GXA released the “Annual Report FY2025”

GX Acceleration Agency published the “Annual Report FY2025”, highlighting its key activities during FY2025.

GX Acceleration Agency (GXA) published the “Annual Report FY2025”, highlighting its key activities during FY2025.

As GXA entered its second year of operation, FY2025 marked significant progress in advancing Japan’s GX strategy. Key milestones included decisions on debt guarantees and equity investment under GXA’s financial support programs, preparation for the launch of emission trading system, and further enhancement of the GX Hub functions.

This report also provides an overview of the role and future direction of GXA, together with a summary of its major initiatives and accomplishments.

GXA will work to accelerate progress of GX, aiming to simultaneously achieve stable energy supply, economic growth and decarbonization, as a central hub of public-private collaboration.

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Please replace the “★” with “@” when sending an email.

GXA Annual Report FY2025

July 2026

GX Acceleration Agency (GXA), Japan

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01 | Message from Chairperson & COO

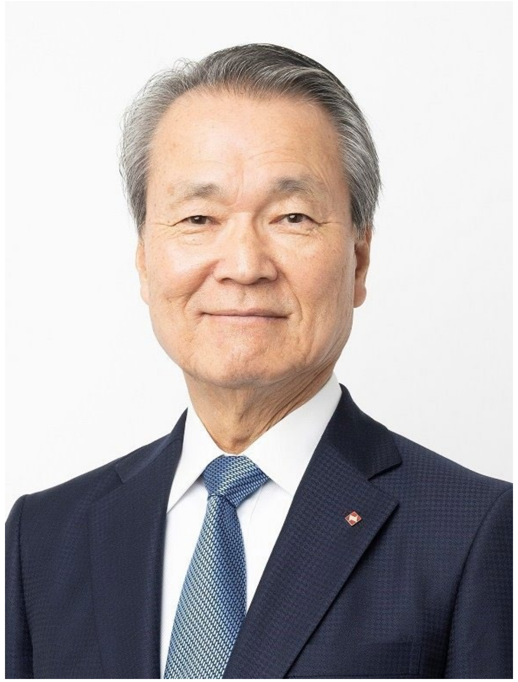
Message from Chairperson

FY2025 marked an important milestone for GXA as we entered our second year of operation and began translating our vision and preparations into tangible action.

Over the past year, the environment surrounding GX has evolved significantly. The international landscape has become increasingly complex due to rising geopolitical tensions, uncertainty surrounding energy supplies, and shifts in policy priorities across countries. Yet the fundamental challenge of climate change remains unchanged, and the urgency and importance of action have not diminished. Rather, these developments reinforce the need to accelerate GX as a pathway to achieving stable energy supply, economic growth, and decarbonization simultaneously.

Against this backdrop, GXA has been advancing concrete initiatives through our three pillars of financial support, carbon pricing, and our hub functions, to demonstrate that Japan's GX is entering the implementation phase. In the area of financial support, we announced debt guarantees and equity investments to stimulate the flow of private capital for GX. As for carbon pricing, we have steadily prepared for the operation of emission trading system starting from FY2026. Through our hub function, we expanded networks across industry, the financial sector, and government, including preparations for the launch of the GX Future Consortium and enhanced international engagement. Taken together, these efforts demonstrate that GXA has entered a new stage in fulfilling its mission as a core institution for advancing GX.

GX is a long-term structural transformation that cannot be achieved overnight. Precisely because we live in an era of heightened uncertainty, it is essential that we remain focused on our objectives and continue taking steady action. We remain fully committed to our responsibility as a central hub for public-private collaboration, and work toward further realization and acceleration of GX.



GX Acceleration Agency (GXA)
Chairperson
TSUTSUI Yoshinobu

Message from COO

Over the year and nine months since our launch, GX Acceleration Agency (GXA) has successfully ignited our three core functions.

In its financial support function, we provided our debt guarantees for four major projects in GX priority areas. Through intensive discussions with project developers and financial institutions, we have deepened our understanding of the practical challenges associated with GX investment and strengthened our ability to support such projects effectively. Drawing on the experience gained through close engagement with stakeholders, we will actively pursue financial support to further accelerate GX for areas where private sector finds it difficult to make investment decisions.

Regarding carbon pricing, we have been learning from leading international examples, and we are pleased to announce that Japan's first mandatory Emission Trading System (ETS) has been kicked off from FY2026. As the first year of its implementation, we will make sure to establish reliable operations in line with the objectives of the "Pro-Growth Carbon Pricing Concept."

Through our GX hub function, we have achieved tangible results in the several GX strategic priority issues. In FY2026, we will continue addressing GX related challenges and help resolve them. GX Future Consortium, formed through the strategic merger of the TCFD Consortium and the GX League, has started its activities from FY2026. We will steadily continue fostering partnership among over 1,400 member companies as well as collaboration among industry, financial and governmental sectors. We will also continue to communicate Japan's GX initiatives and their value both domestically and internationally.

Amid growing uncertainty in the global landscape, the importance of GX, which aims to simultaneously achieve economic growth and decarbonization, with stable energy supply as a fundamental prerequisite, is greater than ever. As GXA enters its third year, we are moving into the new phase in its role toward the "acceleration of GX implementation". Building on the foundations established over the past two years, we will further expand our activities and drive the transition from ambition to action.

GX Acceleration Agency (GXA)
COO
SHIGETAKE Naoki

02 GXA Profile

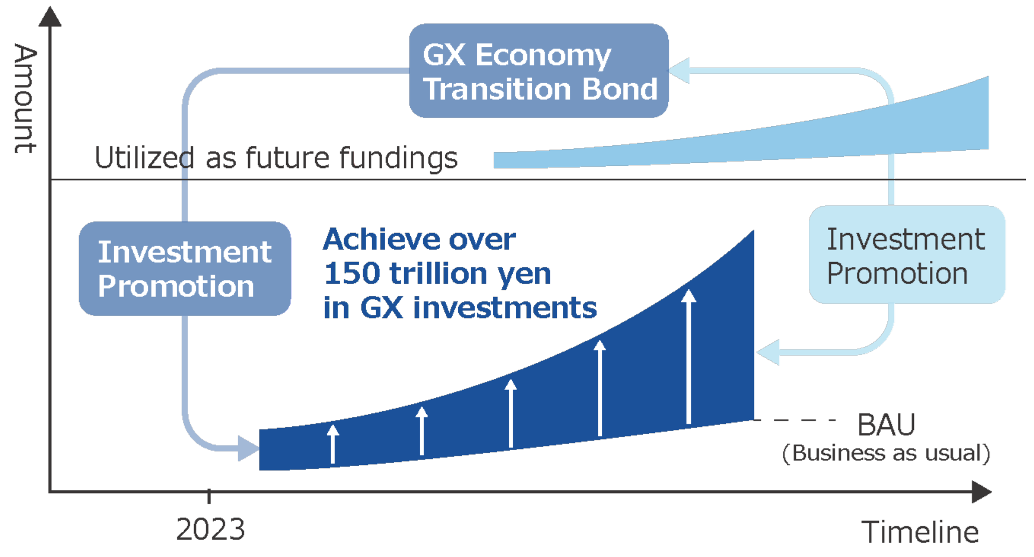
"GX" Initiative promoted by Japan

We also work towards achieving **economic growth** and **decarbonization** simultaneously, with **stable energy supply** as a fundamental prerequisite.

- To achieve this, Japan aims to **mobilize over 150 trillion yen in public and private GX investments over a decade**.
- To support upfront investment, the Japanese government will **issue GX Economy Transition Bonds** totaling 20 trillion yen over a decade.
- In addition, **"Pro-Growth Carbon Pricing Concept"** is introduced to put a price on carbon emissions and increase the value of GX-related products and businesses. Together with support measures, we will establish incentive systems to encourage businesses taking the lead in GX initiatives. The Climate Transition Bonds will be repaid through the revenue from fossil fuel surcharges and paid auction.

