

Intellectual Property Strategic Program 2025

~IP Transformation~

June 3, 2025

Intellectual Property Strategy Headquarters

Intellectual Property Strategic Program 2025

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I. Introduction

The “Intellectual Property Strategic Program 2024” (decided by the Intellectual Property Strategy Headquarters in June 2024) states that the “Intellectual Property Strategy” is becoming increasingly important in revitalizing the economy and innovation, and strengthening international competitiveness. Recognizing that coordination with science, technology, and innovation policies, as well as economic security policies, is essential, the Strategy returns to the starting point of the “intellectual creation cycle” to rebuild an “IP ecosystem” that fosters and promotes innovation. It also outlines measures to review the creation, protection, and utilization of intellectual property and to develop and utilize highly skilled intellectual property human resources strategically.

Additionally, in order to promote the “New Cool Japan Strategy” formulated simultaneously, the government outlined cross-cutting initiatives such as a content strategy for the digital age, inbound incentives, exports of agricultural, forestry and fishery products and food, and efforts to promote the attractiveness of local communities.

In light of the above, in addition to promoting related measures in cooperation with related government ministries, the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters has been actively conducting studies toward the formulation of the “Intellectual Property Strategic Program 2025” through the “Conceptualization Committee” established under the Intellectual Property Strategy Headquarters since October 2024. In addition, concrete discussions have been held in the “Content Strategy Working Group,” “Create Japan Working Group,” and “International Standard Strategy Subcommittee” established under the Conceptualization Committee.

At the same time, based on the “Grand Design and Action Plan for a New Form of Capitalism 2024 Revised Version” (decided by the Cabinet on June 21, 2024), with the aim of revitalizing the contents industry, the “Public-Private Council for the Contents Industry” and the “Film Strategy Planning Committee” were established in September 2024 to clarify the government’s steering role in the creators and contents industry and strengthen its organizational structure, and it has discussed new measures on these issues.

The “Intellectual Property Strategic Program 2025” was established based on the results of these considerations and discussions.

In “II. Review of Intellectual Property Strategy and Future Direction,” we briefly review Japan’s intellectual property strategy, reaffirm Japan’s current competitive status and “intellectual capital,” and then propose the creation of a new “intellectual creation cycle” aimed at resolving social issues in Japan and overseas, such as strengthening global competitiveness and realizing a recycling-oriented economy under the concept of “IP transformation.” Based on this, we summarize future directions and priority initiatives, with the three pillars for realizing the above being “utilization of AI and other advanced technologies,” “capturing the global market,” and “utilization of intellectual property.”

In “III. Priority Measures of Intellectual Property Strategy,” continuing from 2024, we have organized the “Current situation and challenges” and “Direction of measures” for each of the perspectives of “creation,” “protection,” and “utilization” of intellectual property, and have set new key performance indicators (KPI) for the targets to be achieved for the first time.

Going forward, it is essential that not only the government but also industry, academia, and other relevant stakeholders work together to steadily implement the measures based on this program to realize a vibrant economy and society through the strategic creation, protection, and utilization of intellectual property, increase the number of foreign fans of Japan, and strengthen Japan's soft power.

II. Review of Intellectual Property Strategy and Future Direction

1. Review of Intellectual Property Strategy

While more than 20 years have passed since the Intellectual Property Basic Act (Act No. 122 of 2002) was enacted, intellectual property strategies have changed in response to the changes in the domestic and international environment.

In 2013, the Basic Policy on Intellectual Property (decided by Cabinet on June 7, 2013) was formulated, setting the following goals: 1) to build a world-leading intellectual property system that attracts domestic and foreign companies and individuals, rather than following other countries, 2) to actively support the development of intellectual property systems in emerging countries, including those in Asia, and 3) to continuously develop human resources with creativity and strategic thinking.

In 2018, the Intellectual Property Strategy Headquarters formulated the “Intellectual Property Strategy Vision” (June 12, 2018), which proposes a “value design society” while presenting a medium- to long-term outlook and direction of measures for the coming society, ways to create value, and the intellectual property system that will support it, with a view to the period from 2025 to around 2030.

In recent years, the changes in the domestic and international environment have accelerated, including rapid development in AI technology with the accompanying increase in the value of data, the emergence of the concept of economic security, and contributions to solving social issues such as the realization of a circular economy and climate change measures. For companies, it has become an issue to formulate intellectual property strategies in line with these new environmental changes.

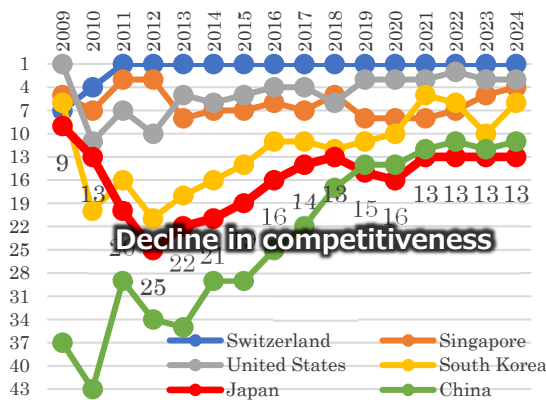
On the other hand, looking at the current global situation, international political and economic risks continue to rise, and the situations around companies are becoming increasingly uncertain due to the factors such as the lack of coordination in responding to climate change and the progression of global inflation. However, it is precisely in times like these that the importance of intellectual assets, such as “intellectual property” and “technology,” which can be considered unchanging, is increasing. It is now more important than ever for companies to reaffirm the “source” of their innovation capabilities, such as their intellectual property and technology, and to build business strategies based on these assets, while clearly demonstrating their strengths.

2. IP Transformation

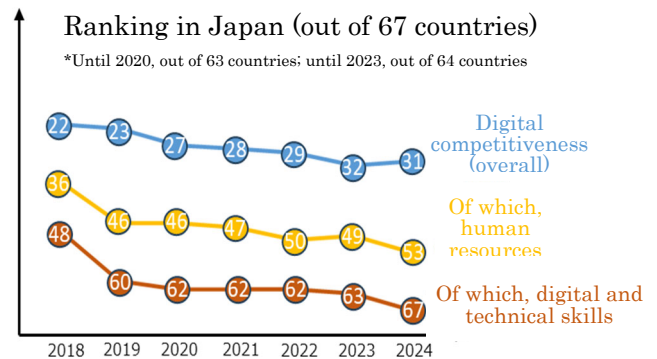
(1) Japan's competitiveness status

Although the government has promoted intellectual property strategies in light of changes in the social environment and trends in other countries, Japan's competitiveness has been on a long-term downward trend. For example, Japan ranks 13th in the World Intellectual Property Organization (WIPO) Global Innovation Index (2024), behind South Korea (6th) and China (11th), as well as 31st in the World Digital Competitiveness Ranking (2024) compiled by the International Institute for Management Development (IMD) in Switzerland.

On the other hand, content industries and industries related to Cool Japan have developed significantly, and Japan's national brand has become one of the best in the world, which is one of Japan's strengths. However, expanding global earnings remains an issue, which requires the advancement of intellectual property management.



Source : WIPO "Global Innovation Index 2024"



Source: Ministry of Economy, Trade and Industry (METI) "Study Group on Human Resources Policy for the Digital Age (5th Meeting)" Material 3-1 (March 2022),

Figure 1: Global Innovation Index (GII) Ranking Figure 2: Global digital competitiveness ranking

(2) Future direction of intellectual property strategy

Looking ahead to the next 10 years, the domestic market is expected to level off due to a decline in the number of innovative human resources associated with population decline, while the global market is expected to continue growing. In addition, rapid advances in AI technology and major changes in socioeconomic systems are anticipated. Considering Japan's current situation of competitiveness and future environmental changes, it is necessary to examine the direction of intellectual property strategy going forward.

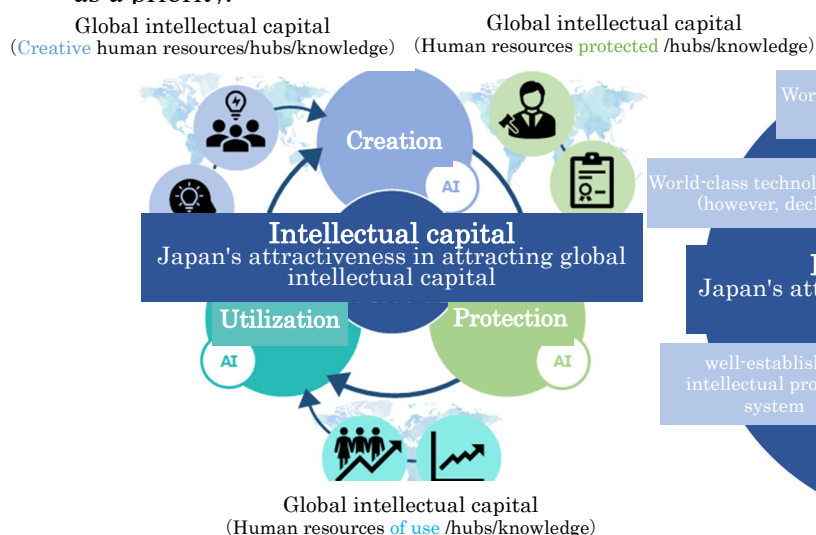
In particular, as domestic measures are no longer sufficient to lead innovation, it is

essential to consider a new intellectual creation cycle based on the active attraction of global intellectual capital, including human resources and hubs, and the active utilization of AI.

It is also important to reaffirm Japan's national brand and attractiveness, which are improving with the development of content industries and Cool Japan-related industries, as valuable intellectual capital of Japan, and to fully utilize them to attract global intellectual capital.

As the world shifts to a high-added-value economy, intellectual capital itself has become the source of added value, calling for the utilization of intellectual capital. Given this situation, it is necessary to attract and accumulate global intellectual capital through the full utilization of Japan's intellectual capital (e.g., technological capabilities, content capabilities, and the national brand), actively utilize AI to create added value, and strengthen global expansion while involving the attracted global intellectual capital.

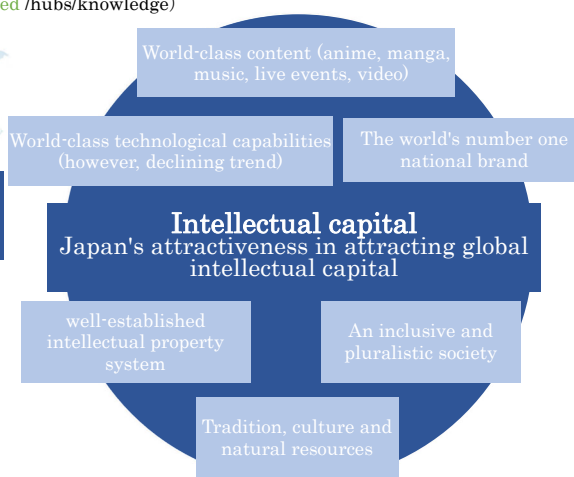
Under these circumstances, it is essential to build a “new intellectual creation cycle” (IP transformation) that aims to solve social issues in Japan and overseas by promoting the “intellectual creation cycle” consisting of the “creation,” “protection,” and “utilization” of intellectual property, while maintaining a strong awareness of global marketing and revenue maximization. To achieve this, initiatives based on three pillars must be promoted as a priority.



Source: Compiled by

Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters

Figure 3: Global intellectual capital utilization cycle



Source: Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters

Figure 4: Components of intellectual capital

<Strengthening competitiveness as an innovation hub>

In order to strengthen competitiveness as an innovation hub, it is necessary to establish

Japan's position as a major R&D center and innovation hub in Asia, accumulate intellectual capital (knowledge, technology, and funds) domestically, aim to become a “value-creating nation” that grows by maximizing the utilization of such intellectual property and intangible assets, thereby realizing a shift from a “cost-cutting economy” to a “high-added-value economy.”¹

To this end, it is essential to address various issues, such as the decline in creative human resources accompanying the population decline, the stagnation in the number of researchers, sluggish growth in R&D expenditure, the low ratio of intangible assets, and the low ratio of overseas patent applications compared with Europe and the United States.

At the same time, the changes in the international socioeconomic environment are increasing the international mobility of highly skilled human resources with specialized knowledge. Accordingly, Japan needs to promote the creation and improvement of an environment conducive to creative activities, including innovation, while disseminating its advantages to the rest of the world. It is also necessary to actively promote initiatives and improve the environment for attracting innovative human resources², such as top-level researchers and entrepreneurs in cutting-edge fields such as deep tech, as well as IT human resources, by collaborating with universities, companies, local governments, and other relevant parties.

(a) Strengthening creative human resources and realizing diversity

To address this issue, it is first necessary to develop “creative human resources” and achieve diversity. The formation of innovation hubs that attract creative human resources from around the world is necessary. In the current situation, where the number of researchers continues to decline, it is important to continue investing in domestic human resources over the next 10 years, while also consciously promoting the recruitment of top-level human resources from overseas who can drive innovation and increase the number of outstanding international students. Even in a changing business environment, “people” are still the source of creativity. Therefore, it is important to create an environment where diverse human resources, regardless of gender, age, or nationality,

¹ The “Interim Summary of the Subcommittee on Innovation of the Innovation and Environment Subcommittee of the Industrial Structure Council” (April 2025) issued by the Ministry of Economy, Trade and Industry also indicates the direction of innovation policy for enhancing national power and industrial competitiveness.

(https://www.meti.go.jp/shingikai/sankoshin/sangyo_gijutsu/innovation/pdf/20250417_1.pdf)

² It includes improving the treatments of researchers and developing a welcoming environment for them.

can come together and influence each other to generate innovation.

(b) Promotion of investment in intellectual property and intangible assets

The second measure is to realize an economic society in which intellectual property and intangible assets lead value creation through the promotion of investment in them.

As issues that need to be resolved and improved over the next 10 years, while intellectual property and intangible assets play an extremely important role, the current situation is that Japanese companies have a lower percentage of intangible assets in their market capitalization compared with US companies, and universities, which are hubs of knowledge creation, also face challenges in securing funding for R&D.

