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Japanese policy and regulatory developments

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Digital-Related Matters

Third Ministerial Meeting of the Japan-EU Digital Partnership Council¹

(Ministry of Economy, Trade and Industry, May 13)

- On May 12, the Ministry of Economy, Trade and Industry, the Digital Agency, and the Ministry of Internal Affairs and Communications held the third ministerial meeting of the Japan-EU Digital Partnership Council with the European Commission. As a result of the discussions at the meeting, a joint statement was issued, the key points of which are as follows.
 - Enhancing competitiveness, innovation, and resilience in emerging technologies related to semiconductors, 5G, Beyond 5G/6G, and quantum technology through promoting cooperation in research and innovation.
 - Taking a leading role in shaping global digital governance and innovation for a humancentric and values-based approach in the fields of artificial intelligence (AI), digital identities and trust services, data governance, protection of personal data, and online platforms.
 - Enhancing economic security by promoting resilience in critical digital technologies related to cybersecurity, submarine cables, and semiconductors.
 - Establishing a collaborative path toward joint leadership in digital technologies under the EU-Japan Digital Partnership.

Takeaway: As both Japan and the EU have confirmed their commitment to continue working in all areas identified at the meeting, it is worth monitoring how their digital partnership evolves in the future.

Japan's New International Standardization Strategy: Connecting Global Goals with National Strengths²

(Prime Minister of Japan and His Cabinet, May 13, June 3)

- On May 13, 2025, the Japanese government convened the 8th meeting of the International Standardization Strategy Committee, and on June 3, 2025, the Intellectual Property Strategy Headquarters adopted the final version of Japan's new international standardization strategy, after incorporating feedback from a public consultation process.
- The government of Japan has launched this New International Standardization Strategy

¹ https://www.meti.go.jp/english/press/2025/0513_002.html

² https://www.kantei.go.jp/jp/singi/titeki2/kokusai_hyoujun/gijisidai/dai8/index.html (in Japanese)

to address global challenges and enhance economic security through the strategic use of international standards. The initiative responds to a complex international landscape shaped by fragmented supply chains, rapid technological shifts, climate change, and demographic pressures. Key points of the strategy include the following.

- Japan intends to reinforce its standardization ecosystem by investing in skilled human resources, expanding expert services, and fostering a unified regime of regulations, standards, and certifications. The strategy emphasizes greater engagement with international bodies such as the ISO, IEC, and ITU, while also building stronger regional ties, particularly in Asia. Individuals in both industrial and academic fields are encouraged to actively participate through enhanced evaluation systems and public-private collaboration frameworks.
- Out of 17 identified fields, which include the environment, energy, digital transformation, AI, mobility, quantum computing, semiconductors, and healthcare, eight have been designated as strategic domains. International standardization activities for these areas (including monitoring and follow-up processes) will be reinforced, with Japan aiming to organize and implement domestic and international standards. The selection of these strategic domains is designed to be flexible and will evolve with global trends.
- The strategy addresses economic security, aiming to ensure autonomous and resilient supply chains. It also addresses concerns about information leakage and emphasizes international cooperation with like-minded countries to establish trusted global norms. Also, in cases where standards and patents are relevant, patent policies may have a significant impact on the implementation and competitiveness of standards, so Japan will closely monitor the relationship between standards and patents, including the operational status of FRAND conditions.
- Japan will establish a central body which will monitor, assess, and review implementation and follow-ups. A framework (such as a digital platform) will also be established to share and match know-how and human resources information across sectors.

Takeaway: Japan's finalized strategy reflects a proactive vision regarding shaping global standards in line with its technological capabilities and shared international values.

Establishment of “Guidelines for Japanese Government’s Procurement and Utilization of Generative AI for the Evolution and Innovation of Public Administration”³

(Digital Agency, May 27)

- On May 27, the Digital Agency established the “Guidelines for Japanese Government’s Procurement and Utilization of Generative AI for the Evolution and Innovation of Public Administration”, which has taken into account the results of the public consultation in April.
- These guidelines describe measures and rules for governance, procurement, and utilization of generative AI, aiming to increase the use and ensure the risk management of generative AI by the Japanese government.
- According to these guidelines, the Chief AI Officer (CAIO) formulates the rules for individuals using generative AI in each ministry or agency (e.g., government employees using generative AI systems in general administrative tasks and various public administration fields).
- In addition, planners (e.g. government employees in departments or teams responsible for planning and procuring the utilization of generative AI for operational tasks) and providers (e.g. government employees responsible for operating generative AI systems utilized by government employees or the public will ensure the procurement of safe and high-quality generative AI systems through compliance with procurement specification documents and contracts with service providers by referring to the “Procurement Check Sheet” and the “Contract Check Sheet” of these guidelines.
- Furthermore, providers and users of generative AI must properly report risk cases to the CAIO, and the providers shall implement appropriate countermeasures.

Takeaway: It is particularly important for businesses involved in government procurement to carefully review the Procurement Checklist and the Contract Checklist to ensure that the requirements set forth therein are included in specifications and contracts when the government procures generative AI.