Pro-Growth Carbon Pricing Concept

＜Carbon Pricing＞
・Carbon Surcharges for Fossil Fuels（From FY2028）
・Allowance auction for power generation companies (From FY2033)
＊Operation of ETS trading market (From FY2026）
＊GX Economy transition bonds to be redeemed by FY 2050.



GX as the Core Driver of Japan's Growth Strategy

Japan will steadily advance GX by simultaneously pursuing stable energy supply, economic growth, and decarbonization. Focusing on **stable energy supply** and **economic growth** more than ever before, Japan will incorporate unique approaches—such as **multi-year commitments**, **public-private partnerships**, and **both supply- and demand-side initiatives**—to strategically concentrate **Crisis Management Investment as well as Growth Investment**.

Driving "Three Core Investments" and an Integrated Domestic and International Industrial Strategy

GX investment related to enhancing a stable supply of energy

①Development of next-generation domestic energy including Perovskite solar cells, advanced geothermal, and fusion energy
②Supporting grid enhancement and decarbonized power sources, including hydro and nuclear power
③Advancing next-generation power (hydrogen and ammonia)

Investment in the development of GX industrial clusters

①Regeneration of petro-chemical industrial complex (Kombinat)
②Efficient development of data center accumulations
③Industrial complex utilizing decarbonized power sources

→ **Regional Future Strategy**
Strategic establishment of regional Industrial clusters

GX growth investment for the future

①World-leading new GX industries: including automotive, batteries, AI/semiconductors, and GX material industries.
②Energy efficiency investment for SMEs
③GX-related lifestyles: including insulated windows and GX-driven housing

Establishing global markets through Initiatives such as AZEC

→ **Japan's Growth Strategy**
Realizing a strong economy through Strategic Crisis Management and Growth Investments

Source）Materials for the GX Implementation Council"(December 22, 2025 | GX Implementation Promotion Office, Cabinet Secretariat)

GX Acceleration Agency (GXA)

GX Acceleration Agency was established under the GX Promotion Act, with official approval granted by the METI in April 2024 and commenced its operations in July 2024.

1. Financial Support

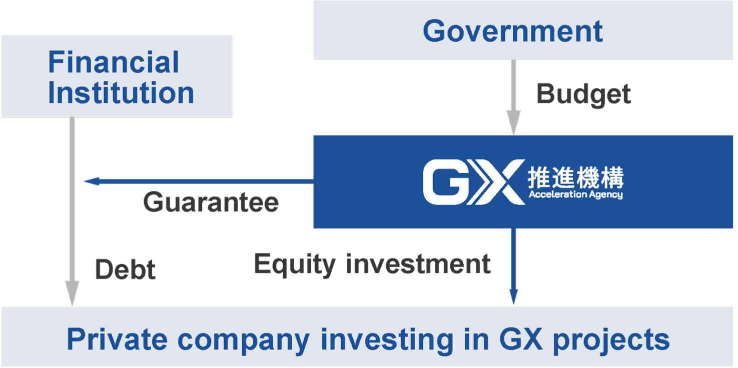
Provide financial support, such as debt guarantee and equity investment, to mobilize over 150 trillion yen in public and private GX investments over the next ten years.

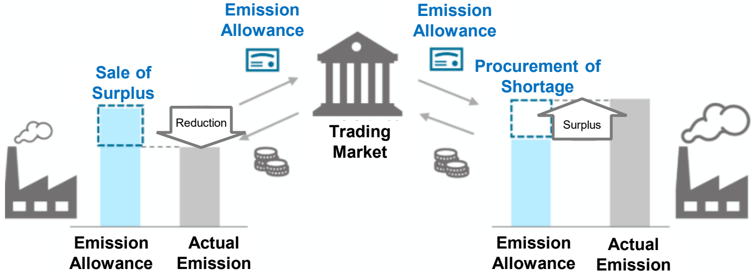
2. Administration of Carbon Pricing

Administration of Emissions Trading System and carbon surcharges for fossil fuels

3. GX Hub Function

Research on GX policies, promotion of corporate partnerships, climate change disclosure, and new financial approaches both at home and abroad.





- Supporting collaboration across companies and between the public and private sectors to proactively identify and develop new GX Projects
- Fostering active dialogue on GX policies and sustainability initiatives, communicating insights both at home and abroad

Governance and Operation Structure

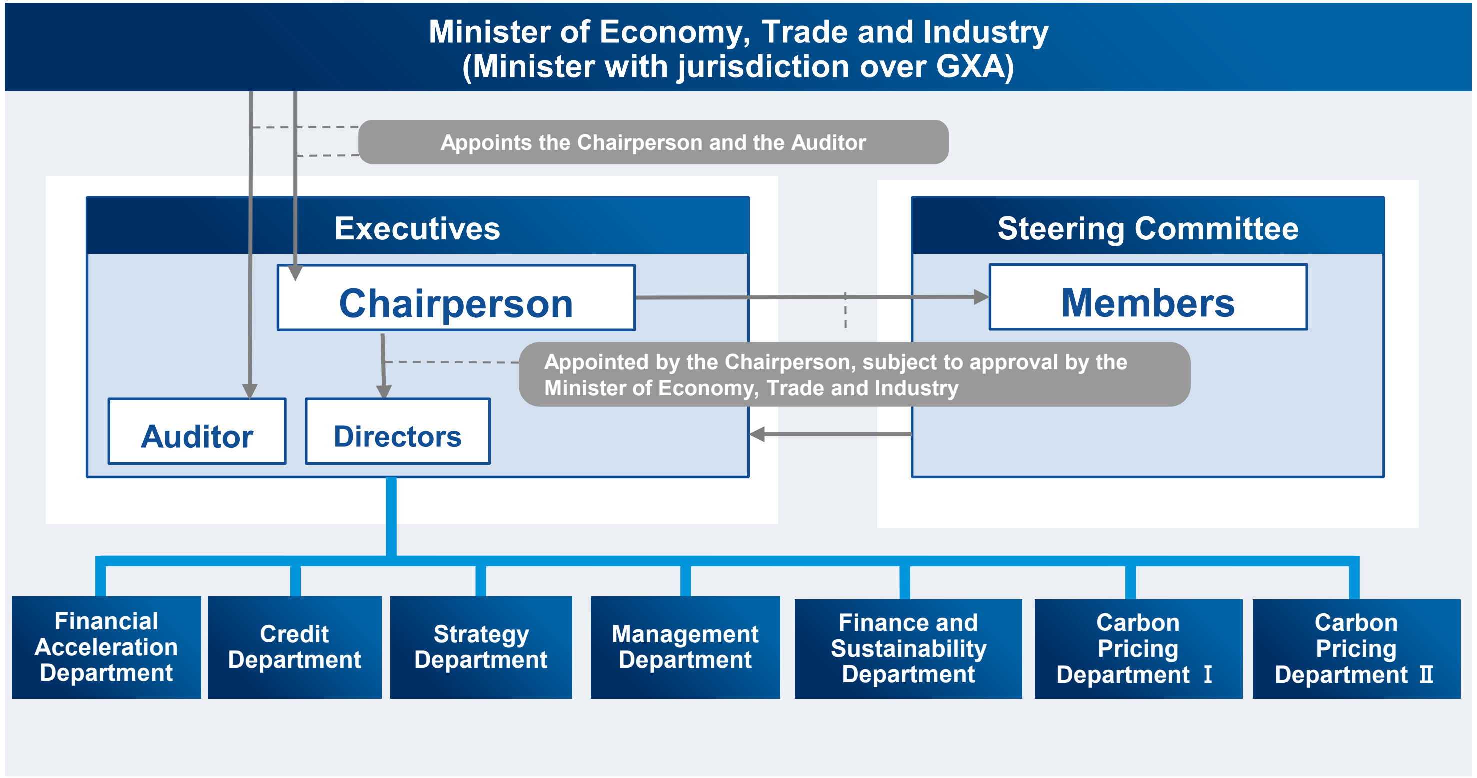
GXA is governed and operates in accordance with the GX Promotion Act and the Agency‘s Articles of Incorporation.