To address these issues, one possible measure is to promote investment by making intellectual property and intangible assets more visible. Private companies need to explain to investors and other stakeholders how their R&D expenditures and intellectual property are linked to their sales and other key performance indicators on their management. Universities are also required to explain to funders how their R&D and intellectual property are linked to social impact.

With regard to companies, the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters is currently facilitating engagement between companies and investors using the “Intellectual Property and Intangible Asset Governance Guidelines Ver. 2.0” formulated in March 2023. From the perspective of social implementation of university intellectual property, the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters is promoting the dissemination of the “University Intellectual Property Governance Guidelines” formulated in March 2023.

Furthermore, with regard to university intellectual property, the number of researchers leaving or retiring from universities is on the rise, and some universities do not have regulations for handling intellectual property. In response to this situation, consideration was given to the desirable manner of handling intellectual property, and in March 2025, the “Guidelines for Handling Intellectual Property upon the Transfer or Retirement of Researchers at Universities and Other Institutions” was released. To promote innovation throughout society, it is essential to further advance the social implementation of intellectual property created at universities, to ensure that all stakeholders share the same understanding, and to accelerate efforts.

(c) Realization of an intellectual property system with international appeal

The third measure is to establish institutional infrastructure that supports innovation hubs through the realization of an intellectual property system with international appeal.

To resolve and raise the level of intellectual property rights over the next 10 years, it is necessary to increase the number of patent applications from overseas, which is currently lower than in Europe and the United States.

With regard to the realization of an IP system and framework with international appeal, over the past decade, various institutional reforms and system enhancements have been implemented to address new information assets such as AI and data, the progress of digitalization, technology leakage, and the strengthening of IP dispute resolution. However, it will be necessary to continue reviewing these institutions and systems from the perspective of whether they remain competitive internationally.

<Promotion of the utilization of AI and other advanced digital technologies>

In accelerating the intellectual creation cycle through AI utilization, it is necessary to build a robust intellectual creation cycle even amid a declining population by promoting AI utilization to improve productivity, accelerate creative activities, create value through the development of AI in areas where Japan has strengths, and reinvest in activities that create economic value.

To achieve these objectives, there are a number of challenges that need to be addressed, including the concerns of creators and rights holders, clarification of intellectual property systems and operational concepts for inventions and creations, and a tendency toward caution in the use of Generative AI.

As indicated in the “Interim Report by the Study Group on Intellectual Property Rights in the AI Era” (May 2024) (hereinafter referred to as the “Interim Report”), it is crucial that a wide range of stakeholders involved in Generative AI collaborate and appropriately combine legal, technological, and contractual measures to achieve an ecosystem that balances the advancement of AI technology and the appropriate protection of intellectual property rights.

As for the clarification of intellectual property systems for inventions and creations and the approach to their operation, with AI-based invention and creation activities already underway in research and development, Japan should deepen its consideration and reach a conclusion on how to evaluate the contributions of AI developers and others under the patent system.

In considering whether to grant AI developers the inventor status, it is important to consider that they are expected to play a larger role in inventive activities in the future. Promoting innovation by appropriately evaluating the contributions of AI developers is important. This will advance the technological development of AI tools in Japan and contribute to the further promotion of AI development through disclosure as prior

inventions.

Furthermore, AI utilization must be considered at each stage of the intellectual creation cycle: "creation," "protection," and "utilization" in order to accelerate the cycle.

<Capturing the global market>

While the domestic market has plateaued, the global market is expected to continue growing. According to the "New Cool Japan Strategy" (June 2024), promoting the overseas expansion of the content industry and establishing an economic zone centered on intellectual property is now necessary. To this end, intellectual property management must be enhanced, including contract negotiations and business management.

At the same time, based on the newly formulated “New International Standards Strategy,” it is required that industry, academia, and government collaborate to strategically promote international standardization in domains that are important to the international community and where international standards can be a key success factor. They must also develop human resources and strengthen support organizations to facilitate these efforts. Additionally, the government must work closely with the private sector to capture global markets.

(KPIs)

- By accelerating the intellectual creation cycle through the promotion of investment in intellectual property and intangible assets and the utilization of advanced technologies such as AI, Japan aims to rank among the top four countries³ in the World Intellectual Property Organization's “Global Innovation Index (GII)” by 2035.
- Increase the ratio of intangible assets to market capitalization in the Japanese market (Nikkei 225) to 50% or more⁴ by 2035.

³ Japan's highest ranking in the WIPO Global Innovation Index (GII) to date is 4th (2007). Therefore, we set the target to be among the top four by 2035.

⁴ As shown in Figure 9 on page 10, intangible assets accounted for only 32% of the market capitalization of the Japanese market (Nikkei 225) in 2020. In contrast, as of 2020, the proportion of intangible assets in the US market (S&P 500) was 90%, in the Chinese market (Shanghai Shenzhen CSI 300) was 44%, and in the South Korean market (KOSDAQ COMPOSITE INDEX) was 57%. Therefore, we set the target of over 50% by 2035, on par with China and South Korea.

III. Priority Measures of Intellectual Property Strategy

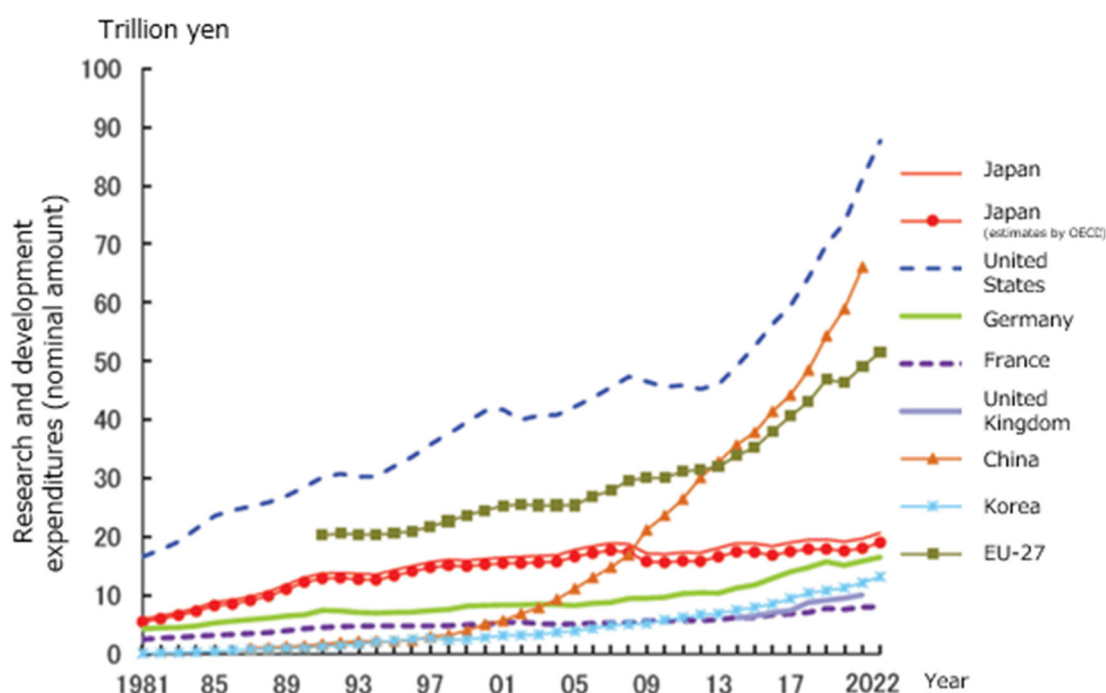
1. “Creation” of Intellectual Property

(1) Value creation through investment in IP and intangible assets

(Current situation and challenges)

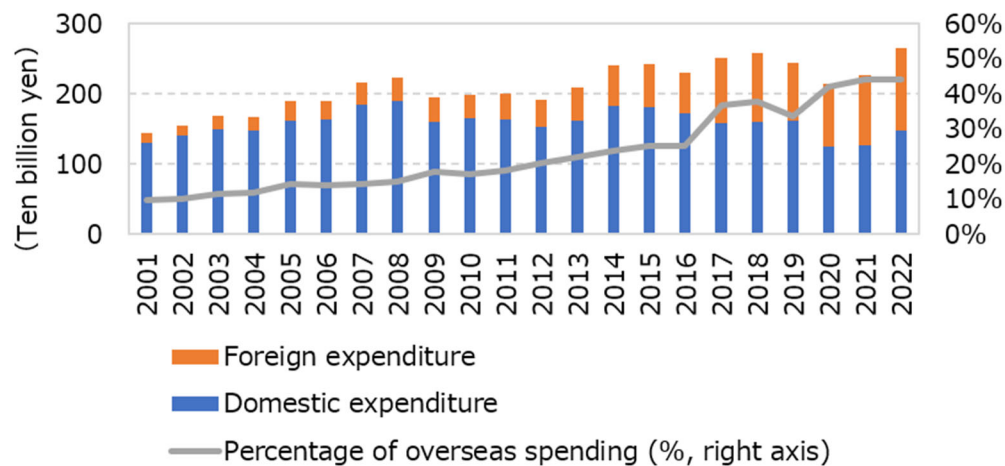
R&D investment is essential for sustainable growth and solving social issues, and companies and countries play an important role in promoting innovation. When deciding on R&D investment, it is necessary to consider the benefits to be gained from R&D, issues to be addressed in the future, target markets, and other factors, from a medium- to long-term perspective.

Over the past 20 years, total R&D expenditure in major countries has been increasing, while Japan's total R&D expenditure has been stagnant. In recent years, R&D activities have become increasingly globalized, and since 2010, overseas R&D investment has doubled, indicating a clear shift toward overseas R&D. Under these circumstances, there are concerns that Japan's competitive advantage in R&D will decline and that advanced technology and information will leak overseas. In order to sustain a strong intellectual creation cycle in the future, the domestic R&D environment, which is the foundation of creativity, must be improved and domestic R&D activities must be strengthened.



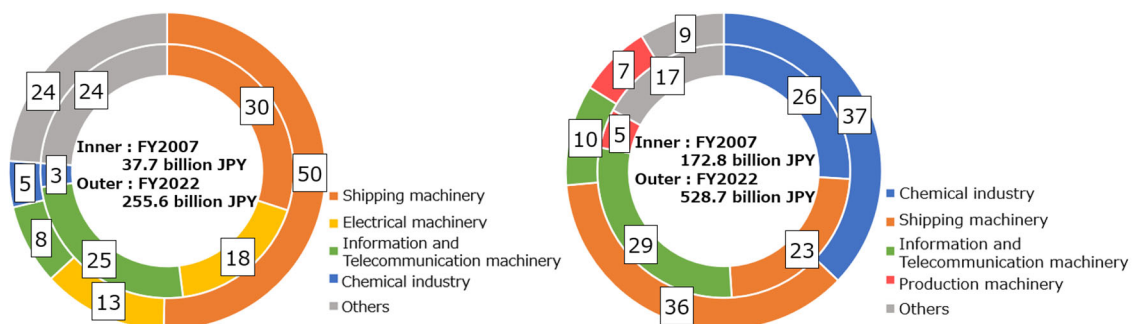
(Source) National Institute of Science and Technology Policy, cited from “Science and Technology Indicators 2024”

Figure 5: Trends in total R&D expenditure in major countries



(Source) Compiled by the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters, based on the Ministry of Internal Affairs and Communications' "Survey on Science and Technology Research" and the National Institute of Science and Technology Policy's "Science and Technology Indicators 2024"

Figure 6: Trends in Japanese companies' external R&D expenditures (domestic and overseas)



(Source) Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters, based on METI "Basic Survey on Overseas Business Activities"

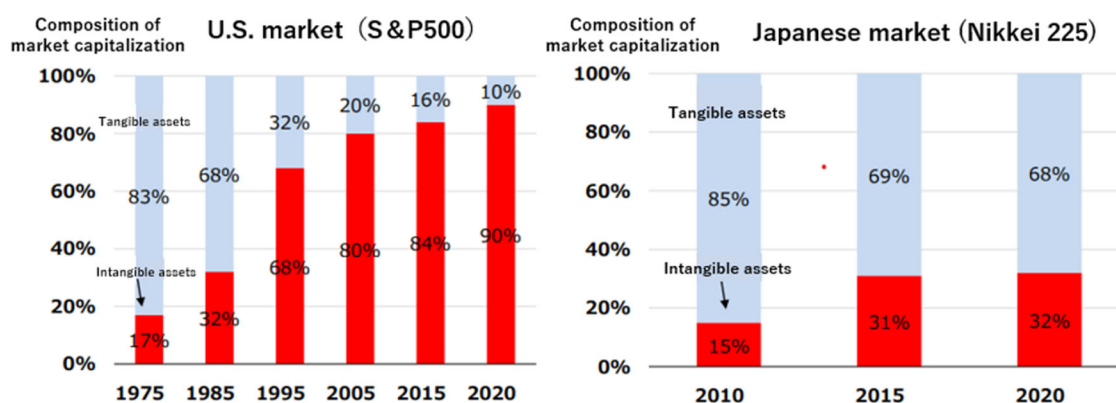
Figure 7: R&D expenditures for China
Sector composition (%)

Figure 8: R&D expenditures for North America
Sector composition (%)

<Promoting investment through the valuation and visualization of intellectual property and intangible assets>

Intellectual property and intangible assets play an important role in realizing a high added value economy. Technologies and intellectual property owned by companies play a central role in creating value in business activities by directly contributing to the differentiation of products and services from those of other companies and to the enhancement of added value.

On the other hand, as the importance of intellectual property and intangible assets increases, Japanese companies have a lower percentage of intangible assets in their market capitalization than US companies. It has been pointed out that Japanese companies do not sufficiently understand or utilize their intellectual property and intangible assets, which are their strengths, which is one of the factors behind the stagnation of corporate value.



