Global Hydrogen Policy Tracker - Japan

Hydrogen Developments

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Implementation stage

**August 2024**: The Japanese government announced a draft of the Fundamental Strategy to facilitate the supply and use of law-carbon hydrogen and others which the Japanese government is required to issue pursuant to the Hydrogen Society Promotion Act enacted in May 2024. Such draft of the Fundamental Strategy is under the public comment procedure until 11 September 2024.

The Japanese government also announced drafts of Regulations for Enforcement of the Hydrogen Society Promotion Act which include details of the Japanese government support programs on hydrogen and others which consist of 15-year-long price difference support (contract for difference support) as well as support for the development of hydrogen production hubs. Such drafts of Regulations for Enforcement are also under the public comment procedure until 11 September 2024.

Sources:

[**低炭素水素等の供給及び利用の促進に関する基本的な方針（案）等に対する意見公募｜e-Govパブリック・コメント**](https://public-comment.e-gov.go.jp/pcm/detail?CLASSNAME=PCMMSTDETAIL&amp;id=620124031&amp;Mode=0)

[**脱炭素成長型経済構造への円滑な移行のための低炭素水素等の供給及び利用の促進に関する法律施行規則（案）等に対する意見公募｜e-Govパブリック・コメント**](https://public-comment.e-gov.go.jp/pcm/detail?CLASSNAME=PCMMSTDETAIL&amp;id=620124028&amp;Mode=0)

**June 2024**: Korea and Japan held the first Korea-Japan Hydrogen Cooperation Dialogue meeting on 14 June 2024, which was a follow-up to the Korea-Japan summit talks in May 2024 and previous bilateral efforts and discussions. The countries agreed to deepen cooperation in clean hydrogen and hydrogen derivatives / compounds to achieve their nationally determined contributions and secure energy security. They also decided to seek ways for bilateral private-led hydrogen supply chain cooperation.

Sources:

[**Korea and Japan hold 1st Hydrogen Cooperation Dialogue meeting**](https://english.motie.go.kr/eng/article/EATCLdfa319ada/1901/view)

[**First Japan-ROK Hydrogen and Its Derivatives such as Ammonia Cooperation Dialogue Held**](https://www.meti.go.jp/english/press/2024/0614_002.html)

**June 2024**: On 3 June 2024, the Japan-EU Energy Ministerial Meeting and the Hydrogen High-Level Business Forum were held. A joint press statement was issued, which included an agreement to cooperate on supply and demand-side policies in clean energy sectors, and to properly evaluate non-price elements. The countries confirmed that work will begin in the fields of wind, solar and hydrogen with plans to expand in the future. Various cooperation agreements between hydrogen-related organizations in Japan and the EU were also signed.

Sources:

[**Japan-EU Energy Ministerial Meeting and Hydrogen High-Level Business Forum Held**](https://www.meti.go.jp/english/press/2024/0604_001.html)

[**Joint Press Statement by Minister of Economy, Trade and Industry Ken Saito and the European Commissioner for Energy, Kadri Simson - Japan-EU Energy Ministerial Meeting and Hydrogen High-Level Business Forum**](https://www.meti.go.jp/press/2024/06/20240604004/20240604004-1.pdf)

**May 2024**: On 17 May 2024, the Japanese parliament passed the Hydrogen Society Promotion Act, where 15-year-long price difference support (contract for difference support) for locally produced and imported low-carbon hydrogen will be provided as well as support for the development of hydrogen production hubs. The details will be set out in the rules that are to be released. The Hydrogen Society Promotion Act will come into effect on a date to be specified by a cabinet order, but no later than November 2024. The application processes for the support programs are expected to commence in Summer 2024. The CCS Business Act was also passed and will come into effect on a date to be specified by a cabinet order, but no later than May 2026.

