

Final Report on the 14th Wise Group Meeting for Strategic Economic Partnership
between Japan and Brazil
April 7, 2026

The Wise Group for Strategic Economic Partnership between Brazil and Japan (“Wise Group”) is composed of business leaders and experts from Japan and Brazil and acts as a high-level forum for the discussion of strategic issues of mutual interest. From a broad and forward-looking perspective, the Wise Group formulates recommendations and policy-oriented proposals addressed to the governments of both countries, thereby contributing to the strengthening of bilateral economic cooperation. Since its establishment in 2007, the Wise Group has held multiple meetings aimed at advancing dialogue to pursue these goals.

The 14th meeting of the Wise Group was held in Tokyo, Japan, on April 7, 2026. Against the backdrop of escalating geopolitical tensions in the Middle East and their increasing impact on the global economy as well as the financial and energy markets, steady progress continues to be made toward low-carbon and decarbonization initiatives. At the same time, artificial intelligence (“AI”) and digital transformation (“DX”) have clearly transitioned from the development phase to the stage of implementation.

In light of these multifaceted changes in the international environment, which include heightened geopolitical risks, transformation of energy systems, and technological innovation, under the title of “Enhancing Cooperation in an Evolving Global Context,” the Wise Group discussed what the ideal form of bilateral co-operation should be, and expressed their opinions and made suggestions and proposals on the following themes: “Collaboration on Decarbonization, Bioenergy, and Green Partnership,” “Collaboration on Economic Security, Supply Chain Resilience, and Critical Minerals,” and “Collaboration in Emerging Areas – AI, DX, and a Well-being Society.”

The first theme, “Collaboration on Decarbonization, Bioenergy, and Green Partnership”, is a topic that has been discussed for several years at Wise Group meetings. However, given the growing necessity to advance energy security and climate change mitigation simultaneously, the Wise Group reaffirmed its importance and the need for fixed-point observations to ensure effective monitoring of progress, and they again decided to retain the subject on the agenda of this meeting.

As part of the promotion of the Initiative for Sustainable Fuels and Mobility (“ISFM”), which was launched at the Japan–Brazil Summit Meeting in May 2024, Japan and Brazil, serving as co-chairs, convened the Ministerial Meeting on Sustainable Fuels in September 2025. This meeting marked the first global ministerial-level gathering dedicated exclusively to sustainable fuels and was held in coordination with the Expo 2025 Osaka, Kansai, Japan. During the meeting, discussions were held on the importance of expanding the production and use of sustainable fuels, including biofuels and biogas, across diverse sectors of the economy.

Subsequently, in November 2025, COP30 was held in Belém, Brazil, where, as a joint proposal by Brazil, Japan, and Italy, the “Belém 4X Pledge on Sustainable Fuels” was officially announced by President Luiz Inácio Lula da Silva of Brazil. The declaration set forth the goal of increasing global demand for

sustainable fuels by at least fourfold by 2035 compared to 2024 levels, thereby reaffirming the acceleration of the implementation of the Paris Agreement and the steady advancement of international cooperation.

The Wise Group confirmed that by combining the advanced and diverse technological capabilities of both Japan and Brazil with the potential of renewable energy, cooperation between the two countries is steadily evolving from isolated initiatives into long-term industrial partnerships.

Both sides expressed complete convergence in maintaining strategic objectives on the decarbonization agenda, even in a challenging context. The importance of decarbonization lies not only in the scientific aspect of the issue, but also in the understanding that CO₂ emissions represent potential additional costs to the business (as exemplified by CBAM). Also, the members emphasized that decarbonization continues to be an opportunity for Brazil and for the bilateral agenda.