(Source) Council of New Form of Capitalism Realization (5th Session) Material 1, p. 50 (2022)

Figure 9: Proportion of intangible assets in market capitalization

In Japan, in June 2021, in light of the importance of intellectual property and intangible assets, the Corporate Governance Code was revised to clearly state that information regarding investment in intellectual property should be disclosed and provided in an easy-to-understand manner. Based on this revision, the “Intellectual Property and Intangible Asset Governance Guidelines” were released in 2022, detailing how this should be practiced in actual corporate disclosures.

In March 2023, the revised version, “Intellectual Property and Intangible Asset Governance Guidelines Ver. 2.0,”⁵ was formulated and released. Through the implementation of these governance guidelines, it is necessary to secure investment for sustainable growth by strategically disclosing the value creation story sought by investors and financial institutions.

In recent years, impact investment has also been attracting attention. Impact investment refers to investment that aims to achieve social and environmental effects (impact) while securing a certain return on investment. As of 2023, the global market size is estimated

⁵ https://www.kantei.go.jp/jp/singi/titeki2/tyousakai/tousi_kentokai/governance_guideline_v2.html

to be \$1.571 trillion (approximately ¥218 trillion⁶), and the investment balance in Japan is also growing (Figure 10).

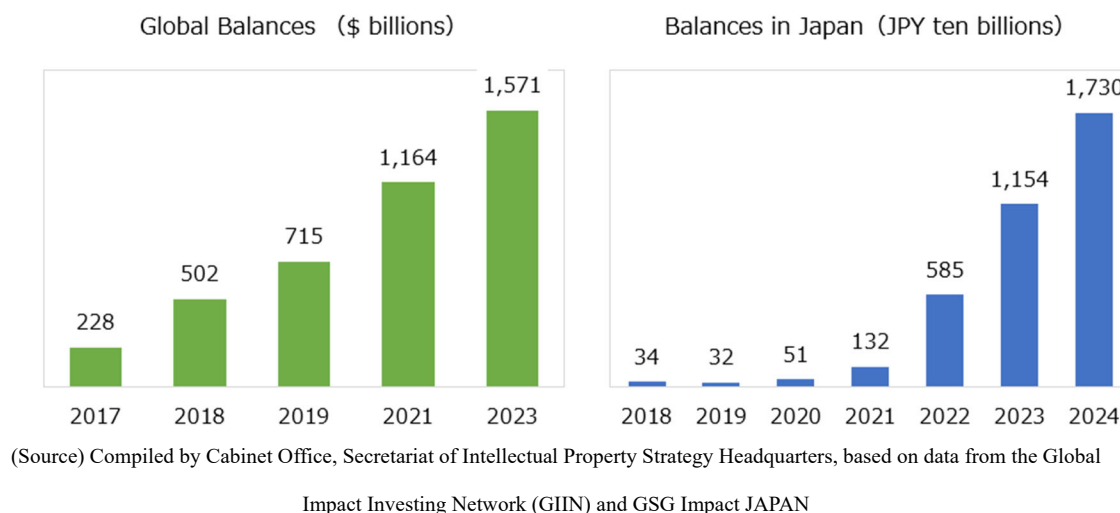


Figure 10: Global and Japanese market size of impact investment

To promote impact investment, an industry-government-academia-finance impact consortium was launched in November 2023. Through case studies and other means, discussions are underway on the development of data and indicators that can be utilized for impact investment and methods of impact investment for listed companies.

In the field of global health, as a follow-up to the G7 Hiroshima Summit, where Japan served as the host country, the “Impact Investment Initiative (Triple I) for Global Health” was launched at the United Nations General Assembly High-Level Meeting in September 2023, following a declaration by former Prime Minister Kishida. This initiative involves more than 100 domestic and international institutions, including international development finance institutions, national development finance institutions, institutional investors, and private companies, and promotes discussions on creating an environment conducive to impact investment in the health and medical care fields, as well as efforts to standardize impact measurement and management in these fields.

Japan has a long history of addressing social issues such as the declining birthrate and aging population, and disaster response. Companies need to create value based on intellectual property and intangible assets, as well as communicate logically and strategically the “logic/story” of how their technologies and intellectual property can solve issues (impact) for society at large. By doing so, they will attract growing global

⁶ The figure represents the amount calculated based on the foreign currency exchange rate at the time of 2023 (139 yen per 1 dollar [U.S. currency]).

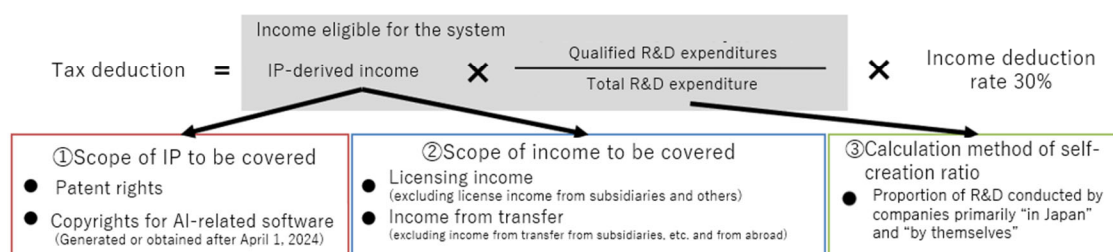
impact investments and incorporate them into their future growth.

<Advancement of innovation management>

Amid intensifying international competition in innovation, the innovation center taxation system was come to effect in April this year with the aim of strengthening the competitiveness of Japan as a research and development hub and encouraging private investment in intangible assets.

Overview of the innovation box regime

- ❑ Measure period: 7 years (effective April 1, 2025)
- ❑ Income deduction rate: 30%
- ❑ Income deduction amount calculation formula



(Source) Based on METI "Innovation box regime (Innovation Box Tax System) Guidelines"

Prepared by METI

Figure 11: Overview of the innovation box regime

Going forward, this system is expected to actively promote domestic research and development activities. At the same time, it is hoped that this will serve as an opportunity to reevaluate the value of intellectual property and intangible assets within companies and promote their utilization in value creation activities. With this system in mind, it is important for companies to visualize the process of valuing their intellectual property and intangible assets, that is, "Which R&D investments led to the creation of intellectual property?" and "Which intellectual property led to how much revenue," to trace information management (integration of financial information and intellectual property information). It will also require corporate mindset reform to view R&D not as a mere "expense" but as the formation of "assets," as well as the advancement of innovation management.

(KPI)

- Based on the numerical targets set in the 7th Science and Technology Innovation Basic Plan, KPIs will be set at an appropriate time in the future.

(Direction of measures)

- Consider measures to further disseminate and promote the proliferation of intellectual property and intangible asset governance guidelines, including collaboration with recognition systems that release examples of exemplary cases of activities that strategically utilize intellectual property and intangible assets to enhance corporate value, with the aim of promoting investment in and utilization of intellectual property and intangible assets.

(short term and mid term) (Cabinet Office [IP])

- Based on the statements regarding intellectual property in the Corporate Governance Code and the request of the Tokyo Stock Exchange (TSE) for “measures to realize management that is conscious of capital costs,” encourage companies to continue investing in intellectual property.

(short term and mid term) (FSA)

- In order to promote the proliferation of management practices that utilize IP and intangible assets among Japanese companies, conduct surveys on the actual conditions and issues surrounding investment in and utilization of IP and intangible assets among medium-sized companies, including through the use of IP landscapes, and consider appropriate methods for such investment and utilization, thereby promoting investment in and utilization of IP and intangible assets among medium-sized companies.

(short term and mid term) (JPO)

- Intellectual property and intangible asset strategies are key factors in co-creating value stories for the realization of sustainability transformation (SX), alongside human capital strategies, business portfolio management strategies, and DX strategies. Therefore, through SX brands, comprehensive strategy development and disclosure of various strategies, including intellectual property and intangible asset strategies, are recommended.

(short term and mid term) (METI, Cabinet Office [IP])

- Promote the dissemination and utilization of the green transformation technology classification table and the results of patent information analysis using this table both in Japan and overseas. In addition, encourage other countries to incorporate this technology classification table into internationally unified technology classification tables, and consider ways to enhance the technology classification table utilizing the knowledge of patent examiners.

(short term and mid term) (JPO)

- To attract private funding to the global health sector, through the activities of the Impact Investment Initiative for Global Health (Triple I), which was established at the 2023 G7 Hiroshima Summit, a framework for international cooperation to promote

impact investment will be established, and efforts to standardize the measurement and management of the impact of investment on global health will be promoted.

(short term and mid term) (Cabinet Secretariat[Health and Medical Strategy])

- To ensure that businesses can actively utilize the innovation center taxation system, which was introduced in the 2024 tax reform and applies tax measures to income derived from patent rights and AI-related program copyrighted works, efforts will be made to thoroughly disseminate information about this system and ensure its steady enforcement. Continue to investigate trends in countries that have introduced similar systems, and review the scope of the system based on a thorough examination of its enforcement status and effectiveness, as well as the availability of financial resources, from the perspective of enforceability and other factors, as appropriate.

(short term and mid term) (MITI)

(2) AI and intellectual property rights

(Current situation and challenges)

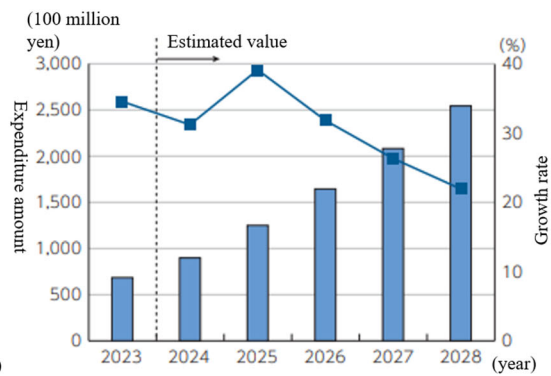
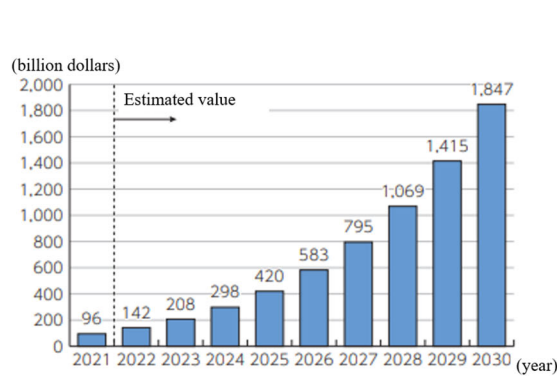
The global AI market size (revenue) is estimated to have grown by 78.4% year-on-year to 18.7148 trillion yen in 2022, and is expected to continue growing at an accelerated pace until 2030 (Figure 12). The size of Japan's AI systems market (spending) was 685.873 billion yen in 2023, representing a year-on-year increase of 34.5%, and is projected to continue growing, reaching 2.543362 trillion yen by 2028 (Figure 13). Accordingly, research spending in the AI field in Japan is also increasing (Figure 14). Meanwhile, overseas companies are leading the way in the development of large-scale language models (LLMs), and amid concerns about the use of LLMs developed through closed research and development by companies and research institutions outside Japan, efforts are underway to build domestically produced LLMs.⁷⁸

⁷ The Ministry of Internal Affairs and Communications “Reiwa 6 Edition White Paper on Information and Telecommunications” (pp. 47-49) indicates the efforts of the National Institute of Information and Communications Technology (NICT), CyberAgent, and Nippon Telegraph and Telephone (NTT) in the development of domestically produced LLM.

(<https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/pdf/n1410000.pdf>)

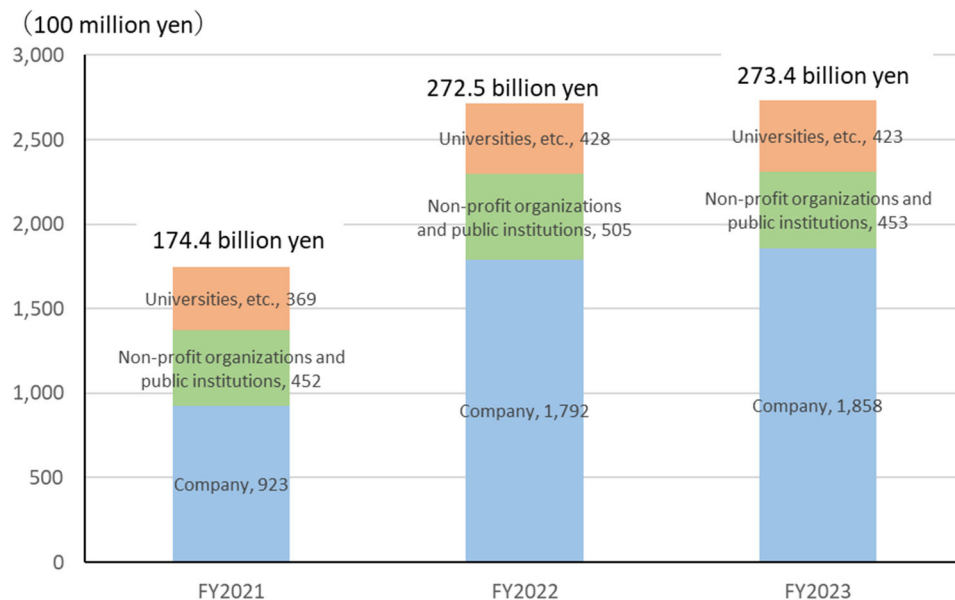
⁸ To foster generative AI development capabilities in Japan promptly, the Ministry of Economy, Trade and Industry and NEDO launched the “Generative AI Accelerator Challenge (GENIAC)” project in February 2024 to provide support for the development of computational resources necessary for developing basic models and to operate a community

(https://www.meti.go.jp/policy/mono_info_service/geniac/index.html) .