Sources:

[**脱炭素成長型経済構造への円滑な移行のための低炭素水素等の供給及び利用の促進に関する法律 | 日本法令索引 (ndl.go.jp)**](https://hourei.ndl.go.jp/#/detail?lawId=0000163400&amp;searchDiv=3&amp;current=2)

[**二酸化炭素の貯留事業に関する法律 | 日本法令索引 (ndl.go.jp)**](https://hourei.ndl.go.jp/#/detail?lawId=0000163401&amp;searchDiv=3&amp;current=2)

**February 2024**: The Government of Japan issued 10-year and five-year Climate Transition Bonds in February 2024, each worth approximately JPY 800 billion and both of which are certified under the Climate Bonds Standard by Climate Bonds Initiative. Among other projects and uses, the proceeds of the bonds will be used for research and development related to the utilisation of hydrogen in the steel making process, in accordance with the Japan Climate Transition Bond Framework, which is to fund GX (Green Transformation) in Japan.

Sources:

[**Japan Credit Rating Agency, Ltd. - Pre-issuance Verification dated 6 February 2024 - Climate Transition Bonds**](https://www.climatebonds.net/files/files/jcr_Pre_Issuance_Verification_Report_eng.pdf)

[**Japan will issue $11 bn Climate Transition Bond, Certified under the Climate Bonds Standard**](https://www.climatebonds.net/resources/press-releases/2024/02/japan-will-issue-11bn-climate-transition-bond-certified-under)

[**Briefing Note: Japan's Climate Transition Bond**](https://www.climatebonds.net/files/reports/japan-transition-bond-briefing-note-14022024.pdf)

[**News Release - 27 February 2024 - 1st Japan Climate Transition Bond - Evaluation Results**](https://www.mof.go.jp/english/policy/jgbs/topics/JapanClimateTransitionBonds/jcr_Evaluation_Results_eng.pdf)

**February 2024**: On 13 February 2024, Cabinet approvals were made on the "Bill for the Act on Promotion of Supply and Utilization of Low-Carbon Hydrogen and its Derivatives for Smooth Transition to a Decarbonized, Growth-Oriented Economic Structure” and the “Bill for the Act on Carbon Dioxide Storage Businesses". The Bills will be submitted to the ongoing 213th ordinary session of the Diet.

Source: [**Cabinet Approvals on the "Bill for the Act on Promotion of Supply and Utilization of Low-Carbon Hydrogen and its Derivatives for Smooth Transition to a Decarbonized, Growth-Oriented Economic Structure" and the "Bill for the Act on Carbon Dioxide Storage Businesses**](https://www.meti.go.jp/english/press/2024/0213_003.html)**"**

**June 2023:**On 6 June 2023, the Cabinet approved the revision of the Basic Hydrogen Strategy established in 2017, to accelerate the transition to a hydrogen-based society, including the following:

Setting an additional target of increasing hydrogen (including ammonia) supply to around 12 million tons per year by 2040. The current level is 2 million tons per year with current targets of 3 million tons / year by 2030 and approximately 20 million tons / year by 2050

Hydrogen supply cost (CIF cost) targets of 30 yen/Nm3 (approximately 334 yen/kg) in 2030 and 20 yen/Nm3 (approximately 222 yen/kg, a value set to reduce hydrogen power generation costs below gas-fired power generation costs) by 2050. The ammonia supply cost (CIF cost) target for 2030 set at the upper 10-yen level/Nm3 (hydrogen equivalent in calorific value).

Setting a target of around 15 GW for installation of water electrolyzers in combined domestic and international markets by Japanese-related companies by 2030

Designation of 9 strategic fields for focused support, including hydrogen production (water electrolyzers) and fuel cells

Generate investment exceeding 15 trillion yen from the public and private sectors over the next 15 years in building a hydrogen supply chain.

Sources:

[**Revised Basic Hydrogen Strategy (Japanese)**](https://www.meti.go.jp/shingikai/enecho/shoene_shinene/suiso_seisaku/pdf/20230606_2.pdf)

[**Revised Basic Hydrogen Strategy (English)**](https://www.meti.go.jp/shingikai/enecho/shoene_shinene/suiso_seisaku/pdf/20230606_5.pdf)

[**Announcement of the revision of the Basic Hydrogen Strategy on METI's (Ministry of Economy, Trade and Industry) web page (Japanese)**](https://www.meti.go.jp/shingikai/enecho/shoene_shinene/suiso_seisaku/20230606_report.html)