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<https://www.digital.go.jp/en/news/3579c42d-b11c-4756-b66e-3d3e35175623>

Enactment of the Act on the Promotion of Research, Development, and Utilization of Artificial Intelligence-Related Technologies⁴

(House of Councillors, The National Diet of Japan, May 28)

- The “Act on the Promotion of Research, Development, and Utilization of Artificial Intelligence-Related Technologies” (“Act”), enacted on May 28, 2025, is Japan’s first comprehensive legislation specifically focused on artificial intelligence. The Act establishes a framework to promote AI research, development, and social implementation as a national strategy, with certain provisions coming into effect on June 4, 2025.
- A defining feature of the Act is that it regards AI not merely as a technological tool, but as a foundational element for transforming society as a whole. AI-related technology is defined as technology that serves as an artificial substitution for human intellectual capabilities, such as cognition, reasoning, and judgment, and includes systems that process input, perform computations, and produce output. In essence, most technologies commonly referred to as AI fall within this definition.
- Based on the “Basic Plan for Artificial Intelligence” to be formulated by the Japanese government, the Act mandates a wide range of policy measures, including support for research and development, human resource development, promotion of education, participation in international rule-making, and the establishment of guidelines. Additionally, the Cabinet will establish the “Artificial Intelligence Strategy Headquarters,” headed by the Prime Minister, to coordinate AI policy across the entire Japanese government.
- The Act also assigns responsibilities not only to national and local governments and research institutions, but also to private companies and the general public. In particular, companies are expected to actively apply AI technologies to improve operational efficiency and foster the creation of new industries, while also cooperating with government initiatives. Companies may be asked to provide information on their AI usage for government-led research and surveys, which could lead to guidance or support based on the findings.

Takeaway: The Act establishes an institutional foundation for maximizing the potential of AI while ensuring public trust and safety. It is positioned as a key piece of legislation that will shape the future of Japan’s AI policy.

⁴ <https://laws.e-gov.go.jp/law/507AC0000000053> (in Japanese)

Designation of Large-scale Platform Operators pursuant to Article 20(1) of the Information Distribution Platform Act⁵

(Ministry of Internal Affairs and Communications, May 30)

- As of May 30, 2025, nine companies have been designated as large-scale platform operators under the Information Distribution Platform Act of Japan (“IDPA”). Five companies were designated on April 30, and four additional companies (including an EU-based company) were added in May.
- The IDPA, which came into effect on April 1, 2025, is a partial amendment to the Provider Liability Limitation Act, and aims to address the growing issue of the dissemination of illegal and harmful information on the Internet. It seeks to balance the protection of victims with freedom of expression.
- To effectively address illegal and harmful online content (such as content infringing the right to honor (including defamation), right to privacy, publicity rights, copyrights, and the like), the IDPA imposes specific obligations on large-scale platform operators. A business may be designated as a large-scale platform operator if it meets the following criteria: (1) it has a substantial user base (e.g., an average of over 10 million monthly active users or an average of over 2 million monthly posts); (2) it has technological capabilities to prevent the spread of infringing content; and (3) it is not excluded as a low-risk service under the Enforcement Regulation.
- Typically, major social network service platforms, including online forums, open chats, and video sharing platforms, meet these thresholds. The Ministry of Internal Affairs and Communications continues to review additional candidates for designation.

Takeaway: The framework of the IDPA reflects the influence of the EU’s Digital Services Act (DSA), and the scope of the IDPA may expand over time. As such, major social network service providers, even if not yet designated as large-scale platform operators, should assess whether they meet the thresholds, and if so, comply with the relevant obligations. Potentially qualifying companies also should monitor the ongoing developments regarding designation status and the associated regulatory landscape.

⁵ https://www.soumu.go.jp/menu_news/s-news/01ryutsu02_02000440.html (in Japanese)

Industry

Proposal by Research Commission on Intellectual Property Strategy⁶

(Research Commission on Intellectual Property Strategy of the Liberal Democratic Party, May 27)

- On May 26, 2025, the Intellectual Property Strategy Headquarters of the Liberal Democratic Party's Policy Research Council submitted a proposal to the Prime Minister for strengthening the utilization of intellectual property (IP) and intangible assets in Japan.
- Japan is transitioning to a society which focuses on creation of high added value, and intellectual property and intangible assets are essential elements to achieve this goal. To address various societal and economic changes, the proposal includes the following goals, in pursuit of maintaining the cycle of creation, protection, and utilization of intellectual property.
 - To establish intellectual property systems attracting investment from global companies in AI and digital ages, arrange infrastructure to facilitate research and development activities and the creation of intellectual property, and attract domestic investment.
 - To create an ecosystem in which the development of AI technology and appropriate protection of intellectual property are compatible.
 - To expand cool Japan industries overseas and increase inbound tourism.
 - To create a digital content strategy to promote the growth of the content industry, strengthen its international competitiveness, and promote overseas expansion by applying the PDCA cycle.
 - To lead a rule-making process through the standardization strategy.

Takeaway: Overseas businesses should monitor intellectual property systems in Japan when carrying out research and development activities, particularly those involving AI technology..