(Source) Ministry of Internal Affairs and Communications (MIC), “Information and Telecommunications White Paper 2024”

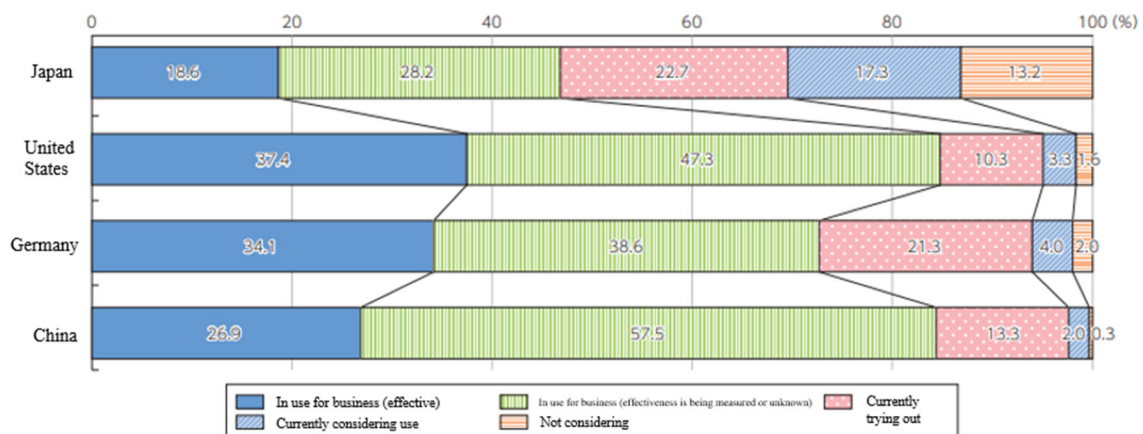
Figure 12: Trends and forecasts for the global AI market size (sales revenue) **Figure 13: Market size (spending) and forecast for domestic AI systems**



(Source) Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters, based on the MIC “Survey on Scientific and Technological Research”

Figure 14: Research expenditures by research entity in the AI field

While the market size and research spending for AI are increasing, the utilization of generative AI in the operations of Japanese companies is not as advanced as in other countries. For example, the percentage of companies using generative AI for “assisting with email, meeting minutes, document creation, etc.” (including trials) is around 95% in the US, Germany, and China, while only 69.5% in Japan.



(Source) MIC, “White Paper on Information and Telecommunications 2024”

Figure 15: Utilization of generative AI in business operations (Support for tasks such as emails, meeting minutes, and document creation)

In 2024, machine learning technologies and their applications are gaining attention, with deep learning (Nobel Prize in Physics) and deep learning-based prediction of protein three-dimensional structures (Nobel Prize in Chemistry) cited as reasons for awarding the Nobel Prize. For example, in the R&D of materials and substances, machine learning is being used to explore new materials and conduct automated and autonomous experiments (e.g., materials informatics), thereby increasing the extent to which AI is involved in the R&D.

Under such circumstances, AI, which helps improve productivity, has the potential to contribute significantly to Japan's development, given that the country is facing a declining innovation population due to the declining birthrate. It is therefore necessary to promote AI development in areas where Japan has strengths, create value, and build a robust intellectual creation cycle in which the economic value gained is reinvested in economic activities.

On the other hand, creators and rights holders have expressed concerns about generative AI in particular, including the risk of copyright infringement, along with the improper use of personal information, the sophistication and facilitation of crime, and confusion caused by false information.

In response to these concerns, the relationship between AI and “copyright” was examined by the Legal System Subcommittee of the Copyright Division of the Council for Cultural Affairs, and the relationship between AI and intellectual property rights in general was examined by the Study Group on Intellectual Property Rights in the AI Era (The Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters). The results of these studies were released respectively as “Considerations on AI and Copyright”

(March 2024) and “Interim Summary of the Study Group on Intellectual Property Rights in the AI Era” (May 2024).

The Interim Summary aims to realize an ecosystem that balances the advancement of AI technology with the appropriate protection of intellectual property rights as the ideal relationship between generative AI and intellectual property rights. To this end, it is expected that a virtuous cycle will be realized, leading to the development and provision of advanced Generative AI, as well as new creative activities, through the collaboration of various stakeholders, including AI developers, AI providers, AI users, and rights holders, while appropriately combining legal, technological, and contractual measures, so that a large amount of high-quality data will be accumulated under the supervision of trusted developers.



(Source) Study group on intellectual property rights in the AI era: “Interim Summary”

Figure 16: Complementarity of legal, technological, and contractual measures

<Addressing concerns and risks surrounding generative AI and intellectual property>

The Government is promoting dissemination and awareness to realize an “ecosystem that balances the advancement of AI technology” with the appropriate protection of intellectual property rights, as indicated in the Interim Summary, as well as promoting proactive initiatives by a wide range of stakeholders involved in generative AI.

For example, the Agency for Cultural Affairs released the “Checklist and Guidance on AI and Copyright” (July 2024), which summarizes initiatives considered desirable for the preservation and exercise of rights in an easy-to-understand manner from the perspective of each stakeholder involved in generative AI. The Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters released the “Guide for Rights Holders” (November 2024), which explains the key points of the interim summary. In addition, the Ministry of Economy, Trade and Industry (METI) has released a “Guidebook for the

Utilization of Generative AI for Content Production” (July 2024) that summarizes cases of generative AI utilization in the content industry and important points to consider in each utilization situation.

In the private sector, initiatives are also being promoted in line with the ideas presented in the Interim Summary. For example, Japan AI Learning Data Certification Service (hereinafter referred to as “AILAS”) is working to develop a system for managing and tracking voice data of voice actors and other performers.

Furthermore, other ministries and agencies have also been examining the relationship between intellectual property laws and the protection of portraits and voices. In particular, the Ministry of Economy, Trade and Industry (METI) has reviewed the relationship with the Unfair Competition Prevention Act and clarified the concept of the Unfair Competition Prevention Act concerning the unauthorized use of the portraits of actors, voice actors, and other performers, and has released several hypothetical cases in which the Unfair Competition Prevention Act (act of causing confusion by using a well-known mark [Article 2, Paragraph 1, Item 1], among others) may be applied.

It is necessary to continue to raise awareness and educate the public about the relationship between AI and intellectual property law, including the concept of legal rules, as well as examples of AI utilization in the content field.

Meanwhile, it has been pointed out that issues remain regarding the licensing market for high-quality AI learning content and compensation returns to rights holders. This is because AI operators have not been disclosing information, making it unclear whether their data is being used; therefore, there is no opportunity to obtain compensation through licensing. In addition, AI users may hesitate to utilize AI due to litigation risks (personal information, diversion of limited provision data, use of pirated content). For this reason, it is necessary to consider frameworks that promote transparency, such as disclosure and certification by AI operators.

However, ensuring transparency is not limited to intellectual property rights, but is an issue that spans AI governance as a whole.

With regard to AI, the “Act on the Promotion of Research and Development and Utilization of Artificial Intelligence-related Technology” (AI Act) stipulates that a headquarters for AI strategy shall be established and a basic plan for AI (AI Basic Plan) shall be formulated, setting forth basic policies for measures to be implemented by the government. It will be effective to continue international efforts and ensure transparency that contributes to collateral while implementing basic measures such as “developing guidelines in line with international norms for appropriateness” and “providing guidance, advice, and information to businesses” as stipulated in the Act. For example, it is

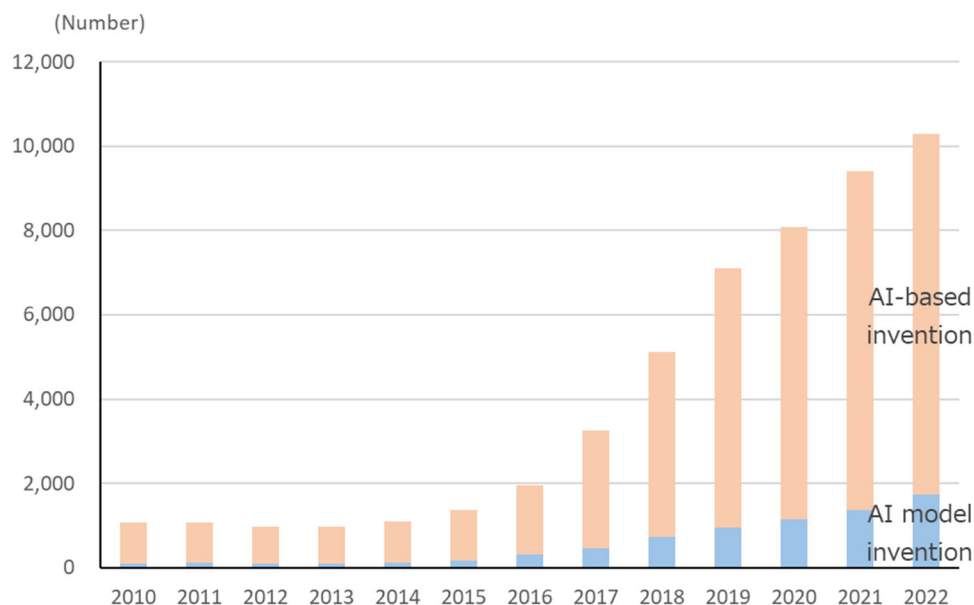
important to encourage AI operators to disclose information appropriately through guidelines formulated based on the AI Act and the “AI Operator Guidelines” issued by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry.

< Protection of inventions, etc., in light of advances in AI technology>

Inventions related to AI technology are broadly classified into the following four categories. Among these, patent applications related to AI model inventions and AI-based inventions have been on the rise in recent years (Figure 17), indicating growing interest in AI technology.

- AI model invention: Invention of AI technology itself (e.g., AI models using new machine learning methods)
- AI-based invention: An invention that applies AI technology to a specific field of technology (e.g., AI-based autonomous driving technology)
- AI-assisted inventions: An invention of products developed using AI technology (e.g., pharmaceuticals developed efficiently through the use of AI)
- AI generated invention⁹: An invention generated autonomously by AI.

⁹ The WIPO published a toolkit (“Getting the innovation ecosystem ready for AI”) in 2024 aimed at providing policymakers with a framework for understanding the current situation of AI innovation and considering a future in which AI becomes increasingly autonomous; the toolkit outlines ways of responding to AI generated inventions. With the rapid development of autonomous AI, there is a possibility that AI generated inventions will increase in the future. It is necessary to consider how to protect AI generated inventions in light of advances in AI technology and international trends.



(Source) Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters based on the JPO's "Survey on the application status of AI-related inventions" 2024

Figure 17: The number of applications for AI- related invention

Against this backdrop, the study group on intellectual property rights in the AI era has addressed concerns and risks surrounding generative AI and intellectual property, as well as the protection of inventions in light of advances in AI technology, presenting its findings in an interim summary.

Regarding the requirements for being recognized as an “inventor” (including a co-inventor) in case of AI-assisted inventions in particular, even if AI is used to support the invention process by a natural person, it was suggested that the natural person should be recognized as an "inventor" in accordance with the conventional approach that the inventor is the person who has creatively contributed to the completion of the distinctive part of the invention.

However, when AI is used in the invention creation process, there are no clear criteria for what constitutes an inventive contribution for the developers of the AI to be recognized as inventors. Furthermore, as the involvement of AI developers in invention creation activities is expected to increase in the future, further consideration should be given in Japan to how their contributions should be evaluated under the patent system, and a conclusion should be reached.

Specifically, it is necessary to consider the definition of inventors of AI-assisted

invention from the perspective of promoting innovation¹⁰, such as promoting AI development and solving issues related to the decline in human resources for innovation. In doing so, discussions are needed on whether the developers of the generative AI used (e.g., those who selected the learning data, performed fine-tuning) and users (e.g., those who entered prompts) and those who confirmed the effects of the invention can be included, and if so, the criteria and methods of judgment, international harmonization¹¹, and other issues, while taking care not to hinder the social implementation of patented inventions due to the complexity of shared rights relationships.

[AI utilization cases]

There are many AI utilization cases, including the following cases. Going forward, it will be necessary to identify domains where AI utilization is expected to be effective based on technological advances and to identify issues as necessary.

- The National Institute of Advanced Industrial Science and Technology is developing a system for high-speed autonomous search using materials informatics that combines automated experimentation and AI technology to synthesize a highly active catalyst for producing butadiene from bioethanol.
- NEC has developed proprietary AI that identifies cancer gene mutations specific to each patient, and selects and prioritizes the most antigenic sequences. Utilizing this AI, NEC is conducting research and development of personalized cancer vaccines that effectively attack tumor cells, and is currently in Phase I/II clinical trials.

Along with other AI use cases¹², AI is useful for improving productivity in the creation, protection, and utilization of intellectual property, and various support tools and utilization cases are expected to be enhanced in the future.

¹⁰ In cases where there is a shared relationship with developers, among others, it is necessary to consider the possibility of procedures such as recognition of inventors and distribution of benefits according to their contribution.

¹¹ Regarding international issues, the United States Patent and Trademark Office (USPTO) released guidance on the eligibility of inventors of AI-assisted inventions in February 2024. In line with this guidance, the USPTO released two examples of the eligibility of inventors of AI-assisted inventions and clarified how the above guidance applies to specific cases. The guidance stated that “in some circumstances, a natural person who designs, constructs, or trains AI to address specific problems in order to arrive at a particular solution may be the inventor” and “a person who merely owns or supervises AI used in an invention is not the inventor.”

In its toolkit (“Getting the innovation ecosystem ready for AI”), WIPO proposes providing guidance on various types of AI-related inventions, such as AI-assisted inventions, AI-incorporated inventions, and AI-autonomously generated inventions.

¹² (Reference 1) Materials for the 3rd Conceptualization Committee (Document 5) (February 14, 2025)

<https://www.kantei.go.jp/jp/singi/titeki2/tyousakai/kousou/2025/dai3/siryou5.pdf>

(Reference 2) 52nd Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council (p. 8 of Material 1) (March 5, 2025)

https://www.jpo.go.jp/resources/shingikai/sangyo-kouzou/shousai/tokkyo_shoi/document/52-shiryu/01.pdf

Given these circumstances, the Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council is currently conducting specific studies on issues such as the ideal form of protection for inventions in light of advances in AI technology. It is necessary to reach conclusions on various issues, such as the ideal role of inventors, as soon as possible.

(KPIs)

- Increase the AI utilization rate of Japanese companies to nearly 100%.
- Promote clarification of AI-assisted inventions and promote research and development using AI (increase research funding in the AI field).