**May and July 2023**: On 12 May 2023, the "Act on Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure" (**GX Promotion Act**) was passed and enacted by an ordinary session of the Diet. The GX Promotion Act will take effect within three months from the date of its promulgation. The Basic Policy for Realizing GX was approved by the Cabinet in February 2023. The Basic Policy outlines ways of achieving decarbonization, a stable energy supply and economic growth through Green Transformation (**GX**) for the next 10 years. The GX is expected to shift the existing industrial and social structure from one based on fossil fuels to one based on clean energy. The government is obligated to formulate a strategy to promote GX in a comprehensive and systematic manner (Strategy for Promoting the Transition to a Decarbonized Growth-Oriented Economic Structure, known as the **GX Promotion Strategy**). The GX Promotion Strategy was approved by the Cabinet in July 2023. The GX Promotion Strategy sets forth necessary policies to be implemented to achieve 150 trillion yen of public and private investments to realize GX, which include measures related to hydrogen and ammonia.

Sources:

[**Japan: Enactment of the Act on Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure**](https://insightplus.bakermckenzie.com/bm/energy-mining-infrastructure_1/japan-enactment-of-the-act-on-promotion-of-a-smooth-transition-to-a-decarbonized-growth-oriented-economic-structure)

[**Pathways to Japan's Green Transformation (GX)**](https://www.meti.go.jp/policy/energy_environment/global_warming/transition/pathways_to_green_transformation_eng.pdf)

**April 2023**: At the third meeting of the Ministerial Council on Renewable Energy, Hydrogen and Related Issues held on 4 April 2023, it was announced that the Basic Hydrogen Strategy will be revised by the end of May 2023. A draft revision included:

A proposed hydrogen target of 12 million tons in 2040, a sixfold increase from the current level, beyond the set target of 3 million tons in 2030.

A new target for Japanese companies to introduce water electrolyzers with a total capacity of 15 GW globally by 2030.

Aim to establish large-scale hydrogen and ammonia supply chains with commercial utilization to begin in 2030, with a plan for JPY 15 trillion investment from both the public and private sectors over the next 15 years.

Source: [**Ministerial Council on Renewable Energy, Hydrogen and Related Issues**](https://www.kantei.go.jp/jp/101_kishida/actions/202304/04energy.html) **(Japanese)**

**March 2023:**The Japanese government's Green Innovation Fund provided funding of JPY 220 billion (approximately AUD 2.1 billion) to the Hydrogen Energy Supply Chain project in Victoria, Australia as it enters the commercial demonstration phase.

Source: [**Japan commits AUD$2.1 billion to establish world’s first liquefied hydrogen supply chain**](https://www.hydrogenenergysupplychain.com/japan-commits-aud2-35-billion-to-establish-liquefied-hydrogen-supply-chain/)

**December 2022:**The EU and Japan have signed a Memorandum of Cooperation (MoC) to develop an international hydrogen market without distortions to trade and investment.

The partners will work together for sustainable and affordable production, trade, transport, storage, distribution and use of renewable and low-carbon hydrogen.

The MoC identifies a set of areas in which governments, industrial players, research institutions, and local authorities in the EU and Japan will be encouraged to cooperate:

Policies, regulations, incentives and subsidies, including at the international level to work towards common standards and certification

Best practices and lessons learned in renewable and low-carbon hydrogen research, development, application and demonstration projects

Project development including in the context of multilateral cooperation initiatives, to support other countries around the world

Education, upskilling, reskilling, vocational education and training

Both parties have committed to achieving climate neutrality by 2050 and to accelerating the clean energy transition, as outlined in the EU-Japan Green Alliance, signed in May 2021.

Sources:

[**Minister Nishimura Signs a Memorandum of Cooperation on Hydrogen with Ms. Kadri Simson, European Commissioner for Energy**](https://www.meti.go.jp/english/press/2022/1202_004.html)

[**EU and Japan step up cooperation on hydrogen**](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7322)

**April 2022**: Based on the Green Development Strategy, the Ministry of Economy, Trade and Industry (METI) launched the Green Innovation Fund Project (Fund), a JPY 2 trillion (around USD 16 billion) fund set up with the New Energy and Industrial Technology Development Organization (NEDO) to provide 10 years of continuous support to business-led decarbonization initiatives, ranging from R&D and demonstration to social implementation, with ambitious and specific goals shared between the public and private sectors. The Fund's first project, a hydrogen-related project developing technologies for transportation, storage and power generation to establish an international hydrogen supply chain, started in August 2021. According to NEDO's website, as of 7 April 2022, 11 projects have already been selected to receive support from the Fund.