⁶ <https://www.jimin.jp/news/policy/210660.html> (in Japanese)

Economic Security

Enactment of the Cybersecurity Response Capability Enhancement Act and the Supplementary Act⁷

(Cabinet Secretariat, May 16)

- On May 16, the *Cybersecurity Response Capability Enhancement Act* (“CRCE”) and its accompanying legislation for the development of related laws were enacted. These laws include provisions that authorize the Japanese government to conduct cyber defense operations proactively. The legislation significantly expands the Japanese government’s authority to respond to cybersecurity threats and also aims to strengthen cybersecurity measures in the private sector by imposing new obligations on critical infrastructure operators already designated under the Economic Security Promotion Act. The laws are structured around the following four main pillars:
 - (i) public–private collaboration,
 - (ii) government use of certain communication information,
 - (iii) access and neutralization measures (i.e., "active cyber defense measures"), and
 - (iv) enhancement of governmental organizations and frameworks.
- They primarily include the following elements:

1. Public–Private Collaboration

- Notification requirements for certain IT or computing systems introduced by critical infrastructure operators
- Obligation of critical infrastructure operators to report cybersecurity incidents involving the abovementioned systems
- Information sharing with the suppliers of such systems, including informing the suppliers of any possibility of government-requested measures in response to identified vulnerabilities
- Establishment of councils for information sharing and joint countermeasures

2. Government Use of Certain Communication Information

- Acquisition of communication information based on agreements with (i.e., with the consent of) critical infrastructure operators and others
- Acquisition of communication information without consent through automated mechanical filtering

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https://www.cas.go.jp/jp/seisaku/cyber_anzen_hosyo_torikumi/index.html (in Japanese)

* The measures above are intended to help discern the actual status of cyberattacks targeting Japan. To this end, the Japanese government is permitted to acquire certain communication information for the purpose of utilizing and analyzing such data. These measures will be implemented with appropriate safeguards to ensure that the confidentiality of communications is respected.

3. Access and Neutralization Measures

- Police implementation of neutralization measures to prevent serious harm
- Communications protection measures by the Self-Defense Forces pursuant to orders issued by the Prime Minister

4. Enhancement of Governmental Organizations and Framework

- Reorganization and strengthening of the Cybersecurity Strategic Headquarters
 - Creation of the Cabinet Cybersecurity Officer position to oversee cybersecurity-related affairs
- Public-private collaboration parts of the laws will enter into force on a date to be specified by a Cabinet Order within a period not exceeding one year and six months from the date of promulgation of the CRCE (May 23). The provisions concerning the use of communications information will come into effect on a date specified by Cabinet Order within a period not exceeding two years and six months, except for certain parts.

Takeaway: As noted above, the CRCE and its associated legislation include provisions that require critical infrastructure operators to file notifications when introducing certain IT or computing systems and to report cyber security incidents affecting such systems. In addition, if the Japanese government identifies vulnerabilities in certain IT systems or software, operators may be required to take appropriate remedial measures. As a result, these requirements may also have implications for vendors that provide such systems.

These trends toward strengthening cybersecurity are aligned with similar developments in other jurisdictions, such as the EU's Cyber Resilience Act. Notably, they reflect a growing emphasis by Japan on cybersecurity preparedness, not only with respect to infrastructure operators but also IT systems and software vendors involved in supporting such infrastructure.

Partial Amendment of the GX Promotion Act and Resources Act

(The National Diet, May 28)

- On May 28, 2025, a bill which partially amends both the Act on the Promotion of Smooth Transition to a Decarbonized, Growth-Oriented Economic Structure (“GX Promotion Act”) and the Act on the Promotion of Effective Utilization of Resources (“Resources Act”)⁸ was approved at the 217th Ordinary Diet Session.⁹
- The amended GX Promotion Act establishes an emission trading system and specifies GX-surcharge collection measures.
- The amended Resources Act introduces requirements for businesses to utilize recycled resources, in addition to promoting environmentally friendly design, the use of raw materials necessary for achieving GX, and a circular economy.
- From FY 2026, businesses whose direct carbon dioxide emissions meet the threshold of 100,000 tons or more will be required to participate in the emissions trading system.
- Emission allowances will be allocated free of charge based on the characteristics of relevant industries in accordance with the Japanese government’s guidelines.
- Businesses must report their emissions data and hold emissions allowances equivalent to the emissions data in the fiscal year following the fiscal year of the fiscal year when emissions allowances have been allocated to the business.
- It is estimated that approximately 300 – 400 companies will be required to participate in the Emission Trading System.

Takeaway: Developing various technologies and strategies to reduce greenhouse gas emission is of critical importance to maintaining competitiveness and achieving net zero emissions. EU businesses that are operating or seeking to invest in Japan are encouraged to comply with emissions reduction and recycling requirements, and explore opportunities in the GX sector to leverage the potential benefits from the investments in GX projects.

⁸ https://www.meti.go.jp/english/press/2025/0225_001.html

⁹ <https://www.sangiin.go.jp/japanese/touhyoulist/217/217-0528-v008.htm> (in Japanese)

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