(Direction of measures)

- Disseminate information on the results of research and studies: “Research and Study on How AI-assisted inventions Should be Protected under the Patent Law” (FY 2023), “Research and Study on the Protection of Inventions in Light of Advances in AI Technology” (FY 2024), as well as case studies of patent examination for AI-related inventions, in order to promote understanding of the patent system related to AI technology. Based on the results of these studies, the Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council will examine the definition of inventors of AI-assisted inventions and take necessary measures, including revision of laws.

(short and mid term) (Patent Office)

- Considering the expansion of AI utilization in the field of design due to advances in AI technology, based on the results of the “Study on the Protection of Design Creations Using Generative AI under the Design Act” (FY2024), discussions will be held at the Design System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council on issues in design examination practices and other issues arising in the design system, and necessary measures, including legal revisions, will be taken.

(short and mid term) (Patent Office)

- Based on the approach outlined in the Interim Summary, necessary updates to intellectual property laws and guidelines related to AI governance will be made promptly and disseminated to the public in an easy-to-understand manner. This will encourage relevant entities to take proactive measures to promote the advancement of AI technology and ensure the appropriate protection of intellectual property rights through various means, including laws, technology, and contracts.

(short term and mid term) (Cabinet Office [IP], Agency for Cultural Affairs, MIC, METI)

- Based on the approach outlined in the Interim Summary, necessary updates to intellectual property laws and guidelines related to AI governance will be made promptly and disseminated to the public in an easy-to-understand manner, so that the relevant stakeholders can take proactive measures to promote the advancement of AI technology and ensure the appropriate protection of intellectual property rights through a combination of legal, technological, and contractual measures.

(short term and mid term) (Agency for Cultural Affairs, METI)

- Concerning the protection of portraits of actors and voice actors, etc., and voices in generative AI, disseminate information on the relevant laws, such as the Unfair Competition Prevention Act, and the approach taken in court precedents, and consider measures such as compensation returns through contracts and the establishment of a system for cooperation with platforms regarding infringements.

(short term and mid term) (METI, JPO, Agency for Cultural Affairs, MIC, Ministry of Justice,

Consumer Affairs Agency, Cabinet Office [IP])

- To facilitate appropriate responses by AI developers and others regarding the disclosure of information such as training data within necessary limits, ensure AI transparency through the institutionalization and operation of the Act on Promotion of the R&D and Utilization of Artificial Intelligence-Related Technologies, as well as the dissemination of the “AI Business Operator Guidelines.”

(short term and mid term) (Cabinet Office [Science and Technology], MIC, METI, Cabinet Office [IP])

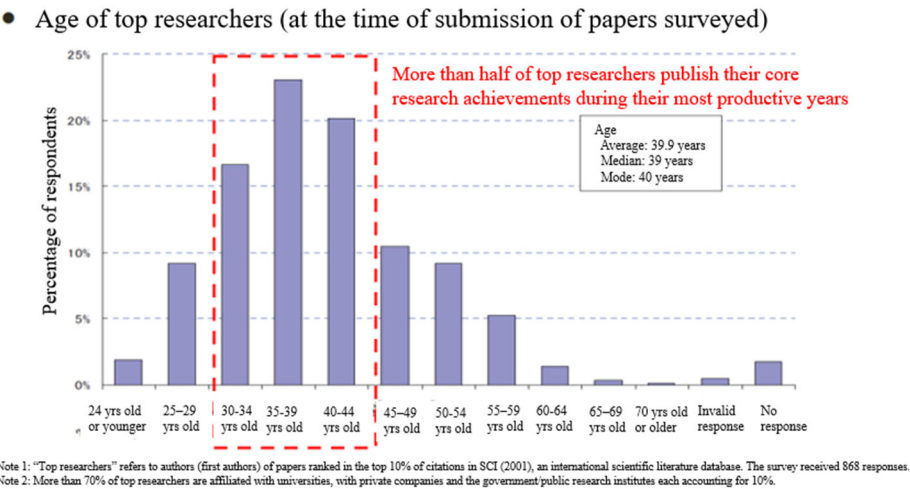
(3) Strengthening creative human resources and realizing diversity

(Current situation and challenges)

Strengthening the workforce foundation that serves as the basis for creative activities is essential to improving Japan's innovation capabilities. In particular, there is an urgent need to nurture and secure young researchers, as more than half of top researchers publish their major research achievements in their 30s to 40s (Figure 18).

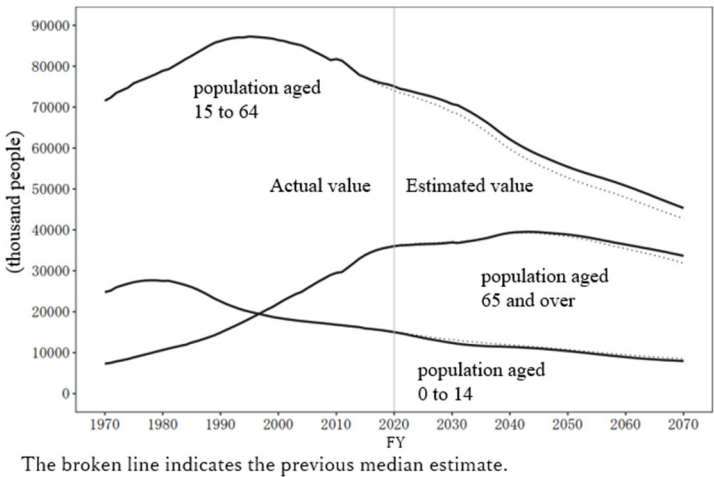
Under these circumstances, the decline in the number of innovative human resources (intellectual creative human resources), including young researchers, has become prominent in the environment surrounding Japan (Figure 19), making the weakening of

the human resources responsible for intellectual creation unavoidable. In order to continuously enhance the workforce foundation involved in creative activities and cultivate human resources, it is an urgent task to strengthen measures such as the development of innovative human resources, the attraction of foreign human resources, and the promotion of diversity.



(Source) Ministry of Education, Culture, Sports, Science and Technology (MEXT) “Academic Subcommittee (68th Meeting)”
 Material 2-2 (July 2018)

Figure 18: Age distribution of top researchers



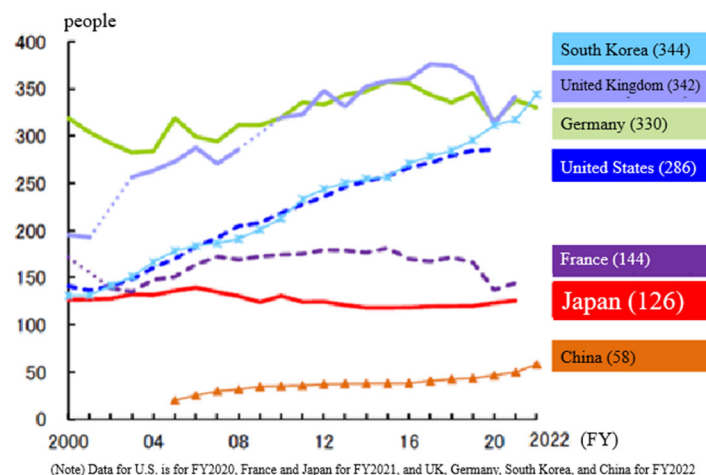
(Source) National Institute of Population and Social Security Research, “Japan's Future Population Projections 2023 Estimates”

Figure 19: Trends in population sorted by three age groups

< Human resources development in R&D >

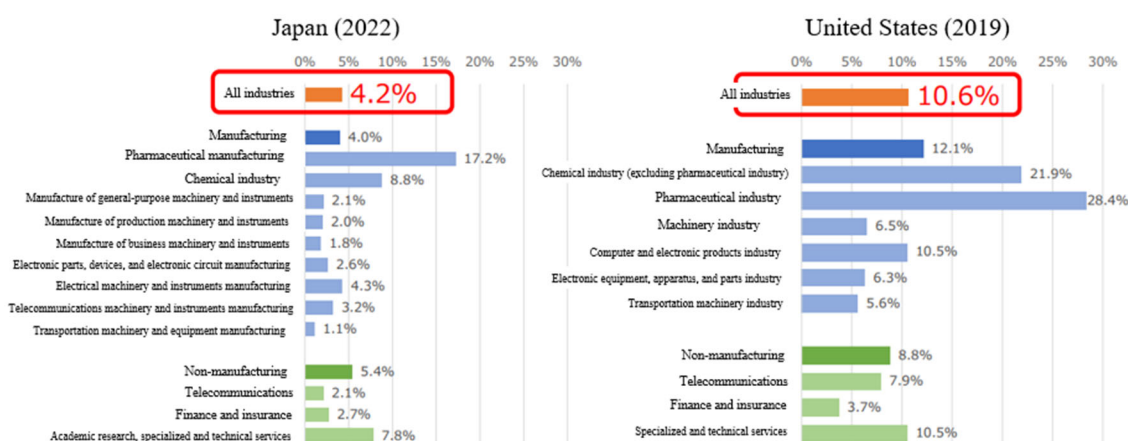
Human resources who contribute to new technological research and product development are essential for the creation of intellectual property. In particular, highly competitive researchers with creative ideas, such as PhD holders, contribute greatly to the creation of intellectual property; however, the number of PhD holders per million population in Japan is only about 30-40% of that in other countries (the US, UK, Germany, and South Korea) (Figure 20).

In addition, the percentage of PhD holders in the industrial sector is low compared to the United States, and their opportunities to work in R&D positions within companies are limited (Figure 21).



(Source) METI, MEXT “Study Group on Promoting the Active Participation of Doctoral Degree Holders in Private Companies (1st Meeting)” Material 2 (August 2024)

Figure 20: Number of PhDs per million population



(Source) METI, MEXT “Study Group on Promoting the Active Participation of Doctoral Degree Holders in Private Companies (1st Meeting)” Material 2 (August 2024)

Figure 21: Percentage of researchers holding PhDs by industry classification

Therefore, the Ministry of Economy, Trade and Industry and the Ministry of Education, Culture, Sports, Science and Technology launched a study group in August 2024 to discuss practical issues that should be addressed through industry-academia collaboration to expand employment opportunities for doctoral human resources and discussed issues primarily as outlined below.

- Matters to be addressed by “companies seeking to hire PhD talent” for effective

recruitment

- Matters to be addressed by universities offering doctoral programs for supporting doctoral students in their job search

Based on discussions at the study group, a guidebook entitled “Guidebook for Promoting the Active Participation of Doctoral Human Resources in Private Companies” was compiled, summarizing effective support measures by universities and initiatives by companies to promote the active participation of doctoral human resources in private companies. In addition, a collection of specific cases entitled “Case Studies of Role Models for Doctoral Human Resources Active in Companies” was compiled.

In the future, it is hoped that barriers to hiring doctoral human resources will be lowered, facilitating communication and cooperation between private companies and universities and expanding opportunities for doctoral human resources to play an active role.

Additionally, to promote the active participation of doctoral human resources in the government, the National Personnel Authority is promoting measures for hiring highly skilled human resources, including a review of the starting salary standards for doctoral degree holders in 2022¹³. It is expected that efforts to recruit doctoral human resources will progress throughout the government.

< Promotion of intellectual property creation education >

The philosophy of intellectual property creation education corresponds to the three pillars of qualities and abilities that the course of study aims to cultivate, which have been promoted in higher and elementary education to encourage the proliferation of intellectual property creation education.¹⁴

In the Chugoku region, educational institutions, companies, prefectures, and other organizations are actively engaged in initiatives such as visiting lectures, workshops, and support activities for elementary, junior high, and high schools. At universities, Yamaguchi University, which has been certified by the Ministry of Education, Culture, Sports, Science and Technology as an “Education-Related Shared Use Base” for intellectual property education, has been promoting the development of intellectual property education curricula at other universities and provides support for self-directed

¹³ https://www.jinji.go.jp/kouho_houdo/kisya/2211/kisokukaisei221118.html

¹⁴ Specifically, the “Consortium for the Promotion of Intellectual Property Creation Education” was established with the aim of promoting “Intellectual Property Creation Education,” and in March 2021, a concrete action plan was compiled for stakeholders involved in intellectual property creation education. As a result, community-led regional consortia are currently playing a leading role in disseminating and implementing intellectual property creation education.

intellectual property education¹⁵. This initiative is expected to spread throughout the country.

Furthermore, from the perspective of regional revitalization, it is desirable to build an ecosystem for fostering the creative abilities of elementary, junior high, and high school students in each region and creating future innovators through the activities of regional bureaus of Ministry of Economy, Trade and Industry, local companies, invention associations, and other organizations.

In recent years, rapid advances in generative AI have led to growing interest in specific methods for contributing to creative activities. The impact of such advances has extended to school education, and the Ministry of Education, Culture, Sports, Science and Technology is promoting the appropriate utilization of generative AI in schools by releasing the “Guidelines for the Use of Generative AI in Primary and Secondary Education (ver. 2.0)” (December 2024) and providing online training workshops. In these guidelines, it is expected that children and students will gain a scientific understanding of the laws, systems, and manners related to generative AI to develop information literacy. With the spread of generative AI, there is a need to further strengthen information literacy, including information ethics such as respect for human rights, intellectual property rights, and the rights of others.

Including these initiatives, it is hoped that further promotion and implementation of IP creation education and related activities will lead to incentives for participation in invention activities and motivation to take on new business challenges, thereby increasing the number of people who are interested in IP and its utilization and take action, which will in turn lead to the expansion and development of the IP base.