At the meeting, the following opinions and proposals were expressed by members regarding the possibilities and measures toward concrete initiatives:

- ✓ Promotion of joint initiatives in biofuels and biogas, with emphasis on applications in the automotive and energy sectors.
- ✓ Advancement of technologies for hybrid electric–biofuel vehicles and fuel cells, combining expertise from Japan and Brazil.
- ✓ Strengthening the role of Brazilian ethanol in decarbonization across multiple transport modes, supporting Brazil’s cooperation in the implementation of E10 and E20 programs in Japan, at same time anticipate the program E10 before 2030.
- ✓ Promote Brazil and Japan cooperation to foster E10 and E20 blend and hybrid flex technology in third countries.
- ✓ Reinforcement of international commitments such as the Belém 4X Pledge on Sustainable Fuels announced at COP30, aiming to quadruple the use of sustainable fuels by 2035, with Brazil and Japan as leading partners.
- ✓ Expansion of sustainable aviation fuels specially Alcohol-to-Jet (AtJ) pathways for SAF building on Brazil–Japan collaboration in technology and regulation.
- ✓ Scaling up bioethanol for maritime transport supported by Brazil -Japan collaboration in regulation and operational development.
- ✓ Broadening the ethanol agenda to the bioeconomy, including biodiesel and bioplastics, to diversify low-carbon solutions.
- ✓ Promotion of low-carbon iron and steel production, including green iron and HBI, through the use of biomass and hydrogen, aligned with Brazil’s ongoing projects and Japan’s steelmaking technologies.
- ✓ Strengthening cooperation on low-carbon ammonia, nitrogen compounds, and fertilizers, including production using biomethane and green hydrogen.
- ✓ Initiatives for the project in Brazil to produce biogas and biomethane.
- ✓ Development of Energy Crops to complement sugarcane and corn, where Brazilian production is increasing continuously, ensuring long-term supply stability and diversification of biofuel feedstocks.

- ✓ Deepening cooperation on bioenergy based on five prior discussions on decarbonization held between 2021–2025.
- ✓ In line with the policies between Brazil and Japan, strengthening financial cooperation mechanism between Japan and Brazil to support the entire biofuel supply chain, from feedstock production to logistics and infrastructure.
- ✓ It was emphasized that Brazil and Japan should adopt a coordinated position within the International Maritime Organization (IMO), with the aim of establishing new regulations for emissions reduction.
- ✓ Brazilian and Japanese trade and investment promotion organizations should undertake coordinated and continuous efforts to promote biofuels in third countries.
- ✓ Japanese investments should be encouraged to support the industrialization of the fertilizer sector in Brazil.
- ✓ Enhanced cooperation from Japan should be encouraged to support the Brazilian petrochemical sector in the development and production of bioplastics.

The potential for joint projects that utilize the advanced technologies of both countries, and the abundant renewable energy potential and experience of Brazil has been reaffirmed in previous meetings. It was once again acknowledged that this cooperation has moved beyond mere ad hoc initiatives and is now being steadily materialized as long-term strategic collaboration.

In order to contribute to global decarbonization efforts toward achieving carbon neutrality by 2050, it is critically important for Japan and Brazil, as like-minded countries, to further strengthen intergovernmental coordination. From a long-term perspective, including the deployment of successful initiatives to third countries, both governments should jointly present to the international community decarbonization of business models and policy insights based on a multi-pathway approach.

The second theme, “Collaboration on Economic Security, Supply Chain Resilience, and Critical Minerals”, reflects growing global concern regarding the stability of supply chains for critical minerals, including rare earth elements, which are more indispensable for decarbonization and advanced technologies. Demand for these materials continues to grow rapidly due to electrification, renewable energy deployment, and digital transformation worldwide.

Japan has undertaken efforts to strengthen the resilience of its rare earth supply chain, including the diversification of procurement sources, the development of alternative technologies, the strengthening of strategic stockpiles, and the promotion of recycling. Nevertheless, amid rising global demand and increasing geopolitical risks, including excessive dependence on specific countries, Japan continues to face the urgent challenge to further diversify and mitigate the supply chain risks.

Brazil, meanwhile, possesses abundant mineral resources, including oil, iron ore, bauxite, niobium, and rare earth elements, while also pursuing a national strategy of transitioning from a predominantly resource-export-driven economy toward a more value-added industrial structure.