The Steering Committee has been established in accordance with the GX Promotion Act, and The Board of Directors has been formed based on the Agency’s Articles of Incorporation.

The Board of Directors act as a management execution team led by the Chairperson to manage organizational operations, including business and financial planning.

On the other hand, the Steering Committee is responsible for making decisions on critical organizational matters and monitoring the activities of the Board of Directors. It achieves this by conducting objective and transparent discussions regarding proposals submitted by the Board.

Internal control is ensured by allowing Auditor to attend Board of Directors meetings and provide his/her opinions. Furthermore, the Steering Committee, which votes on significant matters, is composed of the Chairperson, Directors, and external experts, thereby maintaining a robust governance structure.



*As of July 1, 2026

Review of FY 2025

Financial Support	・GXA provided its first financial support for deep-tech startups with innovative GX technologies and offered debt guarantees for the decarbonization of steel industry, material industry, and investments in decarbonized power sources. ・Impact evaluation and environmental screening were conducted, and technical review was performed in accordance with the collaboration agreement with AIST Group. ・G-FES was being held to build an ecosystem that supports the growth of deep tech start-ups. ・GXA signed a Memorandum of Cooperation (MOC) with InnoEnergy and the JETRO to build and strengthen innovation ecosystems both at home and abroad.
Carbon Pricing	・While establishing carbon pricing department, we cooperated with government for preparation required to operate the system. ・To ensure proper operation of the system, we developed a website for covered entities and third party verification bodies. Also, we cooperated with METI in its review of applications for registration as a third party verification body.
GX Hub	・GXA prepared for establishing the “GX Future Consortium”, reorganizing and integrating the function of TCFD Consortium and GX League. ・We worked to further strengthen our information dissemination capabilities by participating in GX-related events such as the “GGX Finance Summit.” ・As strengthening our GX strategy function, we conducted and published the result of a study on building an offshore wind power supply chain which the market is expected to grow, and survey of price-pass through and demand trends of GX products.

03 | Financial Support

Basic conditions and Requirements for Financial Support

Financial support will be provided in accordance with Japan Climate Transition Bond Framework.

Japan Climate Transition Bond Framework

Basic conditions

Ⅰ	Efforts that are truly difficult to make investment decisions solely by the private sector	
Ⅱ	Efforts that contribute to strengthening industrial competitiveness, economic growth and emission reduction, all of which are essential for achieving GX	
Ⅲ	Integration with regulatory regime and system that changes corporate investment and demand-side behavior	
Ⅳ	Efforts that contribute to the expansion of domestic investment including support for human capital development	

Requirements

In addition to the basic conditions, prioritization will be conducted by identifying projects that meet one of the A-C requirements related to strengthening industrial competitiveness and economic growth, as well as one of the 1-3 requirements related to emission reduction

Enhancing industrial competitiveness & Economic growth

A Growth investments for **technological or business innovation** to acquire oversea demand and expand domestic demand

or B Growth investments **for advanced technologies** contribute to both the **reduction of fossil fuel & energy consumption and enhancement of the profitability**

or C **Measures to address domestic demand in the initial stage of introducing key products** with the potential **for nationwide** market

Emission Reduction

① **Investment for R&D** to contribute to **future domestic emission reduction** through technological innovation

or ② **CAPEX** with high technological emission reduction effect that contributes for **direct domestic emission reduction**, etc.

or ③ **Measures to address domestic demand in the initial stage of introducing key products** with **the nationwide demand** and long-term high reduction effect

Source: "Japan Climate Transition Bond Framework" https://www.meti.go.jp/policy/energy_environment/global_warming/climate_transition_bond_framework_en.pdf

Target Sectors for Financial Support

We will provide financial support in accordance with “Japan Climate Transition Bond Framework”, “GX 2040 Vision”, and “Sector-specific Investment Strategy”.

Main Targets Sectors for Financial Support

Classification in Japanese Climate Transition Bond Framework

Energy efficiency	Promotion of thorough energy efficiency improvement, housing and buildings, digital investment aimed at decarbonization, and battery industry
Renewable energy	Making renewable energy a major source of power, infrastructure
Low-carbon and decarbonized energy	Utilization of nuclear power, establishing electricity and gas markets to achieve net zero
Clean transportation	GX in transport sector, infrastructure
Circular economy adapted products , production technologies and processes	Restructuring the manufacturing industry (fuel and feedstocks transition), facilitating introduction of hydrogen and ammonia, carbon recycling and CCS
Environmentally sustainable management of living natural resources and land use, circular economy	Food, agriculture, forestry, and fisheries industry, resource circulation

GX 2040 Vision

GX Industrial Structure, GX Industrial Location, importance of a realistic transition and contribution to global decarbonization, initiatives in individual fields to accelerate GX, Pro-Growth Carbon Pricing Concept, just transition

Main Targets in Sector-specific Investment Strategy

Energy	Hydrogen, ammonia, nuclear power, fusion energy, next-generation renewable energy (Perovskite solar cells, floating offshore wind, advanced geothermal), carbon capture and storage (CCS)
Manufacture	Steel(large-scale innovative electric furnaces and direct reduction), chemicals (fuel conversion), pulp and paper, cement
Transportation	Automobile, storage batteries, aircraft, sustainable aviation fuel (SAF) , ships (hydrogen and ammonia-fueled ships)
Lifestyles/ circular economy/ semiconductor	Circular economy (recycled materials) , AI, semiconductors, data center

Financial Support Criteria

We provide financial support in accordance with financial support criteria established by the Minister of Economy, Trade and Industry under the GX Promotion Act.

Standards to be followed by GXA in providing financial assistance

1. Consistency with government policy
2. Social implementation of GX technology or promotion of business which contribute to GX
3. Risks that private sectors are difficult to cover
4. Comprehensive assessment beyond mere business sustainability
5. Need for an appropriate management and business promotion framework

Matters GXA should address regarding financial support

1. Proactive approach to taking calculated risks
2. Ensuring an appropriate financial support system
3. Coordination with overall government policies
4. Human resources development for GX promotion
5. Collaboration with stakeholders
6. Information disclosure to ensure transparency

GXA's Financial Support Criteria (Only in Japanese): https://www.cas.go.jp/jp/seisaku/gx_jikkou_kaigi/pdf/kijun_kaiseigo.pdf

Overview of Debt Guarantee and Its Categories

- Debt guarantees are implemented in accordance with the Debt Guarantee Guidelines.