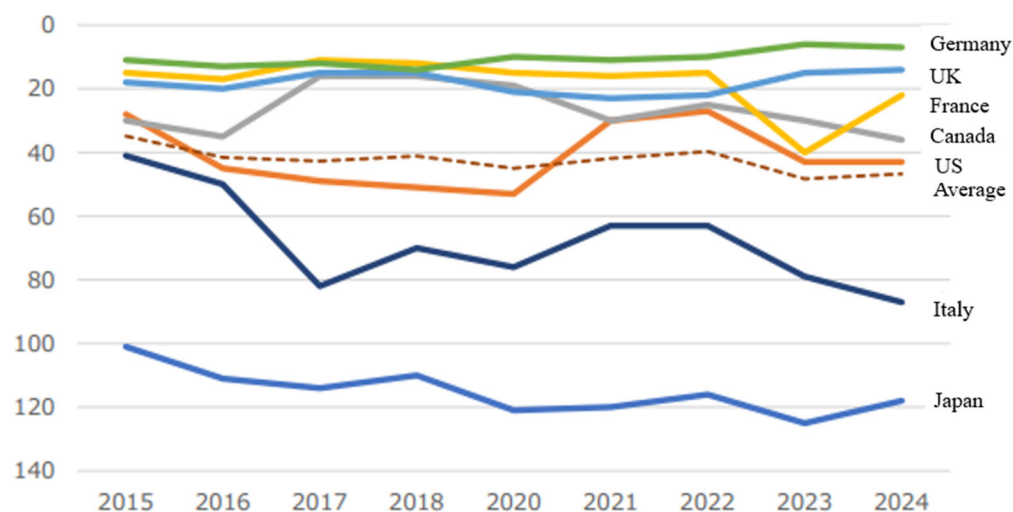
<Diversity of human resources supporting open innovation >

As part of efforts to address the decline in creative human resources accompanying population decline, it is essential to ensure diversity and inclusion as an environment that supports the enhancement of human resources who can generate innovation, through measures to attract global human resources from overseas and discover potential creative human resources within Japan.¹⁶

¹⁵ In addition, activities of the Intellectual Property Creation Education Regional Consortium (Chugoku Region) are proactively advancing, including the holding of the 5th National Intellectual Property Creation Practice Koshien Tournament.

¹⁶ Based on the results of a survey of domestic startups regarding the incorporation of diversity, the relationship between the

However, the international situation surrounding Japan remains challenging. For example, Japan's gender gap index ranks 118th out of 146 countries (2024) (Figure 22).



(Source) Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters, based on the Global Gender Gap Report (World Economic Forum)

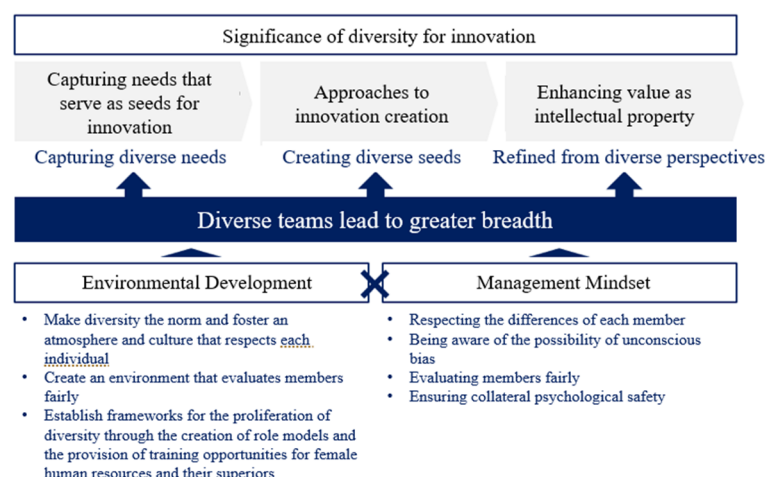
Figure 22: Trend in gender gap index (G7 comparison)

For this reason, it is desirable to further promote the proliferation of diversity and inclusion, which recognizes the value of diversity itself, in Japan.

In this context, the Japan Patent Office conducted research on how to improve the environment for promoting the active participation of women, with the aim of promoting diversity and inclusion in the intellectual property ecosystem, and released the results as “Diversity & Innovation: Examples of Women's Active Participation as the Key to Revitalizing the Intellectual Property Ecosystem” (May 2024).

diversity of startup founding members (work experience, educational background, age) and corporate growth was examined, and the following research results were found. (1) A large number of startup founding members and diversity in educational background and work experience have a positive effect on business growth (fundraising rounds). (2) A difference of about 20 to 30 years between the ages of founding members is appropriate for business growth (sales).

(Source) Ito, Kanma, Watanabe, Tarukawa, Kaga, and Muranaka, “Factor analysis of the internationalization and corporate growth of domestic startups: Aiming for the formation and development of an ecosystem,” 2024, <https://ifi.u-tokyo.ac.jp/wp/wp-content/uploads/2024/09/WP033.pdf>



(Source) JPO: Research on gender diversity and inclusion in the intellectual property ecosystem, 2024

Figure 23: Overview of the women's empowerment examples collection

It is required to continue to leverage the strengths of human resources with diverse attributes (gender, age, nationality, career path, experience, educational background, etc.) while continuously improving inclusiveness so that diverse human resources can play an active role within the organization.

In this case, increased mobility in the labor market is likely to expand opportunities for diverse human resources to play an active role through job changes, multiple employment, and side jobs. For example, with regard to the retirement and transfer of researchers at universities and other institutions, guidelines have been released to address the issue of intellectual property handling.¹⁷ Additionally, the increase in independent entities through spin-offs and carve-outs¹⁸ from companies makes the handling of intellectual property in such cases an important issue.

In addition, regarding the recent trend of multiple employment and side jobs, there are initiatives in which IP professionals belonging to large corporations form teams with non-intellectual property human resources, such as those in charge of business development at large corporations, to support start-ups.¹⁹ Furthermore, it is expected that the establishment of a system that accepts diverse work styles will expand the active

¹⁷ 3. (1) Refer to the promotion of social implementation through industry-academia collaboration.

¹⁸ A carve-out is when management strategically spins off part of a business while maintaining capital ties and continuing to collaborate on activities, while a spin-off is when a business is spun off without receiving investment from the parent company and maintains loose ties for collaboration. (Kotaro Fukushima, "A Comparative Study of New Business Development by Venture Type," Kansai Venture Society Journal No. 11, 2019 (https://www.jstage.jst.go.jp/article/kansaiv/11/0/11_30/_pdf))

¹⁹ 3. (2) Refer to Startup Support.

participation of foreign nationals and women.

In this way, it is hoped that the active participation of human resources with different backgrounds will drive innovation throughout the intellectual property ecosystem.

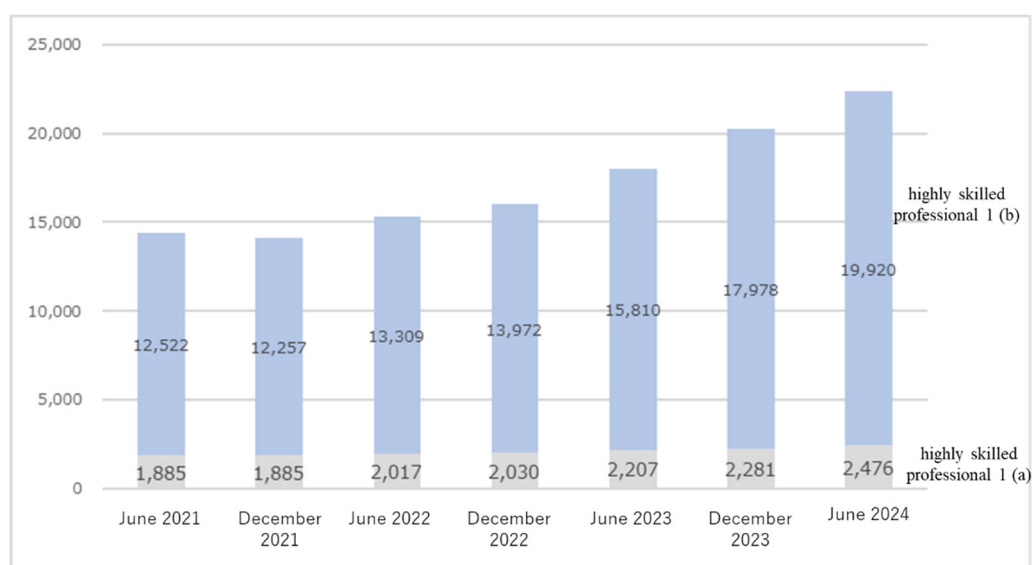
< Proactive acceptance of highly skilled foreign human resources and development of bases >

In order to secure creative human resources, it is essential to promote the acceptance of foreign human resources with advanced knowledge and experience so as to maintain and improve Japan's international competitiveness.

Therefore, the government is promoting the acceptance of foreign nationals with advanced abilities who are expected to contribute to economic growth by implementing preferential measures for immigration control and residence management. To this end, a “highly skilled professional point system” has been introduced, and the status of residence for “highly skilled professionals” has been established as part of a more comprehensive system. For example, the number of foreign nationals with residence status²⁰ for research, research guidance, or educational activities based on contracts with Japanese public or private organizations (highly skilled professional 1 [a]), and activities requiring knowledge or skills in the natural sciences or humanities based on contracts with Japanese public or private organizations (highly skilled professional 1 [b]) is increasing (Figure 24).

²⁰ Advanced academic research activities “Highly Skilled Professional 1 (a)”: Activities involving research, research guidance, or education conducted based on a contract with a public or private organization in Japan

Highly specialized and technical activities “Highly Skilled Professional 1 (b)”: Activities involving work requiring knowledge or skills in the natural sciences or humanities conducted based on a contract with a public or private organization in Japan



(Source) Based on the Immigration and Naturalization Service website, “Statistical Tables: Statistics on Foreign Residents (Formerly Registered Foreign nationals)”

Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters

Figure 24: Trends in statistics on non-Japanese residents (highly skilled professionals categories 1[a] and [b])

As a further measure, the government has introduced the Special Highly Advanced Human Resources Program (J-Skip)²¹ and the Future Creation Individual Visa (J-Find)²² to promote the acceptance of highly advanced foreign human resources into Japan.

Additionally, regarding the acceptance of international students, for example, highly motivated international students play an indispensable role in stimulating Japanese students through starting a startup or participating in internships, as well as enhancing the international competitiveness of universities. Therefore, it is essential to strategically advance the acceptance of outstanding international students from diverse countries and regions in the future.²³

²¹ Aiming to promote the acceptance of highly skilled foreign human resources with top-level abilities, highly skilled professionals (Type 1) will be granted status based on their educational background or work experience and annual income, rather than a point system.

²² Aiming to attract young people with high potential who are expected to play an active role as promising human resources in the future, those who meet the requirements will be granted a status of residence (specified activities) for job hunting and other activities.

²³ In addition, it is important for Japanese people themselves to gain diverse experiences overseas, and efforts to provide opportunities for study abroad and foster enthusiasm for studying abroad should be further promoted with a view to developing global human resources. For example, efforts are being made to reduce the financial burden on students through the provision of overseas study support programs (agreement-based and degree-based) and the public-private partnership overseas study support program “Tobitate! Study Abroad JAPAN New Japanese Representative Program.”

(KPIs)

- Raise the number of PhD holders per million population to the world's highest level by 2040.
- Expand initiatives related to IP education involved in IP creation, protection, and utilization. (Number of cases of initiatives)
- Promote the recruitment of innovative human resources and increase the number of highly skilled foreign human resources (Number of non-Japanese residents (highly skilled professionals 1 [a] and [b])).

(Direction of measures)

<Human resources development in R&D>

- Aiming to increase the number of PhD holders in Japan, and in addition to improving the treatment of doctoral students, promote the hiring of doctoral human resources in industry, and realize a society in which doctoral human resources are active in various fields, the “Guidebook for Promoting the Active Participation of Doctoral Human Resources in Private Companies” and “Cases Studies of Doctoral Human Resources Role Models Thriving in Companies” created in FY2024 are being publicized and disseminated.

(short term and mid term) (METI, MEXT)

<Promotion of Intellectual Property Creation Education>

- By sharing the curriculum and introduction process of intellectual property education at universities certified as “Education-Related Shared Use Bases” regarding intellectual property education with universities that are considering the introduction of intellectual property education, we will promote the smooth introduction of intellectual property education into the curricula at those universities.

(short term, mid term) (Cabinet Office [IP], MEXT)

- Support for the dissemination and promotion of intellectual property creation education in regional consortiums that serve as centers for regional cooperation linking educational sites and local communities.

(short term and mid term) (Cabinet Office [IP])

- To raise awareness of intellectual property among companies and schools, we will encourage the acquisition of intellectual property-related qualifications, such as the Intellectual Property Management Skills Test.

(short term, mid term) (Cabinet Office [IP], JPO)

- While utilizing mechanisms such as the next-generation science and technology challenge program and unexplored projects to discover and foster human resources with the ability to come up with original ideas, support universities that offer advanced, practical lectures and conduct research.

(short term, mid term) (MEXT, METI)
- In light of the rapid development of new digital technologies and other factors, while incorporating not only general knowledge of the copyright system but also social trends surrounding copyright and the relationship between copyright and digital technologies including Web 3.0-related technologies, we will disseminate and educate the general public about copyright through seminars and the creation of learning materials. In addition, effective dissemination and awareness-raising activities in cooperation with related organizations will be considered so that all citizens, including creators, can be aware of copyright on a daily basis.

(short term and mid term) (Agency for Cultural Affairs)
- To promote the dissemination and implementation of IP creation education, provide broad support for fostering an IP mindset among students at high schools and vocational high schools through the “Support Program for Schools Developing Intellectual Property Capabilities” which covers all aspects of IP creation, protection, and utilization.

(short term and mid term) (JPO)
- We will investigate effective methods of education on intellectual property in entrepreneurship education. As part of entrepreneurship education that fosters creativity and the ability to solve problems, we will aim to provide education that enables students to acquire practical application skills in addition to intellectual property knowledge by providing education on intellectual property.

(short term and mid term) (JPO)

<Diversity of human resources supporting open innovation>

- As the movement to promote diversity and inclusion is accelerating internationally, we will form a network and develop an environment to enhance diversity and inclusion, while deepening cooperation with intellectual property offices and related organizations around the world as well as domestic user organizations of intellectual property systems. This year's Expo 2025 Osaka, Kansai, Japan will invite intellectual property offices and related organizations from various countries to discuss and disseminate information on encouraging women and young people to actively participate in the intellectual property ecosystem.