**Source**:[**JPY 2 trillion (around USD 16 Billion) Green Innovation Fund under the Green Development Strategy for carbon neutrality in Japan by 2050 - Lexology**](https://www.lexology.com/r/UK5P8DT/8ab27badcc)

**January 2022:** The Hydrogen Energy Supply Chain (HESC) pilot project reached the milestone of shipping liquid hydrogen from Australia to Japan. To coincide with the milestone, the Australian government announced AUD 7.5 million to support the next AUD 184 million pre-commercialisation phase, bringing its total commitment to the HESC project to AUD 57.5 million. The Victorian government contributed AUD 50 million to the AUD 500 million HESC pilot project with the remainder invested by the Japanese government and project partners.

Sources:

[**Hydrogen industry marks milestone with first shipment of liquid hydrogen to Japan**](https://www.minister.industry.gov.au/ministers/taylor/media-releases/hydrogen-industry-marks-milestone-first-shipment-liquid-hydrogen-japan)

[**HESC - FAQs**](https://www.hydrogenenergysupplychain.com/resources/faqs/)

**January 2022:** The AUD 150 million Australian Clean Hydrogen Trade Program was announced to support Australian-based hydrogen supply chain projects that secure overseas public or private sector investment. The first round of the Program will focus on the export of clean hydrogen to Japan under the Japan-Australia Partnership on Decarbonisation through Technology. The Program will support projects to develop export supply chains and commercialize production of clean hydrogen and derivative clean hydrogen-based compounds, such as clean ammonia.

Source: [**Australia Japan Clean Hydrogen Trade Partnership**](https://www.minister.industry.gov.au/ministers/taylor/media-releases/australia-japan-clean-hydrogen-trade-partnership)

**October 2021**: The [**6th Basic Energy Strategy Plan**](https://www.enecho.meti.go.jp/category/others/basic_plan/pdf/strategic_energy_plan.pdf) ([**Outline**](https://www.enecho.meti.go.jp/en/category/others/basic_plan/pdf/6th_outline.pdf)) was adopted. The key theme of the Strategy is to show the path of the energy policy to realize carbon neutrality by 2050 (announced in October 2020), and reduce greenhouse gas emissions by 46% in FY 2030 from its FY 2013 levels, while continuing strenuous efforts in its challenge to meet the lofty goal of cutting its emission by 50% (announced in April 2021). The Strategy stipulates a 1% share of hydrogen and ammonia in the power generation mix in 2030 and annual domestic supply targets for hydrogen being 3 million tons in 2030 and 20 million tons in 2050.

Source: [**Cabinet Decision on the Sixth Strategic Energy Plan**](https://www.meti.go.jp/english/press/2021/1022_002.html)

**August 2021:** It was [**announced**](https://www.nedo.go.jp/news/press/AA5_101471.html) by the New Energy and Industrial Technology Development Organization (NEDO) that 11 projects related to hydrogen are adopted under the 2 trillion yen Green Innovation Fund.

Source: [**New Energy and Industrial Technology Development Organization**](https://www.nedo.go.jp/news/press/AA5_101471.html)

**June 2021**: The [**Green Growth Strategy Through Achieving Carbon Neutrality in 2050**](https://www.meti.go.jp/english/policy/energy_environment/global_warming/ggs2050/pdf/ggs_full_en1013.pdf) was published in December 2020 and revised in June 2021. This Strategy is to encourage innovation in, and investment by, private businesses. The Strategy analyses issues and goals in the uses, production, transportation and storage of hydrogen.

Source: [**Green Growth Strategy Through Achieving Carbon Neutrality in 2050**](https://www.meti.go.jp/english/policy/energy_environment/global_warming/ggs2050/index.html)

**May 2021:**The Ministry of the Environment Japan started public invitation for "Pilot project for comprehensive support throughout the whole hydrogen supply chain abroad" for the Fiscal 2021. This project will subsidize a part of the demonstration project to produce hydrogen derived from renewable energy in third-party countries (such as Australia) where renewable energy is abundant such as solar power generation and wind power generation and to transport and utilize in partner countries (such as Pacific Island countries).

