

Internal Control Report (English summary)

Pursuant to: Japanese Financial Instruments and Exchange Law, Regulation 24-4-4-1

Administrative division for filing: Director of Kanto Local Finance Bureau

Filing date: June 27, 2011

1. Matters Related to the Basic Framework for Internal Controls on Financial Reporting

The President and Representative Director of Sony Financial Holdings Inc. (“SFH”), Katsumi Ihara, is responsible for the maintenance and management of internal controls on SFH’s financial reporting, and he maintains and manages internal controls on financial reporting based on the framework as outlined in “On the Setting of the Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control Over Financial Reporting (Council Opinions),” published by the Business Accounting Council.

The purpose of internal control is to achieve, within reason, a unifying function in which the fundamental internal control elements are organically linked. Therefore, internal controls on financial reporting cannot always ensure the prevention or discovery of misstatements in the presentation of financial reporting.

2. Matters Related to the Scope of Evaluation, Record Dates and Evaluation Procedures

The record date for the evaluation of internal controls on financial reporting is the last day of the fiscal year ended March 31, 2011. The evaluation is based on generally accepted evaluation standards for internal controls on financial reporting.

We evaluated internal controls that materially affect overall consolidated financial reporting (company level control). Based on these results, we selected specific business process to evaluate, analyzed the selected business process and determined internal control factors that materially affect the credibility of the financial reports. We evaluated the effectiveness of the internal controls by evaluating maintenance and management conditions relating to internal control factors.

We determined the scope of evaluation of internal controls on financial reporting from the perspective of their materiality to the credibility of financial reporting among SFH, its consolidated subsidiaries and its affiliated company accounted for under the equity method. The materiality to the credibility of financial reporting is determined from quantitative and qualitative perspectives. We rationally determined the evaluation scope of business process control, based on evaluation results of company level control, applying to SFH and its consolidated subsidiaries, Sony Life Insurance Co., Ltd., Sony Assurance Inc. and Sony Bank Inc. SFH’s two of consolidated subsidiaries and two of equity-method affiliates were determined to be immaterial from quantitative and qualitative perspectives. Therefore, they were excluded from the evaluation of company level control.

The evaluation scope of business process control are SFH, its major subsidiaries in the life

insurance, non-life insurance and banking businesses, and operational bases, either of whose ordinary revenues before the elimination of internal transactions or whose total assets reached more than two-thirds of the sum of ordinary revenues or total assets of all operational bases. Such operational bases were determined to be “principal bases of operations,” and SFH, Sony Life Insurance Co., Ltd., Sony Assurance Inc. and Sony Bank Inc. were selected. At each selected base of operations, business processes related to accounting items that have a material impact on corporate operational objectives—including income from insurance premiums, insurance claims and other payments, policy reserves, deposits, loans, securities and other items—were determined to be within the scope of evaluation. Other than the selected principal bases of operations, added to the scope of evaluation were business processes relating to important accounting items that present a high possibility of occurrence of material misstatements, estimates and forecasts, and business process related to operations or businesses involved in high-risk transactions.

3. Matters Relating to Evaluation Results

In regard to the aforementioned evaluation results, we judged the internal controls on financial reporting effective as of March 31, 2010.

4. Additional Matters

None

5. Special Matters

None