(short term and mid term) (JPO)

- At the Expo 2025 Osaka, Kansai, Japan, we will widely disseminate information domestically and internationally about utilizing intellectual property to address social challenges. We aim to foster a society where individuals are inspired to unleash their creativity by ensuring a broad range of stakeholders including individuals, startups, and small and medium-sized enterprises fully recognize and understand the significance of acquiring intellectual property rights and protecting and utilizing intellectual property.

(short term and mid term) (JPO)

- Provide accompanied support to start-up companies, non-profit organizations, individuals, etc., aiming to solve social issues by guiding experts in intellectual property and social issue resolution, examine the role of intellectual property in solving social issues, and disseminate information on exemplary cases to the world at the Expo 2025 Osaka, Kansai, Japan.

(short term and mid term) (JPO)

- To strengthen intellectual property management capabilities across the entire agriculture and food industry, promote the development of specialized human resources who can advise on intellectual property activities that contribute to management in the field of agriculture by supporting the development of educational curricula and training seminars, as well as creating and developing programs for seed and plant suppliers to raise intellectual property awareness among all industry stakeholders.

(short term and mid term) (MAFF)

<Proactive acceptance of highly skilled foreign human resources and development of bases >

- To secure talented young human resources, including graduates from top universities in Southeast Asia and India, we will conduct a broad survey on challenges related to employment in Japan and specific needs from companies, including strengthening ties with local universities through the utilization of endowed chairs and examining the structure of residency statuses. Based on the results of the survey, specific measures will be considered.

(short term, mid term) (Ministry of Justice, METI, MEXT)

- To enhance Japan's research capabilities, it is necessary to further internationalize research activities, enable researchers to join global networks through international collaborative research, and promote the international exchange of

outstanding researchers. To this end, the government will strengthen strategic cooperation with advanced countries in cutting-edge fields while ensuring research security. Additionally, it will foster collaboration and exchanges between young researchers and the Global South, including ASEAN and India.

(short term and mid term) (MEXT)

- International students play an important role in promoting mutual understanding and friendship with other countries and attracting highly skilled foreign human resources. For this reason, based on the “Second Recommendations of the Education Future Creation Council” and the “Summary of the Study Group on the Promotion of Strategic International Student Exchange,” promote the internationalization of universities by expanding study abroad mobility, such as by promoting the acceptance of outstanding international students from diverse countries and regions, and by building an environment where Japanese students and international students can learn together and strengthening inter-university exchanges.

(short term and mid term) (MEXT)

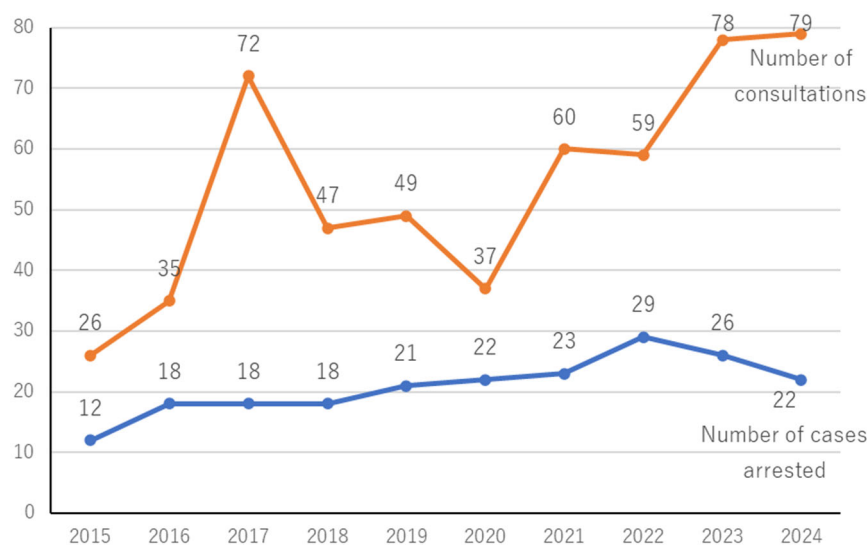
2. “Protection” of Intellectual Property

(1) Prevention of technology leakage

(Current situation and challenges)

< Trade secrets and limited provision data >

In recent years, with globalization and the increasing value of information, the need to ensure security against information leaks in R&D has increased in every situation not only for companies but also for universities and national research and development agencies. Against this backdrop, the number of consultations received regarding trade secret infringement has increased in recent years (Figure 25).



(Source) Based on the NPA's "Status of Arrests for Economic Crimes in 2024"

Compiled by the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters

Figure 25: Trends in the number of arrests for trade secret infringement offenses and the number of consultations received

In response to environmental changes such as the progress of digitalization and globalization in the field of intellectual property, the government has revised the Unfair Competition Prevention Act to include measures to strengthen the protection of trade secrets and limited provision data (promulgated in June 2023, effective April 1, 2024). In line with this revision, the Ministry of Economy, Trade and Industry revised and released the "Explanation of the Unfair Competition Prevention Act" (April 2024) and created and released easy-to-understand educational materials for employees titled "Trade Secrets You Should Know" (June 2024, foreign language versions in November 2024).

The Ministry of Economy, Trade and Industry holds a "Public-Private Forum on Trade Secrets" as a venue for practitioners from the public and private sectors to exchange information on the latest methods of leaking trade secret and measures to prevent it. In addition to the "Handbook on the Protection of Confidential Information" and "Trade Secrets You Should Know,"²⁴ the Ministry of Economy, Trade and Industry is promoting awareness of the "Guidelines for the Management of Trade Secrets" and other measures to prevent trade secret leakage in the industrial sector.

²⁴ In the March 2025 revision, it was clarified that universities and research institutions may also fall within the scope of the "Guidelines for the Management of Trade Secrets," and the relationship between the requirement of non-publicity and reverse engineering was clarified.

< Research security and research integrity>

With the internationalization and opening up of research activities, it has been pointed out that there is a risk that the fundamental values of the research environment, such as openness and transparency, will be undermined, and that researchers may unintentionally find themselves in a conflict of interest or a conflict of duties. In June 2023, a former employee of a national research and development agency was arrested on suspicion of violating the Unfair Competition Prevention Act.²⁵

The government has been encouraging efforts to ensure research integrity among researchers and at universities and research institutions.²⁶ As a result, follow-up surveys show that efforts are being established at universities and national research and development agencies.²⁷

On the other hand, in light of the strengthening of efforts to ensure research security in major countries, the government must take measures to ensure research security, such as formulating procedures for implementing the risk management necessary for conducting international collaborative research.

< Prevention of technology leakage related to security>

Recently, security has become increasingly important, which makes it extremely important to take measures to prevent the leakage of security-related technology.

The Subcommittee on Security Export Control Policy of the Industrial Structure Council of the Ministry of Economy, Trade and Industry released an interim report on April 24, 2024

Based on this interim report, the necessary revisions to the ministerial ordinances and other regulations regarding a system (public-private dialogue scheme to strengthen technology management) that requires prior notification when transferring technologies considered to have a high risk of technology leakage from a security perspective to overseas destinations, enabling government and industry to engage in dialogue and consider appropriate measures against technology leakage, and this system came into effect in December 2024. Going forward, it will be necessary to ensure the appropriate

²⁵ Regarding this case, in February 2025, the Tokyo District Court sentenced the defendant to two years and six months imprisonment, suspended for four years, and a fine of 2 million yen.

²⁶ For example, the Integrated Innovation Strategy Promotion Council (9th meeting)(April 27, 2021) adopted “Policy on Ensuring Research Integrity in Response to New Risks Associated with the Internationalization and Opening of Research Activities.” In addition, the “Initiatives for Strengthening the Functions of National Research and Development Agencies” (agreed upon by relevant ministries and agencies on March 29, 2024) formulated as part of efforts to strengthen the functions of national research and development agencies also requires further strengthening of research security and integrity.

²⁷ https://www8.cao.go.jp/cstp/kokusaiteki/integrity/ri_follow-up_fy2024/ri_fu_fy2024_sum.pdf

enforcement of this scheme and to conduct further research and analysis on the technologies to be covered.

In addition, the Cabinet Secretariat's "Expert Meeting on Economic Security Legislation" examined the technology leakage prevention measures and risk management necessary for government-supported research and development programs, summarizing its findings in June 2024 on "Recommendations on Measures to Prevent Technology Leakage Related to Technologies Important for Economic Security."

In response to this proposal, the Cabinet Secretariat and the Cabinet Office urged the relevant ministries and agencies to take necessary measures in August 2024. Specifically, they requested that: (1) necessary measures be taken to prevent technology leakage when conducting public tenders, etc. for research and development achievements related to technologies that are important for economic security; and (2) thorough efforts be made to ensure that prior notification and coordination between contractors are carried out when transferring intellectual property rights related to government-commissioned research and development to which the Japanese version of the Bayh-Dole Act applies to foreign companies that are parent companies or subsidiaries.

In the future, concerning each targeted R&D project, it will be necessary to implement measures to prevent technology leakage at each stage from entry to exit, such as access control to technology according to risk and measures for technology transfer, review requirements for strengthening measures to prevent technology leakage, and ensure appropriate enforcement.

(KPI)

- Prevent information leaks and ensure information security, in order to prevent technology leakage (keep track of the number of trade secret infringement cases arrested or consultations received).

(Direction of measures)

- Based on the "Initiatives to Strengthen the Functions of National Research and Development Agencies" (March 29, 2024, agreement of concerned ministries) and other relevant guidelines, promote efforts to ensure research security and integrity at research institutes and universities.
(short term, mid term) (Cabinet Office (Science and Technology), concerned ministries)
- In addition to the "Handbook on the Protection of Confidential Information" and "Trade Secrets You Should Know," raise awareness of the revised "Guidelines for

the Management of Trade Secrets” to help prevent the leakage of trade secrets.

(short term and mid term) (METI)

- Based on the interim report of the “Subcommittee on Security Export Control Policy of the Trade and Commerce Subcommittee of the Industrial Structure Council” (April 2024), ensure the appropriate enforcement of the “Public-private dialogue scheme to strengthen technology management” that came into effect in December 2024, as well as conduct ongoing research and analysis on target technologies and review them as necessary.

(short term and mid term) (METI)

- Regarding research and development projects for social implementation, such as government-funded research and development projects that target technologies in which Japan has a technological advantage and technologies in which Japan aims to create a technological advantage in the future, measures to prevent technology leakage will be taken from the entry stage to the exit stage, including risk-based technology access management and measures to be taken during technology transfer.

(short term, mid term) (Cabinet Office (Director of Policy Planning [Economic and Security Affairs], concerned ministries)

(2) Strengthening measures against piracy and counterfeit products

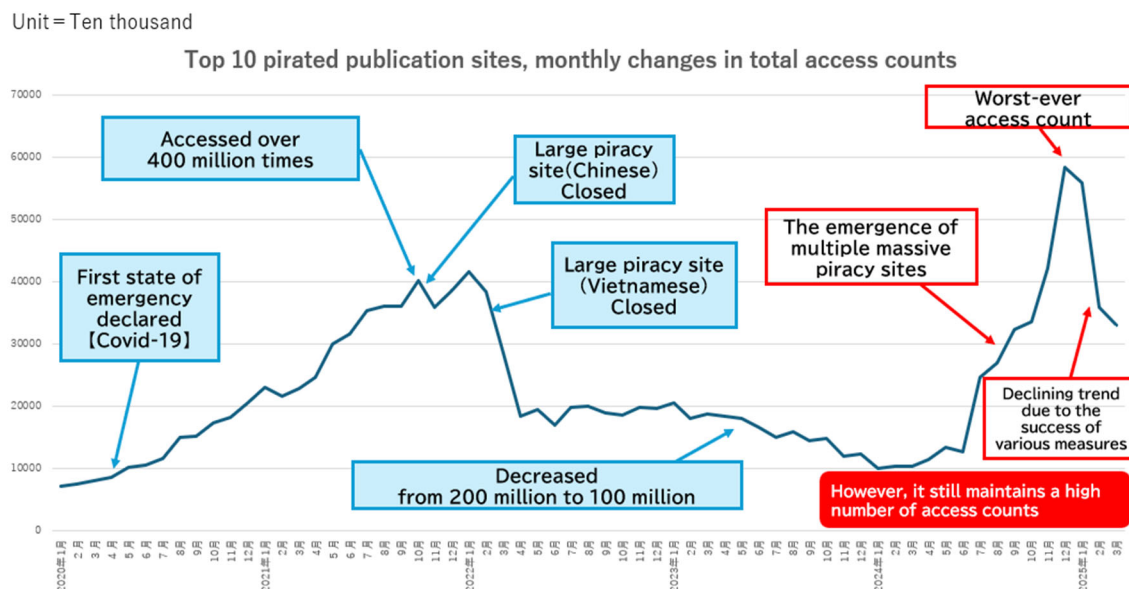
(Current situation and challenges)

<Piracy>

As digitalization and networking have progressed, Japan's attractive content, such as manga, anime, games, and movies, has become widely available around the world. While the popularity of this content has increased, copyright infringement has also spread across national borders. In addition to the fact that website operators, servers, and domain registrations are located across national borders and services that enable anonymous operation have emerged, methods have become more sophisticated than ever, such as the use of domain hopping, making it even more difficult to identify website operators.

Due to these circumstances, piracy-related damages are rapidly increasing. For example, regarding piracy sites for Japanese manga, etc., the number of monthly visits to the top 10 sites targeting Japan had decreased from around 400 million to around 100 million due to the closure of large piracy sites, etc.; however, since June 2024, the number of monthly visits has rapidly increased again due to the emergence of multiple large sites, etc., exceeding 500 million in December 2024, which is worse than the previous worst period. Although subsequent countermeasures led to the closure of multiple sites and a

decrease to approximately 300 million accesses, the situation remains unpredictable (Figure 26).