Three Categories of Eligible Debt Guarantees

Category 1	Debt guarantees for **projects that contribute to GX** incorporating **innovative GX technologies**
Category 2	Debt guarantees for **GX-contributing projects** that do **not belong to Category 1**
Category 3	Debt guarantees for corporates raising funds through **Transition Finance**

GXA actively takes on various risks that are beyond the capacity of private-sector financial institutions to assume, driving socially meaningful initiatives to accelerate GX

Overview of Debt Guarantee and Its Coverage Ratio

Coverage Ratio of each category

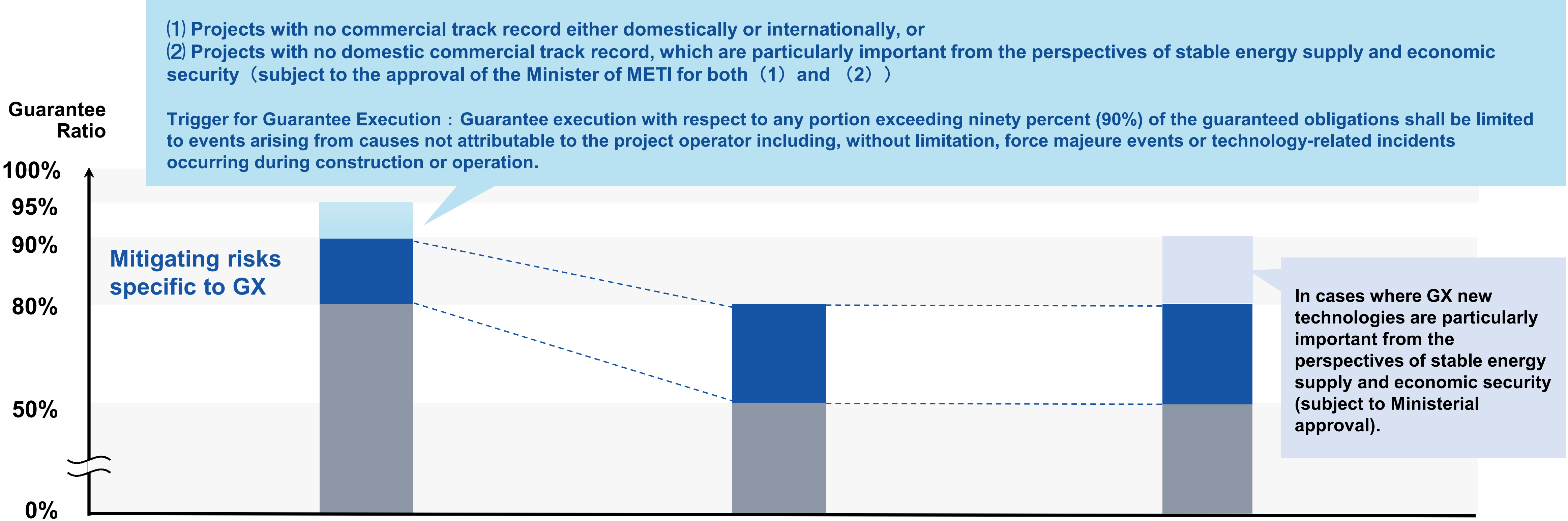
- With a view to actively promoting the social implementation of GX new technologies (with three or fewer commercial applications in Japan and which have been consulted with METI and technical experts), the coverage ratio for **Category 1 will generally be set at 80% or less,** while the overage ratios for **Categories 2 and 3 be set at 50% or less of the total loan amount**.

- If **specific risks to GX (such as market risk or regulatory change risk)** are identified, **Category 1 will cover up to 90%,** while **Category 2 and 3 will cover up to 80%** of the total loan amount.

- As for **Category 1**, those **that (1) have no commercial track record both at home or abroad**, **or (2) have no commercial track record domestically but are particularly important for stable energy supply and economic security**, up to **95%** of the total loan amount may be provided with the **consent of the Minister of Economy, Trade and Industry.** As for **Category 3**, projects that **utilize innovative GX technologies and are particularly important for stable energy supply and economic security,** up to **90%** of the total loan amount may be provided with the **consent of the Minister of Economy, Trade and Industry.**

* For Category1, the guarantee fulfillment covering more than 90% but up to 95% of the total amount is limited to cases where the failure is due to reasons beyond the borrower's control (such as extraordinary risks or risks in the construction/operational phases).

Overview of Debt Guarantee and Its Coverage Ratio



Category 1	Category 2	Category 3
Debt guarantees for projects that contribute to GX incorporating innovative GX technologies	Debt guarantees for GX-contributing projects that do not belong to Category 1	Debt guarantees for corporates raising funds through Transition Finance

* With respect to loan receivables covered by the GXA's debt guarantee, a portion of the credit risk to be taken by the financial institutions (the portion) shall be established. After deducting the portion, the rest to be guaranteed by the GXA shall fall within the guarantee ratio specified above.

Overview of Equity Capital and Its Categorie

Equity capital are implemented in accordance with the Equity Capital Guidelines.

Three Categories of Eligible Equity capital

Category 1

Entities engaged in Category 1 or Category 2 projects as defined in the Debt Guarantee Guidelines

e.g. Large-scale decarbonization projects and carve-out transactions

Category 2

Funds that invest in entities implementing businesses contributing to domestic GX; through only LP investments.

e.g. Decarbonization-focused growth fund and sector-specific fund specializing in decarbonization

Category 3

Corporates engaged in activities to commercialize R&D outcomes of GX-related technologies.

e.g. Deep Tech Startups in their mid to late stages

Credit / Investment Evaluation for Financial Support

GXA conducts credit/ investment evaluation based on its financial support criteria.

- GXA not only evaluates the sustainability of the business but also considers the broader social significance of the project, particularly in relation to achieving GX. GXA makes comprehensive judgment in determining whether financial support should be provided.

Comprehensive Evaluation Criteria

Business Criteria

- GXA to play a meaningful role in mitigating risks undertaken by financial institutions
- Full repayment expected from future cash flow

+

Impact Criteria

- Positive impact on environmental, economic, and financial aspects

(Projects with negative impacts are evaluated through environmental and social screening.)

Incorporates external experts' insights to ensure transparency and objectivity.

(including collaboration agreement with the National Institute of Advanced Industrial Science and Technology (AIST) and AIST Solutions)

Environment & Social Negative Screening

Negative screening is conducted based on environmental and social due diligence policies and procedures established in accordance with international guidelines.

Policy on Environmental and Social Negative Screening

- To contribute to the improvement of the global environment and the sound development of Japan's economy and society, we have established the following basic policy for E&S review of the projects to be supported:

Eligibility Criteria for Financial Support	Stakeholder Engagement	Governance	Information Management

Negative Screening Workflow (Conceptual Image)

- The workflow is aligned with international guidelines, such as the IFC (International Finance Corporation) Performance Standards and the Equator Principles.

①Initial Screening

- Categorize projects based on the potential scale of their environmental and social impacts.
- Implement E&S review procedures tailored to each category

②Environmental Review

③Incorporation into Decision-Making

- Verify compliance with local laws, regulations, and other applicable requirements in the project location.
- Assess alignment with IFC Performance Standards and EHS Guidelines, depending on the regional and project characteristics.
- Develop sector-specific checklists, focusing on the target domains of GXA's financial support.

④Information Disclosure

- Ensure transparency by disclosing information regarding supported projects on our official website

⑤Follow-up

- Monitor the status of issues as necessary and report to the Steering Committee.

Impact Evaluation

Evaluation will be conducted based on alignment with the organization's impact objectives and the potential to achieve them through our support.

Ultimate Impact

Realization of sustainable global environment & prosperous lives for the people through GX

Long-term Outcomes

Achievement of GXA's mission

Simultaneous achievement of stable supply of energy, economic growth, and decarbonization

Stable supply of energy
Stable and affordable supply of energy and resources

Economic growth
New tech business creation, supply chain advancement, competitiveness, and job creation

Decarbonization
Environmental improvement including CO_2 reduction

Intermediate Outcomes

Deployment of GX technologies
Promotion of GX businesses

Catalytic effect on private finance

Development of new financial instruments

GXA's Activities

Financial support (debt guarantees and equity investments)
(Complementing risks not fully covered by private financial institutions)

Outline of Financial Support Projects

In FY2025, four Debt Guarantees, and one Equity Investment were provided.

