

(Translation)

Status for implementing internal control and governance framework

Sony aims to implement the system to ensure the adequacy of business approved by the Board as stated in Section 6 above. Below is a summary outlining Sony's implementation of the system during the fiscal year ended March 31, 2020.

1. Matters regarding the execution of duties by the Audit Committee

(1) Matters regarding Directors and/or employees of Sony who support the execution of duties by the Audit Committee

The Board designated the Audit Committee Aide as "Audit Committee Supporting Personnel" to assist the Audit Committee with the execution of its duties. The Audit Committee Aide, upon instruction by or under supervision of each Audit Committee member, investigated, analyzed and reported auditing matters as well as engaged in physical inspections or site visits. The Audit Committee Aide also cooperated with divisions in charge of internal controls, such as internal audit, accounting, finance, IR and compliance, as necessary.

(2) Matters regarding independence of the Audit Committee Supporting Personnel and matters to ensure the effectiveness of the Audit Committee's instructions to the Personnel

The appointment or dismissal of the Audit Committee Aide shall be subject to the approval of the Audit Committee. Upon instruction by or under supervision of each Audit Committee member, the Audit Committee Aide, who did not concurrently hold positions related to the business operations of Sony Group, performed its duties, as stated in Item 7.1 (1) above. The Audit Committee evaluated the performance of the Audit Committee Aide.

(3) System of reporting to the Audit Committee of Sony by the Directors (excluding a Director who is a member of the Audit Committee), the Corporate Executive Officers, the Accounting Advisors and employees, and system of reporting to the Audit Committee of Sony by the Directors, the Accounting Advisors, the Statutory Auditors, the Corporate Executive Officers of Sony Group Companies, or any personnel who execute their duties under Article 598, Paragraph 1 of the Companies Act, employees or certain personnel who received a report from the above, of Sony Group Companies

Sony has established internal rules regarding the authority of the Audit Committee and members thereof and the matters that should be reported to the Audit Committee. Sony has implemented these rules across the entire Sony Group. Any matters which should have been reported to the Audit Committee pursuant to these rules were properly reported to the Audit Committee

- (i) at deliberation at Audit Committee meetings (which were held six times); and
- (ii) as a result of the performance by the Audit Committee Aide supervised by the Audit Committee (such as attending meetings regarding material business operations, which were held two or more times per month, and monitoring approximately 430 decision-making records for the matters approved by Senior Executives).

(4) System to ensure any personnel who report on Item (3) above would not be treated unfavorably due to their report

Sony openly and repeatedly encouraged its personnel to raise ethics concerns and inquire how best to resolve them. Sony has established and maintains the Sony Group Code of Conduct and other internal rules that explicitly protect against retaliation for good faith reports of wrongdoing. Sony has also maintained many resources and reporting channels that are available to help personnel answer ethics questions or raise concerns, including the Sony Ethics & Compliance Hotline (the "Hotline"). The Hotline operates independently of ordinary internal reporting structures. Reports to the Hotline are administered by an independent third party that provides specially trained operators with broad language capabilities, handled confidentially, and anonymous to the extent allowed by local law. During the fiscal year ended March 31, 2020, the Hotline received approximately 440 reports across the Sony Group and follow-up was conducted, as appropriate.

(5) Matters regarding the procedures for prepayment or reimbursement of expenses resulting from the execution of duties by the Audit Committee members and the policy for any expenses or liabilities resulting from the execution of their duties

Sony paid all the expenses of the Audit Committee and members thereof, based on the Audit Committee and its members' activity plan and budget plan. These expenses included any expenses necessary for the performance of the Audit Committee's duties, including obtaining or updating knowledge necessary for its activities (such as participation fees for external associations).

(6) Other system to ensure effective audit by the Audit Committee of Sony

The Audit Committee conducted an "Organization Audit" by working with the internal audit division of Sony and divisions within Sony Group in charge of internal controls, in addition to the usual monitoring activities conducted by each Audit Committee member and the Audit Committee Aide. These departments and divisions periodically provided reports to the Audit Committee members at Audit Committee meetings and other meetings of the Audit Committee Aide and also provided reports on the status or results of investigations per the Audit Committee's request as necessary. In addition, the internal audit division of Sony provided reports to the Audit Committee on a quarterly basis on the audit conducted in order to evaluate the effectiveness of the internal control system relating to the financial reporting of Sony Group.

The appointment or dismissal of the person in charge of the internal audit division of Sony is subject to prior approval of the Audit Committee, and the appointment or dismissal of persons such as statutory auditors, Audit Committee members of Sony Group Companies, heads of internal audit in each region of Sony Group, and heads of internal audit in each business domain of Sony Group, is also subject to prior approval of the Audit Committee or a report to the Audit Committee, as the Audit Committee designates. The Audit Committee approved in advance, or received the relevant reports regarding, such appointments or dismissals in line with the system.

To assess the eligibility and the independence of the independent auditor and the adequacy of the audit by such independent auditor, (1) the Audit Committee received a report from the independent auditor that the organization of quality control of the auditor, the independence, professional ethics, expertise and the effectiveness and the efficiency of the audit, and confirmed the report., (2) the Audit Committee pre-confirmed the audit plan at the beginning of the fiscal year, pre-approved the independent auditor's compensation. In addition, the Audit Committee received a report from the independent auditor that the process of the audit periodically and its compensation, and confirmed the report, (3) the Audit Committee received the independent auditor's report of its procedures and the results of its audit for the prior fiscal year, including the results of the independent auditor's review of quarterly financial reports during such period, and evaluated the report, and (4) the Audit Committee received a report of the audit activities from the divisions in charge of internal controls of Sony Group, and heard opinions concerning reappointment of the Independent Auditor. As a result of the evaluation, the Audit Committee

concluded that the audit measures by the independent auditor and the results of the independent auditor's audit were adequate.

