in assessing the effectiveness of the internal control system of Sony Group.
- Audit committee supervises the independent auditor and pre-approves the independent auditor's audit plan, compensation, engagement in non-audit services and audit partner rotation. Audit committee financial expert receives reports from the independent auditor on accounting matters as necessary.

5 . System to ensure the corporate executive officers and employees' compliance with laws and Articles of Incorporation

Sony Corporation shall continue to communicate and promote the "Sony Group Code of Conduct" (regarding business ethics and compliance with laws/ regulations/ internal rules) and other important internal policies and rules to the officers and employees of Sony Group through its internal communication network and shall implement on-going education and training programs as appropriate. Both to help prevent and detect possible violations of laws or internal rules, Sony Corporation has established and maintained an internal hotline system independent of ordinary reporting structures. The performance of such internal hotline system is periodically reported to the audit committee by the responsible corporate executive officer or employee.

The compliance division of Sony Corporation shall engage in the above mission and continuously promote compliance activities, including by maintaining a group-wide compliance system through the "Compliance Network" (please refer to "System regarding compliance" in No. 9), and specifically by means of mechanisms including the following:

- i) "Delegations of Authority" (please refer to "System regarding decision-making" in No. 9) and other internal controls that limit ability to act other than as authorized.
- ii) Obligation to report misconduct to headquarters.
- iii) Compliance division's oversight "protocols" on compliance communication, education, enforcement and reporting.

6 . System regarding the retention/management of information relating to duties of corporate executive officers

Corporate executive officers retain and/or manage documents and any other information regarding their duties pursuant to the applicable laws and internal rules of Sony Corporation.

The following records shall be retained for at least 10 years:

- i) Records regarding decisions made by corporate executive officers
- ii) Records regarding decisions made by employees who are delegated the decision-making authority from corporate executive officers
- iii) Meeting minutes of the body that assists the representative corporate executive officers

7 . System regarding rules and other structure of risk management

Each business unit, subsidiary /affiliate and corporate division of Sony Group shall periodically review and assess business risks and establish and maintain necessary risk management systems (such as detection, communication, evaluation and response) for the business area of which they are in charge. In addition, the corporate executive officers of Sony Corporation shall have authority and responsibility to establish and maintain a system to identify and control risks that may cause losses to Sony Group regarding his/her area in charge. The corporate executive officer in charge of compliance shall comprehensively promote and manage the establishment and maintenance of such a system through the activities of compliance, internal audit and other relevant departments.

8 . System to ensure corporate executive officers' efficient execution of their duties

The Board of Directors of Sony Corporation has set forth the assignment of duties of corporate executive officers by clarifying the respective areas of which they are in charge and accordingly delegating its decision-making authority to the relevant corporate executive officers. Each corporate executive officer shall, through achieving its goal in its respective areas, endeavor to achieve the corporate business objectives of Sony Group. When execution of duties of a corporate executive officer affects the area

of another corporate executive officer who is not in his/her directing or supervising relationships, he/she shall discuss the matter with such corporate executive officer to pursue the best alternative for the Group, and as necessary ask for decision by a more senior corporate executive officer who supervises or is in charge of both areas. A corporate executive officer may delegate part of his/her duties to subordinate officers in accordance with the “Sony Corporation Delegation of Authority”.

9 . System to ensure the adequacy of business of the company and its affiliated companies

[System regarding decision-making]

The Board of Directors of Sony Corporation shall determine matters set forth in the applicable laws/ the Articles of Incorporation/ the Charter of the Board of Directors as well as oversee the performance of Sony Group’s business operations for the purpose of guiding Sony Group towards the enhancement of its corporate value. The corporate executive officers of Sony Corporation shall have group-wide responsibilities in connection with each area of which he/she is in charge, and shall endeavor to achieve the business objectives of the Sony Group.

In order to ensure that all material activities of Sony Group are reported to Sony management by subsidiaries and decided by appropriate decision-making persons/body, Sony Corporation has issued the “Sony Group Delegation of Authority” and implemented it to Sony Group companies as appropriate. The rule defines the items that need to be approved by the Sony Corporation management, items that are delegated to the subsidiaries’ own decision, and items that need to be reported to Sony Corporation. Also, Sony Corporation has issued the “Sony Corporation Delegation of Authority,” which defines the items that need to be approved by the Board of Directors, CEO, corporate executive officers or persons to whom authority is delegated by the corporate executive officers, and implemented it throughout Sony Corporation. (“Sony Group Delegation of Authority” and “Sony Corporation Delegation of Authority” are hereinafter referred to as “Delegations of Authority”.)

Persons who have decision-making authority pursuant to the “Delegations of Authority” are required to collect sufficient information on the issues to be decided, including the purpose, method, timing, cost, outcome and risk of the same, evaluate the same, and confirm that the decision is reasonably in the best interest of Sony Group.

[System regarding disclosure]

To ensure that all material information of Sony Group is timely and accurately disclosed in compliance with the Japanese/U.S. securities laws, as well as SEC rules and the listing standards of the stock exchanges on which Sony shares are listed, Sony Corporation has established and maintained a system of Disclosure Controls and Procedures (“DCP”).

As a body to assist the CEO, President and CFO of Sony Corporation in the design, implementation and evaluation of DCP, Sony Corporation has established the “Disclosure Committee,” which is comprised of senior management in charge of relevant departments. In order to assure appropriate and timely disclosure, the Disclosure Committee evaluates events that are applied/ reported from the important business units, subsidiaries, affiliated companies and corporate divisions in accordance with the “Delegations of Authority” and the separately-issued “Reporting Requirements for Material Event Disclosure”, in light of their materiality to the Sony Group. Based on such evaluation, the Disclosure Committee shall review the necessity of disclosure in accordance with applicable laws and regulations, as well as the listing standards of relevant stock exchanges, and report to the CEO and CFO for their determination.

[System regarding compliance]

Sony Corporation has established and maintained a compliance system and repeatedly communicated the importance of corporate ethics throughout the Sony Group. As a part thereof, Sony Corporation has adopted a “Sony Group Code of Conduct” and other important internal policies and rules to be commonly applied within Sony Group. Also, Sony Corporation has established and maintained an internal hotline system to encourage employees to report concerns or raise questions about possible violations of laws or internal rules.

In order to promote such activities, Sony Corporation has established a network (“Compliance Network”) comprised of the Sony Corporation compliance division and regional compliance divisions (Americas, Europe, East Asia and Pan Asia) cooperating to ensure compliance by group companies worldwide.

The Sony Corporation compliance division is responsible for establishing a group-wide compliance system and promotion of compliance activities. Regional compliance divisions are responsible for assisting the Sony Corporation compliance division in establishing compliance systems and promoting compliance with laws and internal policies and compliance activities in the regional subsidiaries. Each regional compliance officer, who is the head of the regional compliance division, has the

authority to achieve such responsibility including the authority to instruct and supervise the relevant regional subsidiaries with respect to such matters.

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