Result of Financial Support

Company/Project Name	Type of Financial Support	Outline	Amount (JPY)
JFE Holdings, Incorporated	**Debt Guarantee**	Debt Guarantee for **project to install the world's largest scale high-efficiency electric arc furnace.**	**Approx. 8 billion**
Resonac Holdings Corporation	**Debt Guarantee**	Debt Guarantee for **project to produce ammonia from used plastics and other materials.**	**Approx. 250million**
The Chugoku Electric Power Company, Incorporated	**Debt Guarantee**	Debt guarantee for investments in **decarbonized power sources including nuclear and hydroelectric power generation.**	**Approx. 50.4 billion**
Hokkaido Electric Power Company, Incorporated	**Debt Guarantee**		**Approx. 53billion**
TeraWatt Technology Inc.	**Equity Investment**	Equity investments to **expand the initial mass production plant** for **next-generation lithium-ion battery production.**	**Undisclosed**

Financial Support Project (Debt Guarantee on GX related business 1)

We support decarbonization of companies in a hard-to-abate sector such as steel industry, where emission reduction is inherently challenging, through debt guarantees.

GX Steel (Green Steel) 【 JFE Holdings, Inc. 】

- A debt guarantee for **JFE's project to install the world's largest scale high-efficiency electric arc furnace*** in West Japan Works (Kurashiki district).
- By **producing GX steel with an electric furnace in an equivalent quality and quantity to that produced by blast furnace,** CO_2 emissions are reduced**.**
- It also strengthens industrial competitiveness including domestic customers **by establishing a system for the mass supply system of high-quality, high-performance green steel.**

* Support from Green Innovation Fund is undergoing to demonstrate the technology.
The goal is to produce 2 million tons of GX steel per unit annually.

JFE Steel's West Japan Works(Kurashiki District), site of a high-efficiency electric arc furnace under construction

Photo provided by JFE Holdings, Inc.

Financial Support Project (Debt Guarantee on GX related business 2)

We supported decarbonization of companies in a hard-to-abate sector such as chemical industry, where emission reduction is inherently challenging, through debt guarantees.

Hydrogen / Ammonia 【Resonac Holdings Corporation】

- A debt guarantee for Resonac's project at Kawasaki facility to **produce ammonia using hydrogen generated** through chemical recycling **of used plastics and other materials.**
- **By utilizing used plastics as a resource,** CO_2 emissions from plastic incineration are reduced.
- It also strengthens industrial competitiveness of domestic customers and energy security **through the stable supply of ammonia, thanks to the entire process from material procurement to production being completed in Japan.**
- **Widespread adoption and expansion of resource circulation model in Japan** is also expected.

RESONAC

Kawasaki Plastic Recycling (KPR) Plant (Project Site)

Photo provided by Resonac Holdings Corporation

Financial Support Project (Debt Guarantee on GX related business 3)

GXA supported investments in the decarbonization of electric utilities' power sources through debt guarantees.

Decarbonized Power Sources 【 The Chugoku Electric Power / Hokkaido Electric Power 】

- Debt guarantee for **investments in decarbonized power sources** by The Chugoku Electric Power Co., Inc. and Hokkaido Electric Power Co., Inc., including **nuclear and hydroelectric power generation.**
- **It contributes to decarbonization of local consumers utilizing those power sources.**
- **Meet robust demand for GX/DX initiatives** such as decarbonization of industrial complexes and establishment of data centers and semiconductor factories, while **supporting customer's business growth.**
- **Contribute to the decarbonization of entire region.**

Energia 中国電力

ほくでん

The Chugoku Electric Power	Hokkaido Electric Power
 Shimane Nuclear Power Plant	 Tomari Nuclear Power Plant
 Toyokawa Power Station	 Kamikawa Power Station

Photo provided by The Chugoku Electric Power, Hokkaido Electric Power

Support for GX deep tech start-ups①

We actively support deep tech start-ups in GX fields, including through the establishment of the Deep Tech Start-Up Support Office.

- In July 2025, we released equity investment for deep tech start-ups aiming to commercialize next-generation lithium-ion battery production.
- In September 2025, GXA signed a Memorandum of Cooperation (MOC) with InnoEnergy and the JETRO to build and strengthen domestic and international innovation ecosystems in the field of GX.

GX Deep Tech Start-ups
【 TeraWatt Technology Inc. 】

- Equity investments for Terawatt Technology Inc. aiming to **commercialize next-generation lithium-ion battery production.**
- Lower CO_2 emissions in battery production by **reducing the amount of raw material** through innovations that reduce component count and overall weight.
- The accumulation and transfer of core battery manufacturing expertise and expansion of **Japan's share in the lithium-ion battery industry** is expected.

TeraWatt TECHNOLOGY

MOC with InnoEnergy and JETRO

Support for GX deep tech start-ups②

GXA launched “GX Future Ecosystem Studio” (G-FES) as a forum for large corporations, deep tech start-ups, VCs and policy makers discuss future visions for GX to foster long-term collaboration.

- Participants engaged in discussions on the future of Japan’s GX under the theme “ReDesigning the Pacific Belt.”

A scene from the discussion at GX Future Ecosystem Studio（G-FES）

04 Carbon Pricing

Outline of Carbon Pricing Under the GX Policy

Based on the Pro-Growth Carbon Pricing Concept, Japan will gradually introduce carbon pricing mechanisms.

The Pro-Growth Carbon Pricing Concept

- To realize GX investments over 150 trillion yen, it is necessary to show medium- to long-term predictability of their profitability.
- Integrate support measures and regulatory measures, while showing the government's long-term commitment.
- A carbon pricing system is gradually introduced after upfront investments are conducted.
- Accelerate making early GX investments, by showing a medium- to long-term outlook for rising carbon prices.

Staged introduction of carbon pricing mechanisms

- FY2026: Emission Trading System (ETS) will be launched
- FY2028: Surcharge will be introduced for fossil fuel importers and miners
- FY2033: Paid Auction under the ETS will be introduced for power generation companies

GXA’s Initiatives Toward Introducing Carbon Pricing

Based on the GX Promotion Act, we have been preparing for the operation of Emission Trading System (ETS) (From FY2026), and collection of Carbon Surcharges for Fossil Fuels (From FY2028).

Operation of ETS

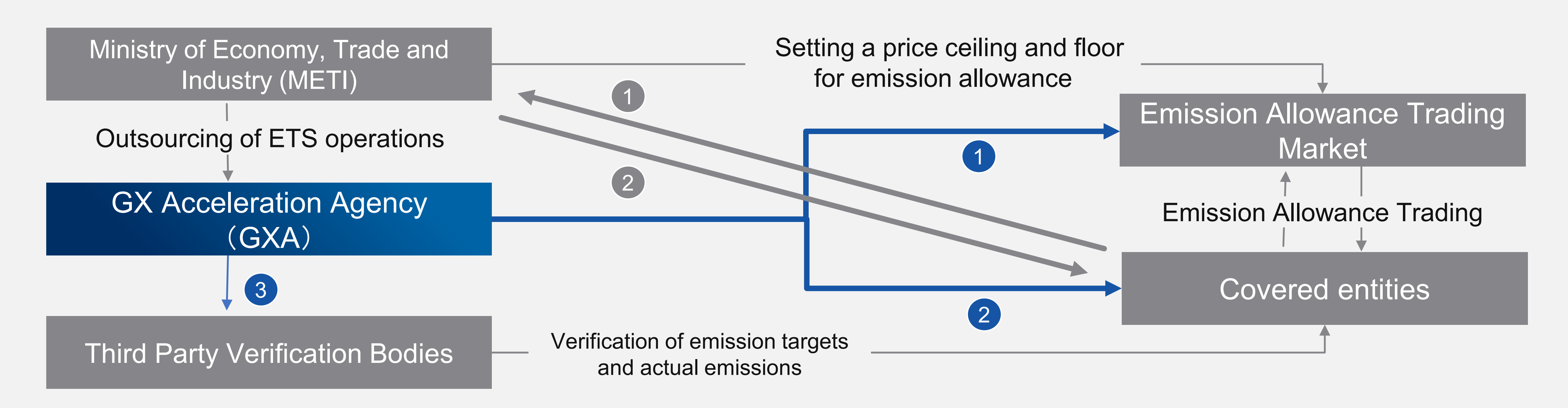
GXA has prepared to assume responsibility for operational tasks for the operation of ETS (fully started from April 2026). Specifically, GXA has gathered insights and built relationships by visiting overseas ETS enforcement agencies; conducting surveys on industry-specific characteristic of energy-intensive industries; and establishing the workflows essential for steady implementation.