2. System to ensure the Corporate Executive Officers' compliance with laws and Articles of Incorporation and system to ensure the adequacy of business of the Sony and Sony Group Companies

(1) System to ensure the execution of duties by the Corporate Executive Officers, employees of Sony and Directors and Officers of Sony Group Companies in compliance with laws and the Articles of Incorporation

Sony has a strong and well-established commitment to ethical business conduct and compliance with applicable laws and regulations. Sony's leadership has strived continually to demonstrate this commitment by leading through example. Sony has also established the Compliance Network to facilitate cooperation between the compliance division of Sony and regional compliance offices in each of the following regions: Americas, Europe, Japan, East Asia and Pan-Asia. The compliance personnel implemented Sony's commitment to ethics and compliance through a mix of messaging, policies, training and auditing for the fiscal year ended March 31, 2020.

The Sony Group Code of Conduct anchors the compliance program and provides a statement of Sony's core values and general guidance on key subjects and risk areas.

Sony openly and repeatedly encouraged its personnel to raise ethics concerns and inquire how best to resolve them. Sony has established and maintains the Sony Group Code of Conduct and other internal rules that explicitly protect against retaliation for good faith reports of wrongdoing. Sony has also maintained many resources and reporting channels that were available to help personnel answer ethics questions or raise concerns, including the Hotline. The Hotline operates independently of ordinary internal reporting structures. Reports to the Hotline are administered by an independent third party that provides specially trained operators with broad language capabilities, handled confidentially, and anonymous to the extent allowed by local law. The Audit Committee received monthly reports of compliance program and Hotline activities, as well as periodic in-person updates. During the fiscal year ended March 31, 2020, the Hotline received approximately 440 reports across the Sony Group and follow-up was conducted, as appropriate.

Sony has established and maintains a system of "Disclosure Controls and Procedures" as an internal rule and has also implemented this system among important business units of Sony Group, subsidiaries, affiliated companies and corporate divisions. To assist the CEO and the CFO of Sony in the design, implementation and evaluation of the "Disclosure Controls and Procedures," Sony has also established the "Disclosure Committee," which is comprised of senior management in charge of relevant departments. The Disclosure Committee evaluated the potential materiality to Sony Group of events and reviewed the necessity of disclosure of such events in accordance with applicable laws and regulations, as well as the listing standards of relevant stock exchanges, and reported its views to the CEO and the CFO for their consideration. The Disclosure Committee also conducted an annual review of the Disclosure Controls and Procedures, as appropriate.

(2) System to ensure Corporate Executive Officers of Sony, and Directors and Officers of Sony Group Companies' efficient execution of their duties

In order to ensure efficient decision-making in a timely manner, Sony has issued and implemented the "Sony Corporation Delegation of Authority" and other internal rules.

Sony has also issued and implemented the "Sony Group Delegation of Authority" to ensure that all material items of Sony Group are reported to Sony management by Sony Group Companies and decided by the appropriate decision-making persons or body of Sony.

Persons who have decision-making authority pursuant to the “Sony Corporation Delegation of Authority” or “Sony Group Delegation 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 ensure that decisions are reasonably in the best interest of Sony Group.

Sony reviewed these internal rules considering Sony’s business environment and management structures as appropriate.

(3) System regarding rules and other structure of risk management

Each business unit, subsidiary/affiliated companies and corporate division of Sony Group periodically reviewed and assessed risks for the area of which they are in charge and worked on finding, reporting, reviewing and responding to the risks. In addition, Senior Executives including the Corporate Executive Officers of Sony have established 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 group risk control comprehensively promoted and managed the establishment and maintenance of the systems as stated above through the activities with related departments.

(4) System of reporting to Sony regarding matters related to the execution of the duties of Directors and Officers of Sony Group Companies

Sony has issued and implemented the “Sony Group Delegation of Authority”, “Disclosure Controls and Procedures” and other internal rules that explicitly state certain items for which Sony Group Companies are required to obtain prior approval, or report to, the management of Sony. Under this system, Sony received reports periodically (directly or indirectly) on the financial status of each of the Sony Group Companies and/or information material to the entire Sony Group. For examples, Sony received such reports (i) at meetings deliberating on or determining the annual budget plan or mid-range business plan, (ii) at meetings for material business operations regarding Sony and Sony Group Companies and (iii) in connection with the accounting department’s review of monthly financial statements.

(5) System regarding the retention/management of information relating to duties of Corporate Executive Officers

Sony has established internal rules relating to the retention and management of documents and other information relating to the duties of Senior Executives including Corporate Executive Officers and has implemented these rules throughout Sony Group. The following records are retained for at least 10 years:

- i) Records regarding decisions made by Senior Executives including Corporate Executive Officers;
- ii) Records regarding decisions made by employees who are delegated the decision-making authority from Senior Executives; and
- iii) Meeting minutes of the body that assists the duties of the CEO and the CFO

Sony also has properly retained or managed other information to the extent required by applicable laws or Sony internal rules.