

March 25, 2026
Sony Group Corporation

Announcement Regarding the Discontinuation of Development and Launch of Sony
Honda Mobility's Electric Vehicle Models and the Review of Its Business Direction

Sony Group Corporation ("Sony"), Honda Motor Co., Ltd. ("Honda") and Sony Honda Mobility Inc. ("SHM"), a joint venture between Sony and Honda, today announced that SHM has decided to discontinue the development and launch of its first model, AFEELA 1, as well as its second model of AFEELA-branded vehicles that had been under development (collectively, the "Models"), and that the three companies will review SHM's business direction. For details, please refer to the attached press releases.

Sony accounts for SHM using the equity method, and records its 50% share of SHM's net income after taxes as operating income in All Other in its consolidated results. Sony continues to evaluate the impact that the discontinuation of the Models would have on Sony's consolidated results of operations and financial position for the fiscal years ending March 2026 and 2027. However, SHM has been conducting its business under an asset-light approach, and Sony believes that the impact will not be material to Sony's consolidated results of operations and financial position.

Sony will continue to collaborate and hold discussions with Honda and SHM regarding SHM's future business direction and intends to provide further updates when available.

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Discontinuation of Development and Launch of AFEELA 1 and the Second Model of AFEELA Vehicles

Tokyo, Japan - March 25, 2026 – Sony Honda Mobility Inc. (“SHM”) today announced that it has decided to discontinue the development and launch of its first model, AFEELA 1, and its second model of AFEELA vehicles that had been under development (collectively, the “Models”). SHM’s decision comes following discussions between its parent companies, Sony Group Corporation (“Sony”) and Honda Motor Co., Ltd. (“Honda”),

Since its establishment in September 2022, SHM has aimed to develop and sell high value-added mobility products and to provide mobility-related services by combining the technologies, expertise, and development capabilities of Sony and Honda. However, as a result of Honda’s reassessment of its automobile electrification strategy announced on March 12, 2026, SHM will not be able to utilize certain technologies and assets that were originally planned to be provided by Honda at the time of SHM’s initial business planning. In light of this change, SHM has determined that it does not have a viable path forward to bring the Models to market as originally planned.

As a result of this decision, SHM will issue full refunds of the reservation fees received for current holders of reservations for AFEELA 1 in California in the U.S.

SHM will continue discussions with Sony and Honda regarding its future business plans.



March 25, 2026
Sony Group Corporation
Honda Motor Co., Ltd.

**JOINT STATEMENT FROM SONY GROUP CORPORATION AND HONDA MOTOR CO., LTD.
REGARDING THE REVIEW OF SONY HONDA MOBILITY'S BUSINESS DIRECTION**

Tokyo, Japan - Since its establishment in September 2022, Sony Honda Mobility Inc. ("SHM"), the joint venture ("JV") formed by Sony Group Corporation ("Sony") and Honda Motor Co., Ltd. ("Honda") has aimed to develop and sell high value-added mobility products and to provide mobility-related services by combining the technologies, expertise, and development capabilities of Sony and Honda.

However, as a result of Honda's reassessment of its automobile electrification strategy announced on March 12, 2026 and factoring the changes to the EV market, the underlying assumptions of SHM's business operations such as the utilization of certain technologies and assets planned to be provided by Honda were fundamentally altered, resulting in the announcement by SHM today to discontinue the development and launch of its first model, AFEELA 1, and its second model. At the same time, Sony, Honda and SHM have determined to review SHM's business direction.

Sony, Honda and SHM will continue to discuss and evaluate the future of SHM, taking into account the initial purpose of the JV establishment as well as the latest EV market environment, and intend to jointly announce SHM's future direction, mid to long-term positioning as well as contributions to the future of mobility at the earliest possible opportunity.