Collection of Carbon Surcharges for Fossil Fuels

Based on GX Promotion Act, GXA is preparing to handle the collection of surcharge on fossil fuel importers and other relevant entities from FY 2028.

In FY 2025, we worked with METI to conduct surveys on the similar tax systems, and to define system requirements for the collection process. Starting in FY 2026, we will refine the operational workflows and proceed with system development.

Role and Responsibilities regarding ETS



1
- Market setup and operation
- Purchase of emission allowances in times of low prices (Conducting a Reverse Auction)

2
- Provide information, respond to inquiries
- Emission allowances, Notification of mandatory allowance holdings
- Open and modify emission allowance accounts; recording increases and decreases in the account ledger
- tasks related to the surrender of emission allowances（including the collection of unsurrendered charges）
- On-site inspection of business operators

3
- Provide information, respond to inquiries
- On-site inspection of verification bodies
- Secure quality of verification operation

1
- Submission of Emission Targets
- Reporting of emissions

2
- Formulation of guidelines for emission allowance allocation, etc.

05 | GX Hub

Establishment of GX Future Consortium

"GX Future Consortium" was established in April 2026, reorganizing the TCFD Consortium and integrating some of the GX League's Function. GXA serves as its secretariat.

- By consolidating the information and functions of the GX Future Academy which has been managed by GXA and GX League, **we will vigorously drive the implementation of GX across society and realize a virtuous cycle of decarbonization and economic growth.**

2020 → 2023 → 2024 → 2025 → 2026 → 2050

May 2019:

TCFD Consortium

Established as a forum for companies, financial institutions, and other organizations that support the TCFD recommendations to collaborate and engage in discussions

April 2023:

GX League

Launched to promote initiatives related to voluntary ETS and Net zero, in collaboration with both public and private sectors.

July 2024:

GX Acceleration Agency

Established to implement various policy measures to realize over 150 trillion yen in GX investments over the next 10 years

April 2026:

GX Future Consortium

Launched to vigorously drive the implementation of GX across society and realize a virtuous cycle of decarbonization and economic growth.

About the GX Future Consortium

- To achieve the objectives of the GX Future Consortium, two initiatives have been established: **the GX Future Academy**, which promotes information sharing and outreach activities, including GX-related seminars; and **the GX Future League**, which brings together the public and private sectors to develop rules related to demand creation and financing for GX.

GX Future Consortium Steering Committee

(Composed of relevant ministries and related organizations)

Secretariat (GXA)

GX Future Academy

(Open to all Consortium members)

- Research, analysis, and dissemination of key policies related to GX
- Organizing seminars and networking events
- Human Resources Development for GX

GX Future League

(Open only to League members among Consortium members)

- Working group on GX demand creation and funding
- Commitment and implementation of members' initiatives to reduce emissions in their supply chain and demand creation for GX

GX Future Report

GXA has released its first annual flagship report, the “GX Future Report 2025”, with the aim of increasing awareness and improving literacy in the GX area.

- Part 1 “GX Recent Trends” is a summary of recent developments, trends, and progress in global GX initiatives to facilitate corporate decision-making and action planning.
- Part 2 “GX Featured Theme” focused on demand-side consumer survey with supply-side cost analysis and insights from international price pass-through case studies, to understand acceptance of price pass-through for environmental premium.

Part 1 GX Recent Trends

GX Recent Trends: Global Overview from April to September 2025

Amid rapidly changing geopolitical circumstances, each country is not only seeking concrete measures toward decarbonization but also emphasizing its industrial competitiveness and energy security. Similarly, each company is actively responding to these developments.

1. Policy & Industry	
1. Japan	Announces Policies to Accelerate GX and Establishes a Long-Term Support Ecosystem • GX-related policies and transition finance guidance has been announced and updated to achieve decarbonization and enhance industrial competitiveness and economic growth. • It has explicitly committed to mobilizing capital toward the energy transition and has proceeded with establishing a long-term support ecosystem.
2. EU UK	Announces concrete initiatives aligned with policies underpinned by net-zero targets and reinforcing industrial competitiveness • EU: The Clean Industry Deal and Omnibus Package have been launched to enhance competitiveness and reduce corporate burdens, initiating proactive support to industries. • UK: Grants and subsidy schemes for energy infrastructure, including hydrogen and offshore wind, have entered the implementation phase.
3. U.S.	Strengthens support for the energy sector segments which benefits domestic competitiveness • The Trump administration, while seeking to shift away from the policies of the previous administration, emphasizes the role of the energy industry in advancing industrial competitiveness and safeguarding national security in alignment with U.S. strategic interests. • In the private sector, investments in business sustainability is maintained or increased but companies are talking less about ESG (referred to as Greenhushing).
4. Asia (China, Singapore, others)	Strengthen policies and business support to advance leadership in decarbonization and position the region as a hub for climate-related finance and investment • China: Government support through integrated financial and industrial policies has been strengthened, enabling the expansion of private business activities aimed at achieving dominance in the decarbonization industry. • Singapore: As a hub for climate-related finance and investment, international collaboration on transition finance is being enhanced.
2. Finance	
1. Sustainable Finance/ Impact Investing	• Despite geopolitical volatility affecting ESG flows, the market continues to grow. In the Asia-Pacific region, several new initiatives are also being developed. • Guidance on climate adaptation and resilience under the Principles for Responsible Banking (PRB), and a framework to support prioritization of climate action investments by the Global Impact Investing Network, Inc. (GIIN) have been released.
2. Information Disclosure	• With the International Financial Reporting Standards (IFRS) Sustainability Standards (S1 and S2) now globally recognized, the focus of discussion has shifted from “standard-setting” to “practical implementation.” • Guidance and revisions are underway to facilitate corporate-level application, and the scope of disclosure is broadening from climate change to natural capital.

Part 2 GX Featured Theme

Overseas Case: (3) British Bottled Water Manufacturer HIGHLAND SPRING (1/2)

Highland Spring gradually introduced the 'eco bottle,' made from 100% recycled PET, passing on environmental value to both wholesale and retail prices.

Company Profile	
Location	HQ, Water Sources, Plant sites are all in Scotland, UK
Market Share	Revenues £1,771m: Others 31%, Various PB 36%, Highland spring 10%, Volvic 12%, Evian 12% Sales volume 2,614m ℓ: Others 27%, Various PB 50%, Highland spring 10%, Volvic 7%, Evian 7%
No. of Workers	Approximately 400 persons
Products	Mineral Water • Available in variations such as still/sparkling, plain/flavored, and PET bottles/glass bottles.
Environ-mental measures	Using recycled PET for bottles, • The first beverage manufacturer in the UK to introduce 100% recycled PET bottles. • Aiming for all products to use 100% recycled PET by 2030.

Overview of Price Pass-Through	
Changes in the product	Conventional product → 100% Recycled PET "eco bottle" Changes • Bottles Slightly gray bottles. But contents can be seen clearly. • Labels "Eco bottle" is written in a size second only to the brand name. ※No changes to the caps or the beverages.
Efforts for Introduction	Introduce in two stages: Pilot period (June-Sep. 2018) and official Launch (Jan. 2019-) See details in next page
Amount of Price Increase	Environmental values are fully passed on. (after official launch) • Highland Spring passed on its costs to wholesale prices for convenience stores and supermarkets. • While retailers set their own pricing, some leveraged inflation to raise prices by up to 25%.

Source) Highland Spring, https://highlandspring.com/product-range/100-recycled/; https://highlandspring.com/highland-spring-group-annual-results-to-31-december-2023/ and others.