In this context, the Wise Group recognized that Japan and Brazil have complementary strengths and strategic interests and emphasized the importance of linking resource-rich countries with those possessing

excellent midstream processing capabilities and end markets in order to enhance supply chain resilience. Enhanced bilateral collaboration could contribute simultaneously to supply chain diversification, industrial upgrading, and the reinforcement of economic security for both countries.

At the meeting, the following opinions and proposals were expressed by members regarding what specific efforts should be made by the two countries, focusing on important minerals and rare earths:

- ✓ Strengthening Japan-Brazil cooperation in economic security, diversifying global supply chains amid current geopolitical uncertainties and trade bloc dynamics.
- ✓ Promotion of broader international cooperation to diversify supply chains and strengthen resilience in critical minerals. Recognition of critical minerals, like lithium, copper, cobalt, nickel, niobium, rare earths, as essential for clean energy technologies, including EV batteries and energy storage systems, with Brazil's reserves offering global supply opportunities.
- ✓ Expansion of partnerships between Japan and Brazil to accelerate extraction, refining and value-chain development of critical minerals, leveraging Japanese technological expertise.
- ✓ Reinforcement of Brazil's role as a central actor in building alternative supply chains, contributing to the diversification of sourcing and the reduction of excessive dependence on a limited number of suppliers.
- ✓ Reviews Japan - Brazil cooperation in mineral resource development, focusing on iron ore, aluminum, and niobium as successful models.
- ✓ Addresses rare earths, essential for EVs and electronics but constrained by concentrated supply chains and radioactive waste issues. Will also touch upon the status quo of the rare earth development and challenges.
- ✓ Recent efforts include Japan - Brazil cooperation in Goiás, government support for overseas suppliers, and Japan's deep-sea exploration.
- ✓ The conclusion stresses that policy, investment, technology, and international cooperation are all critical for sustainable rare earth development.
- ✓ Deepening discussions on rare earth elements vital for electric vehicles and high-performance motors, with a focus on addressing risks related to supply chain and enhancing overall resilience.
- ✓ Foster the development of a new, diversified supply chain for critical minerals, including those derived from rare earth elements.
- ✓ The importance of advancing the discussion on critical minerals to an operational level, in order to clarify the respective roles of governments, regulatory and environmental agencies, and the private sector in enabling an end-to-end supply chain.
- ✓ Highlighting ongoing cooperation projects such as the financing for the project in Brazil for low-carbon aluminum with renewable energy and in Argentina for the lithium development with strategic partners.
- ✓ Joint efforts to establish a common understanding of rare earth development challenges and necessary actions for stable supply.

Addressing critical minerals refining challenges, including the safe management of radioactive residues, requires strong government leadership, supported by appropriate policy instruments such as subsidies,

guarantees, and long-term offtake agreements to ensure secure and sustainable processing. At the same time, it is becoming increasingly difficult for any country to maintain supply chains independently, underscoring the importance of building resilient supply chains through cooperation among like-minded countries. In particular, regarding rare earth development, discussions during the meeting highlighted that given the length and complexity of supply chains, challenges related with sales price formation, and the elevated geopolitical sensibility, it is recommended that international cooperation be promoted through multilateral frameworks, rather than bilateral arrangements.

In this context, establishing a framework that engages a broader group of like-minded countries, based upon the cooperation between Japan and Brazil, would be an effective approach.

The third theme, “Collaboration in Emerging Areas – AI, DX, and a Well-being Society” built upon previous discussions on digitalization and AI over several years, by focusing on the practical application of these technologies to address social challenges and improve the quality of life for both Japanese and Brazilians.

Brazil is also expected to face increasing issues related to the aging issue in the future, and policies aimed at enhancing the quality of life and social inclusion are closely aligned with the concept of well-being. Japan places emphasis on well-being in terms of governmental policy. The Wise Group confirmed the value of sharing Japan’s experience and practices with Brazil. Based on this shared understanding, the following discussions were held on the potential for sustained bilateral cooperation toward the realization of well-being societies:

- ✓ Implementation of Artificial Intelligence in strategic sectors to enhance efficiency, reduce carbon emissions and improve safety.
- ✓ Advancement of AI applications in healthcare, including early diagnosis, telemedicine and healthy aging, a central theme for Japan and increasingly relevant for Brazil.
- ✓ Promoting bilateral Cooperation in Research and Development within the Framework of Brazil's National Strategy for the Health Industrial Complex (CEIS).
- ✓ Promote partnerships within the healthy food industry.
- ✓ Foster closer cooperation between the scientific and medical communities of Brazil and Japan.
- ✓ Promotion of AI-driven solutions in agribusiness and bioeconomy, such as precision agriculture, sustainable forest monitoring and Amazon value chains.
- ✓ Strengthening digital infrastructure and data centers, leveraging Brazil’s renewable energy potential and Japan’s expertise in secure and reliable ICT.
- ✓ Consolidation of Brazil’s National AI Plan (2024–2028), structured around four pillars: infrastructure and R&D, industrial use, public services and human resource development.
- ✓ Promote technical and technological cooperation to advance Brazil’s computational capacity.
- ✓ Integration of national IDs and digital public services, supported by Japanese experience, to improve administrative efficiency, fraud prevention and disaster response.
- ✓ Cooperation on AI regulation and governance, with Brazil advancing its legal framework and Japan contributing its experience from G7 and OECD discussions on Trustworthy AI.

- ✓ Brazil and Japan should cooperate in discussions on the application and development of artificial intelligence, including its impact on the workforce and labor markets, reskilling initiatives and approaches to fostering the generation of future workforce and new future carriers.
- ✓ Joint initiatives in drug and vaccine discovery using AI and data analysis, targeting infectious diseases and cancer, with potential to create a Brazil-originated medical model supported by Japan.
- ✓ Exchange of experiences on demographic challenges: Japan's advanced aging society and Brazil's gradual aging process, both facing rising healthcare and social security costs.
- ✓ Initiatives of digital health and well-being solutions with DX and AI, defining well-being as "living better with health".
- ✓ Accelerating financial support for data center projects and power projects with reliable Japanese partners.

Under this theme, the Wise Group focused on the potential for cooperation that goes beyond limiting AI and DX to being solely tools to enhance competitiveness and instead emphasizes their application in tackling societal challenges and the improvement of the quality of life. These initiatives were recognized as essential to advancing the construction of well-being societies in both countries.

In addressing the aforementioned aging issue, the importance of sustainable bilateral cooperation was reaffirmed, including policy dialogue in the fields of healthcare and public services, while sharing Japan's accumulated experience and expertise with Brazil.

The Wise Group reiterates its strong support for extending the reciprocal short-term stay visa waiver measure between Japan and Brazil, which has contributed to strengthening bilateral relations by promoting mobility, tourism, and business exchanges since 2023. In view of its expected expiration in September 2026, the Wise Group recommends that both governments take timely action to ensure its extension, thereby sustaining the positive momentum of vital bilateral cooperation.

For many years since its foundation, the Wise Group has been consistently appealing to the governments of both nations for the early conclusion of an Economic Partnership Agreement ("EPA") between Japan and MERCOSUR. At the April 2026 meeting, the Wise Group reaffirmed that, in order to translate the proposals under all three themes into concrete projects and investments, a predictable and stable economic framework is indispensable.

Regarding, the "Strategic Partnership Framework between Japan and MERCOSUR", launched in December 2025, the first and second meetings were held in January and March 2026. The Wise Group strongly hopes that through this framework, long-term and comprehensive cooperation based on trade and investment will be further deepened, leading to the early conclusion of the EPA between Japan and MERCOSUR.

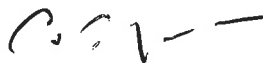
Such implementation of the Agreement will unlock the full potential for investment, partnership, and cooperation - as has historically been discussed within the framework of the Wise Group - and, particularly in the current evolving global context, will foster economic development and supply chain resilience for both countries.

In conclusion, the Wise Group hereby reports the outcomes of its discussions to the leaders of both governments and expresses its strong commitment to working in close cooperation with governments, business communities, and individual private enterprises in the two countries to create and expand concrete initiatives and projects, thereby contributing to the sustainable development of the economies of Japan and Brazil.



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