Source: [**Ministry of the Environment Japan**](https://www.env.go.jp/en/headline/2520.html)

**January 2021:** On 14 January 2021, the United Arab Emirates and Japan met and signed a Memorandum of Cooperation (MOC) to cooperate on Fuel Ammonia and Carbon Recycling. This MOC was signed between the Abu Dhabi National Oil Company and the Ministry of Economy, Trade, and Industry of Japan. During the meeting, the discussion focused on industrial cooperation, climate change, hydrogen, and post-COVID economic recovery.

Source: [**UAE and Japan to Cooperate on Fuel Ammonia and Carbon Recycling Technologies**](https://www.adnoc.ae/news-and-media/press-releases/2021/uae-and-japan-to-cooperate-on-fuel-ammonia-and-carbon-recycling-technologies)

**January 2020:** The Ministry of Economy, Trade and Industry (METI) announced that the National Institute of Advanced Industrial Science and Technology (AIST) will create a new center called the "International Joint Research Center for Zero-Emission Technologies" at the end of January 2020. This center aims to conduct new research for ground breaking technologies in various fields, including hydrogen, to effectuate a low-carbon society. In addition to researching new technologies, the center will also pursue innovative environmental solutions to achieve a zero-emission society.

**January 2020:**The governments of Australia and Japan have signed a Joint Statement of Cooperation on Hydrogen and Fuel Cells to promote the use of hydrogen as a clean, affordable and sustainable source of energy. Both countries have agreed to continue their cooperation on the Hydrogen Energy Supply Chain (HESC) project in Victoria, which is progressing toward establishing the world's first international liquid hydrogen supply chain in Japan.

Source: [**Australia-Japan Ministerial Economic Dialogue**](https://www.dfat.gov.au/news/media/Pages/australia-japan-ministerial-economic-dialogue)

**September 2019:**The Strategy for Developing Hydrogen and Fuel-Cell Technologies was released stipulating specific approaches to developing technologies toward the achievement of field-based goals set in the Roadmap.

**March 2019:** The renewed [Strategic Roadmap for Hydrogen and Fuel Cells](https://www.hydrogenenergysupplychain.com/wp-content/uploads/2021/07/0312_002b.pdf) (Roadmap) was released to ensure the goals set out in the Basic Hydrogen Strategy and the Fifth Strategic Energy Plan towards a hydrogen-based society are achieved. The Roadmap defined, among other things, new targets on the specification of basic technologies and the breakdown of costs and necessary measures for achieving these goals.

**2019-2020:**In the 2019-2020 budget request for the Ministry of Economy, Trade and Industry as approved by the cabinet, JPY 16.3 billion (USD 150 million) was approved to establish a hydrogen supply chain utilizing untapped energy resources and JPY 10 billion (USD 91.7 million) was approved to offer subsidies toward public hydrogen station development for fuel-cell vehicles.

**July 2018:** [Fifth Strategic Energy Plan](https://www.enecho.meti.go.jp/en/category/others/basic_plan/5th/pdf/strategic_energy_plan.pdf) ([Outline](https://www.enecho.meti.go.jp/en/category/others/basic_plan/5th/pdf/strategic_energy_plan_outline.pdf)) released.

Source: [**Cabinet Decision on the New Strategic Energy Plan**](https://warp.da.ndl.go.jp/info%3Andljp/pid/11663694/www.meti.go.jp/english/press/2018/0703_002.html)

**April 2018:** Australia and Japan have allied to create the Hydrogen Energy Supply Chain project. The project is an experiment to assess whether it is possible to establish a durable supply of liquid hydrogen from Australia. The hydrogen will be produced from lignite and then shipped from Victoria to Japan. The pilot phase has received partial funding of about AUD 500 million from the Japanese and Australian governments. The pilot project will run from 2018 – 2021.

Sources:

[**A world-first project to create a global supply chain for hydrogen**](https://www.hydrogenenergysupplychain.com/media-release-a-world-first-project/)

[**Hydrogen Energy Supply Chain Pilot Project**](https://federalfinancialrelations.gov.au/agreements/hydrogen-energy-supply-chain-pilot-project)

**December 2017:** [Basic Hydrogen Strategy](https://www.hydrogenenergysupplychain.com/wp-content/uploads/2021/07/1226_003b.pdf) released.

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