Source: https://www.gxa.go.jp/en/.assets/20260331ee.pdf

Collaboration with diverse stakeholders both at home and abroad

We actively participate in various events as speakers, in addition to hosting seminars and workshops.

- In May 2026, we launched “GXA Platform” to strengthen our networking and policymaking capabilities through collaboration with various stakeholder communities by facilitating discussions through events, roundtables, etc.

Periodical seminars with affiliate corporates

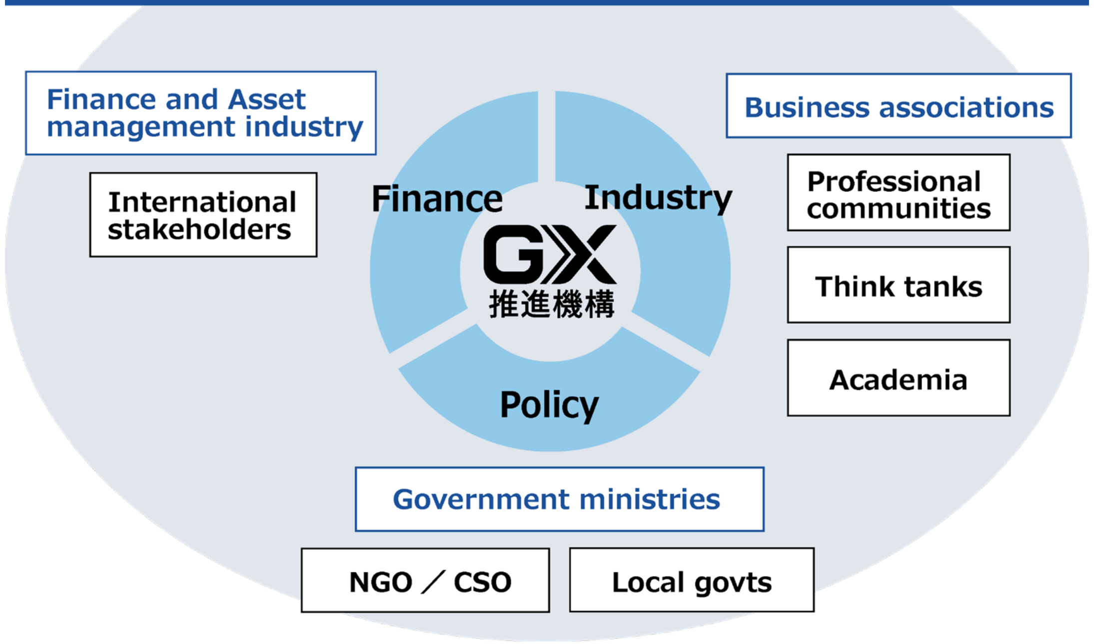
Dialogue between corporates and students

COP 30 in Belém

OECD Forum on Green Finance and Investment

A framework for building the GX Hub

GXA Platform



GGX Finance Summit 2025

GXA, together with METI, hosted GGX (Global GX) Finance Summit in Tokyo.

- The Summit discussed key themes such as the global trend and the role of Japan’s GX; transition finance in Japan and in Asia; GX market and enhanced disclosure.

Opening Remarks by GXA Chairperson Tsutsui

Keynote Speech by GXA COO Shigetake

Panel of members of GXA Global Advisory Council

Global Advisory Council

Establishing Global Advisory Council featuring globally renowned experts in GX fields, we further strengthen global networks and enhance international communication.

Members of Global Advisory Council(GAC)

Amit Bouri
Chief Executive Officer
and Co-Founder
Global Impact Investing Network

Sean Kidney
CEO
Climate Bonds Initiative

Sherry Madera
CEO
CDP Worldwide

Nicholas Pfaff
Deputy CEO, Head of Sustainable Finance
International Capital Market Association

Mary Schapiro
Vice Chair
Bloomberg
Vice Chair and Head of the GFANZ Secretariat

Robert Youngman
Team Leader, Green Finance and Investment
Organisation for Economic Co-operation and Development (OECD)

Naoko Ishii
Director, Center for Global Commons / Project Professor, Institute for Future Initiatives
The University of Tokyo

Summary of Joint Statement adopted by the GAC members at the meeting on 18 June 2026

- Recent geopolitical developments including the conflict in the Middle East have exposed the **fragility of global energy systems and industrial supply chains**. This may adversely effect countries like Japan that rely heavily on imported fossil fuels.
- Amid heightened uncertainty and rising cost pressures, some argue that climate action should be deprioritized. To the contrary, **investing in reducing fossil-fuel dependence is essential** not only to advance decarbonization, but also **to secure autonomy amid shifting geopolitical risks. The current geopolitical and economic situation must not serve as an excuse to slow the pace of GX transition.**
- **Japan's GX approach that simultaneously pursues stable energy supply, economic growth, and decarbonization** aims to achieve both investment support and long-term incentives for transition. It offers a practical and potentially replicable model for other nations**. The role of GXA continues to expand** within the current international landscape, and its GAC remains fully committed to supporting GXA's journey.

* This statement consolidates the views of the GAC members in their individual capacities and does not represent the official views of their respective organizations.

Working with Regions

We are actively engaging and collaborating with stakeholders such as local governments, regional financial institutions, and businesses to promote local GX, including through the activities of the Regional Liaison Office and the Hokkaido Desk.

- In FY 2025, we visited the headquarters of over 20 regional banks and held discussions with their senior management.
- We actively participate in GX-related local events.

Global GX/ Finance Conference Sapporo 2025

Kitakyushu GX Day 2026.2.9

GX Strategy Function

We conducted research on industrial structures and clusters necessary to achieve net zero by 2050, as well as a study on price-pass through and demand trends of GX products.

Study on building an offshore wind power supply chain

- We conducted **study to establish a domestic supply chain for offshore wind power**, a sector with a broad industrial base and potential for economic spillover effects, aiming to improving technological self-efficiency through the expansion of renewable energy utilizing domestic technology.
- We published report in April 2026, compiling information on the overview of offshore wind market, policies in other countries, supply chain structure of the industry, **benefits and economic effects of attracting wind turbine manufacturing facilities, and regional initiatives to promote offshore wind power.**
- In FY 2026, we will conduct surveys on attracting wind turbine OEMs and promoting necessary regional initiatives, aiming to build a robust domestic supply chain.

Survey of price-pass through and demand trends of GX products, initiatives to create a market for aviation services utilizing SAF*

- We conducted survey and analysis of price-pass through and demand trends for GX products and published the results as GX Future Report in November 2025.
- In the light of survey indicating that some customers were willing to bear certain environmental costs associated with SAF, and considering cases of cost pass-through in other countries, **support mechanisms for the creation of a market for aviation services utilizing SAF were explored. This initiative is also incorporated into SAF policy in Japan.**
- In FY 2026, **the specific mechanisms of this initiative will be discussed within the WG on demand creation established by GX Future Consortium.**

*SAF: Abbreviation for "Sustainable Aviation Fuel"

06 | Sustainability Activities of GXA

Sustainability Activities

GXA works to reduce the environmental impact resulting from its business activities.

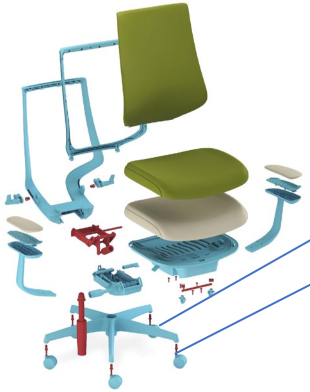
- Environmental performance was a key consideration in selecting the office location, including the fact that all electricity is sourced from renewable energy.
- Our office features carpets made from recycled materials, and uses environmentally friendly products, such as chairs containing recycled materials and are designed for long-term use.
- We implemented green procurement starting in FY 2025, setting a target of 100% for items within the Designed categories that we procured. As a result, the **procurement rate for designated products under Japan's Green Purchasing framework reached 100% for 26 of the 32 items for which procurement was conducted**.

（The discrepancy from the target is mainly because it was unavoidably impossible to procure items that met the criteria for designated procurement items, after comprehensively considering factors such as functional and performance requirements.）

Office Building
（Daiichi Life Hibiya First）

Recycled Tile Carpet and Certificate of Shipment for Environmentally Friendly Products

Illustrative image of Eco-friendly chairs



Leg flaps: Made from recycled nylon yarn and other materials

Caster: Recycling discarded fishing nets

Compliance / Information Disclosure

To ensure compliance with laws and regulations and to meet the expectations and trust of the public, we have formulated a Code of Ethics for Executives and Employees and are working to foster understanding among staff through training.

Code of Ethics for Executives and Employees

We conduct trainings based on the Code of Ethics for Executives and Employees in order to promote ethical conduct among executives and employees.

Compliance Training

To ensure strict adherence to compliance requirements, we conduct compliance training for all employees.

Information Disclosure

We appropriately disclose information regarding our structure, operations, and activities through our website and other channels in accordance with the Act on Access to Information Held by Independent Administrative Agencies and other relevant laws and regulations.

07 Outline of GXA

Outline of GXA

Outline (1/2)

Official name	GX Acceleration Agency
Start of operation	July 1st, 2024
Legal Basis	Act on Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (the GX Promotion Act) (Act No.32 of FY 2023) (Corporation authorized under special legislation)
Purpose	To promote a smooth transition to a decarbonized growth-oriented economic structure by performing administrative tasks related to the collection of carbon surcharges for fossil fuels and contributions from designated operators, allocation of emission allowances to designated operators and the implementation of auctions, and financial support such as debt guarantees for entities engaging in GX related businesses.
Minister in Charge	Minister of Economy, Trade and Industry
Capital	246.66 billion yen (As of March 31,2026)
Government Investment	245 billion yen (As of March 31, 2026)

Outline of GXA

Outline (2/2)

Location	1-13-2 Yurakucho, Chiyoda-ku, Tokyo
Executives	Chairperson: TSUTSUI Yoshinobu Chief Operating Officer: SHIGETAKE Naoki Director: KAJIKAWA Fumihiro, YONEYAMA Yasuaki, IOMORI Kanae, SUDO Yukio Auditor: CHIHARA Maiko (Partner at Kataoka & Kobayashi Legal Professional Corporation)
Steering Committee	TOKURA Masakazu (Honorary Chair of KEIDANREN (Japan Business Federation)) ITOH Motoshige (Professor Emeritus, The University of Tokyo) UMADA Takaaki (Director, FoundX) SHIRAISHI Takashi (Honorable Emeritus Professor at Prefectural University of Kumamoto) HAYASHI Reiko (Senior Advisor, International Capital Market Association (ICMA) MORIMOTO Hideka (Professor, School of Law, Waseda University) YOSHII Kumiko (Partner at TMI Associates) YOSHITAKA Mari (Visiting Professor, University of Tokyo/ Special Guest Professor, Keio University/ Representative Director, Virtue Design)

*As of the end of July 1, 2026

Outline of GXA

Structure

※As of July 1, 2026

Outline of GXA

History

Dec	2022	The “Basic Policy for the Realization of GX” (compiled by the GX Implementation Council specified the plan to establish GX Acceleration Agency (GXA))
Feb	2023	Cabinet decision on the "Basic Policy for the Realization of GX" and the bill for the “Act on Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure” (the GX Promotion Act)
May	2023	Enactment of the GX Promotion Act
Jul	2023	GX Acceleration Agency Preparation Office was established within the Ministry of Economy, Trade and Industry (METI)
May	2024	Official establishment of GXA
Jul	2024	Commencement of GXA’s operations
May	2025	Enactment of the Amended GX Promotion Act
Jul	2025	Establishment of the Carbon Pricing Department
Apr	2026	Launch of Emission Trading System

08 | Message from Steering Committee Chairperson

Message from Chairperson of Steering Committee

The global landscape is becoming increasingly complex, and the environment surrounding Japan is growing ever more uncertain. At the same time, Japan remains structurally dependent on overseas sources for energy and natural resources, leaving it particularly vulnerable from an economic security perspective to geopolitical risks, natural disasters, and other uncertainties.

In this context, promoting GX goes beyond responding to climate change. It represents a “growth strategy“ that directly strengthens Japan’s industrial competitiveness and technological capabilities through domestic investments. Furthermore, it contributes to enhancing energy security and addressing the vulnerabilities associated with our dependence on imported resources. In an increasingly uncertain world, advancing GX is essential to building a more resilient and sustainable economy.

However, promoting GX requires sustained efforts over the medium to long term. Therefore, with a view toward the demonstration and deployment of innovative technologies, close public-private collaboration is essential, combining long-term policy predictability with sustained private-sector investment.

As GXA entered its second year of operation, we steadily promoted investments and businesses through financial support, carbon pricing, and our role as GX hub connecting industries, financial institutions, and government agencies. We believe these efforts have helped move GX in Japan into a phase where tangible results are beginning to emerge.

During FY2025, the Steering Committee engaged in wide-ranging discussions on financial support, DTSU support and ETS operations, in addition to matters of organization management, with members having extensive experience and expertise. The Committee worked to ensure that GXA’s activities to contribute to the rapid demonstration and deployment of innovative technologies. As a result, we made important decisions, including debt guarantees for projects that will underpin the full-scale expansion of GX investment in Japan.

Going forward, GXA will continue to fulfill its role to the fullest. As Chair of the Steering Committee, I remain committed to doing my utmost to accelerate GX.

GX Acceleration Agency (GXA)
Chairperson of Steering Committee
TOKURA Masakazu

09 | Appendix

Logo / Mission Vision Values （MVV）

To clarify the direction of GXA, we established a logo and our Mission, Vision, and Values.

We focus on three key elements: ① **Strength,** ② **Sense of speed,** and ③ **Execution.** By using black as the primary color, we express a sense of **"strength" with a solid core.**

The arrow between G and X represents the **"Sense of Speed" to accelerate the transition to a decarbonized society, as well as dynamic "Execution."**

Mission

GX Acceleration Agency

- leverages its specialized expertise in financial techniques and market mechanisms,
- accelerates the transition to a stage where GHG emission reduction and the sustainable growth of businesses and industries coexist,
- thereby contributing to the improvement of the global environment and the development of Japan's economy and society.

Vision（Medium to long term targets）

Explore the Future of the Earth and Industries

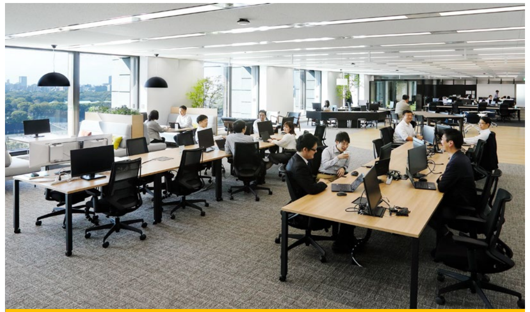
Values

Thinking backward from the future	We act with a focus on future generations and a broad perspective.
Challenge	We break new ground in GX and set new standards.
Sincerity	We treat everyone fairly and fulfill our responsibilities with diligence.
Believe in team's strength	Together with our colleagues, and with faith in Japan's strength, we will fulfill the role we need to play.

Office Environment

We have incorporated various design features into our workspace.

- We have created an office that facilitates higher productivity by incorporating discussion spaces, focused work areas, library that sparks new ideas and fosters interaction.


Work Area


All-hands Meeting


GX Library


Work Area


Workspace with Open Views


GX Library