(Source) ABJ General Incorporated Association “Status of Illegal Publication Sites” <https://www.abj.or.jp/data>

Figure 26: Top 10 pirated publication sites, monthly changes in total access counts

In recent years, damages caused by overseas piracy sites targeting overseas users have increased, particularly in Vietnam. More recently, damage in Indonesia has become noticeable, following Vietnam.

Additionally, piracy-related damages to Japanese content (including games, music, publications, and videos) on the Internet are estimated to reach approximately 2 trillion yen in 2022 (approximately five times the amount in 2019). Therefore, it is important to strengthen measures against piracy as Japan continues to expand its content overseas.

International cooperation and enforcement are particularly important in responding to piracy on the borderless Internet. It is necessary to promote cooperation between the public and private sectors, focusing on efforts by domain name operators through ICANN (The Internet Corporation for Assigned Names and Numbers), the prevention of misuse of CDN (Content Delivery Network) services, and local detection (international judicial cooperation), including the use of systems to prevent access to pirated content overseas.

The government has released the “Comprehensive Menu and Work Schedule for Countermeasures Against Online Piracy” and has been steadily implemented measures under this plan in order to effectively prevent damage caused by piracy and secure the legitimate interests of copyright holders. In May 2024, the government updated the plan

in cooperation with the private sector to strengthen international cooperation and enforcement, prevent the misuse of CDN and other services for piracy, and promote the distribution of legitimate copies.

In addition, in order to strengthen inter-ministerial efforts to support private entities' initiatives, a Liaison Conference of Public and Private Sector Practitioners on Countermeasures against Piracy was launched in September 2024 as a forum for sharing the latest information and discussing specific measures. The conference, which consists of practitioners from the private sector and relevant government ministries engaged in countermeasures against piracy, has been held three times to date.

The Liaison Conference of Public and Private Sector Practitioners on Countermeasures against Piracy examined response procedures in cases of piracy-related damages and measures against piracy in Vietnam, which has suffered significant damages. At the same time, an updated version of the work schedule for a “comprehensive menu of work schedule for countermeasures against online piracy” was examined, incorporating new measures by the private sector as well as the government, and released in May 2025.

In the private sector, for example, the publishing industry, the IT industry, and experts are holding regular discussions and actively working to combat piracy of manga. For example, the Content Overseas Distribution Agency (CODA) and the Japan Publishing Companies Anti-Piracy Committee (JPMAC) are actively engaged in public-private cooperation to crack down on piracy, international enforcement, and calls for cooperation in combating piracy at various international conferences. It is important that the private sector and the government continue to work together in close cooperation to eradicate piracy and realize an ecosystem that includes the distribution of legitimate copies.

<Counterfeit products>

In recent years, e-commerce markets such as BtoC, BtoB, and CtoC have continued to expand rapidly in Japan, and auction sites and flea market apps have also become popular as online platforms for online transaction. In addition, these online markets are becoming globalized, and the volume of multilateral transactions is growing rapidly. However, this has been accompanied by an increase in the damage caused by counterfeit products on the Internet.

Regarding the status of import seizures of counterfeit goods and other intellectual property infringing items at customs offices nationwide in 2024, the number of import seizures has exceeded 33,000, a record high (see Figure 27). The distribution of counterfeit products not only adversely affects corporate sales but also causes serious problems, such as damaging corporate brand images and endangering the lives and health

of consumers who purchase counterfeit products.



(Source) MOF website “Status of Seizures of Intellectual Property Infringing Goods by Customs in 2024”

Figure 27: Trend in seizures of imported intellectual property infringing goods

In order to prevent damage caused by counterfeit products, it is necessary for companies to take measures to prevent imitation and infringement, such as improving their products and packaging and implementing measures to deter intellectual property infringement. It is also required that laws be established and support be provided by the government. Various measures are being taken to combat counterfeit products, including stricter border controls and closer cooperation with the private sector. In the future, the concerned government ministries should continue to work together to promote these measures.

Although the method for calculating damages has been revised by the 2019 amendment to the Patent Act, it is required to verify the effectiveness of the revision through analysis of court precedents, consider whether further measures are necessary to deter infringement, and examine appropriate institutional measures to deter intellectual property infringement, including improving the function of patent marking²⁸, as well as

²⁸ Issues related to patent indications (e.g., possibility of patent indications becoming false due to patent invalidation, etc., and the need for patent indications suitable for the network era, which is not limited to products and packaging)[1] Request for opinions for the formulation of the “Intellectual Property Strategic Program 2025” [Opinions from corporations and organizations] P.99

take necessary measures, including revision of laws.

Additionally, to combat infringing products (counterfeit products), it is desirable to discuss the appropriateness of regulating counterfeit products intended for the Japanese market, even if they are manufactured outside Japan.

(KPIs)

- Reduce access to pirated publications from within Japan (the lowest number in the last five years was approximately 100 million hits).
- Promote border measures to curb damage caused by counterfeit products (keep track of the number of intellectual property infringements seized by customs).

(Direction of measures)

- The Liaison Conference of Public and Private Sector Practitioners on Countermeasures against Piracy, which consists of practitioners from the private sector and relevant ministries and agencies, will share the latest information and promote comprehensive measures against online piracy based on a comprehensive menu of work schedule for countermeasures against online piracy, with the government, in close cooperation with the private sector, and update the work schedule every fiscal year.

(short term and mid term) (Cabinet Office [IP], National Police Agency, MIC,
Ministry of Justice, MOFA,
Agency for Cultural Affairs, METI)

- In addition to avoiding the purchase of pirated or counterfeit products, the public should be aware that viewing infringing content benefits the infringers, even if it is done unknowingly. Therefore, concerned government ministries and agencies should promote awareness activities that instill a sense of norms that do not tolerate products containing infringing content, whether pirated or counterfeit.

(short term and mid term) (National Police Agency, Consumer Affairs Agency, MIC,
MOF, Agency for Cultural Affairs,
MAFF, JPO, METI)

- Through a demonstration project utilizing AI to detect and analyze piracy sites,

(https://www.kantei.go.jp/jp/singi/titeki2/chitekizaisan2025/pdf/siryoku2025_2.pdf) (Patent indication methods and so on) should also be taken into consideration.

examine more effective measures against piracy by leveraging knowledge gained on automatic detection of piracy sites and content, and automation of rights enforcement such as requests for removal.

(short term and mid term) (Agency for Cultural Affairs)

- Promote cooperation between private companies and rights holders, and provide support to rights holders in exercising their rights and in urging private companies to take necessary measures, such as deleting or restricting search results related to piracy on search engines, so that necessary measures are taken against various services provided by private companies that are used to operate piracy sites or to access them.

(short term and mid term) (MIC, Agency for Cultural Affairs, Cabinet Office [IP])

- Continuously grasp the actual damage caused by piracy of Japanese content on the Internet (including consideration of whether it is possible to calculate the amount of damage by type, such as whether the distribution destination is overseas (including distribution to Japan) or exclusively within the relevant country).

(short term and mid term) (Cabinet Office [IP], METI, MOFA, National Police Agency)

- Leverage frameworks such as WIPO and bilateral consultations, as well as international conferences, to strengthen international cooperation, including efforts to strengthen measures against piracy. To strengthen international enforcement, promote active engagement with foreign public security authorities and international investigative cooperation to detect operators of overseas piracy sites, and promote initiatives such as digital forensics investigations in cooperation with private sector entities, with a particular focus on strengthening measures against piracy in Vietnam.

(short term and mid term) (Cabinet Office [IP], National Police Agency, MIC, Ministry of Justice, MOFA,

Agency for Cultural Affairs, METI)

- Strengthen measures against Vietnam and Indonesia, which suffer greatly from piracy-related damages, and take necessary steps such as dispatching public-private missions, establishing local offices for anti-piracy measures, and promoting the distribution of legitimate copies.

(short term) (Cabinet Office [IP], National Police Agency, MOFA, Agency for Cultural Affairs, METI, relevant ministries and agencies)

- Establish an international cooperation system (consortium) through collaboration

between concerned government ministries and agencies, including police authorities and the Ministry of Foreign Affairs, and the private sector, and create an environment that enables rights holders to smoothly enforce their rights. Along with this, enhance efforts to support domestic rights holders in exercising their rights against cross-border copyright infringement on the Internet.

(short term and mid term) (Agency for Cultural Affairs)

- To combat illegal and harmful information on the internet, promote effective measures against platform operators. This includes the appropriate implementation of the Information Distribution Platform Measures Law. This law requires large-scale platform operators to promptly remove such information and ensure transparency in their operations.

(short term and mid term) (MIC)

- Even in the case of overseas piracy sites, if the transmission is directed at the Japanese public and is deemed to be closely related to Japan, criminal punishment may be imposed under Japanese copyright law, based on the interpretation that such acts are punishable under Japanese law; therefore, efforts will be made to promote early detection through cooperation with rights holders' organizations and concerned government ministries, and through investigations utilizing frameworks such as international mutual assistance in investigations. In addition, raise awareness of the application of criminal regulations such as the current Act on Prevention of Transfer of Criminal Proceeds and the Act on Punishment of Organized Crimes to advertising revenue generated by piracy, and the concept of civil claims for advertising revenue generated by piracy.

(short term and mid term) (National Police Agency, Ministry of Justice, MOFA, Agency for Cultural Affairs, METI)

- In response to the sophistication and diversification of overseas piracy sites that distribute Japanese content to local people overseas, the government, in close cooperation with the private sector, will promote efforts to foster a healthy ecosystem, including raising awareness in local languages through overseas diplomatic establishments, considering incentives for providing information on piracy sites, and promoting the distribution of legitimate versions of Japanese content in overseas markets.

(short term and mid term) (Cabinet Office [IP], MOFA, Agency for Cultural Affairs, METI)

- Encourage relevant private sector entities to implement necessary countermeasures regarding their services used for piracy sites, such as CDN

service providers ceasing service provision to piracy sites.

(short term and mid term) (MIC, Cabinet Office [IP], relevant ministries and agencies)

- In order to prevent the distribution of counterfeit products of Japanese brand-name agricultural, forestry, fisheries, and food products overseas, measures against infringement of unauthorized use will be promoted through the promotion of mutual protection of geographical indication (hereinafter referred to as “GI”) with other countries, overseas field research and e-commerce site analysis, and operation of a consultation service for information on suspected counterfeit products of agricultural, forestry, fisheries, and food products.

(short term and mid term) (MAFF, MOFA, JPO)

- In order to cope with the increasing inflow of counterfeit products and piracy due to the development of cross-border e-commerce, based on the revised Trademark Act, Design Act, and Customs Act, which came into effect in October 2022, counterfeit products brought into Japan by overseas businesses by mail and other means are subject to control by customs, and relevant organizations and ministries will collaborate to implement strict border control against counterfeit products and pirated copies. In addition, efforts will continue to be made to provide adequate publicity, etc. to prevent unforeseen damage to bona fide importers. Furthermore, considerations will also be made for other intellectual property rights, as necessary.

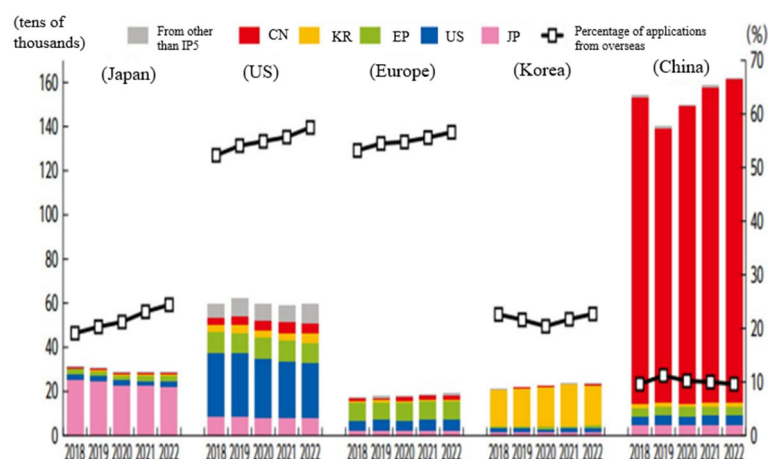
(short term and mid term) (MOF, JPO, Agency for Cultural Affairs)

- Conduct an effectiveness review based on court precedents and other sources regarding the 2019 amendments to the Patent Act and other laws concerning the calculation of damages, consider whether further measures are necessary to deter infringement, and examine appropriate institutional measures to deter intellectual property infringement, including improving the function of patent marking. Take necessary measures, including amendments to laws.

(short term and mid term) (JPO)

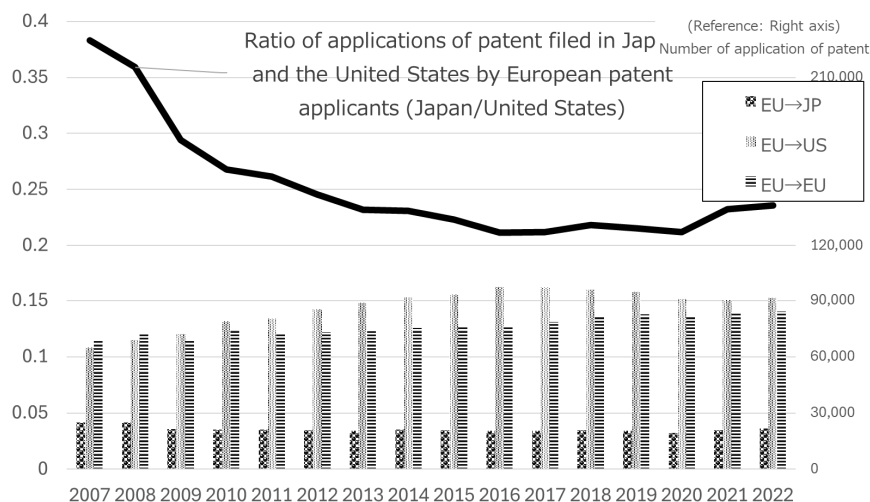
(3) Strengthening the industrial property rights system and operation (Current situation and challenges)

<Responding to globalization>



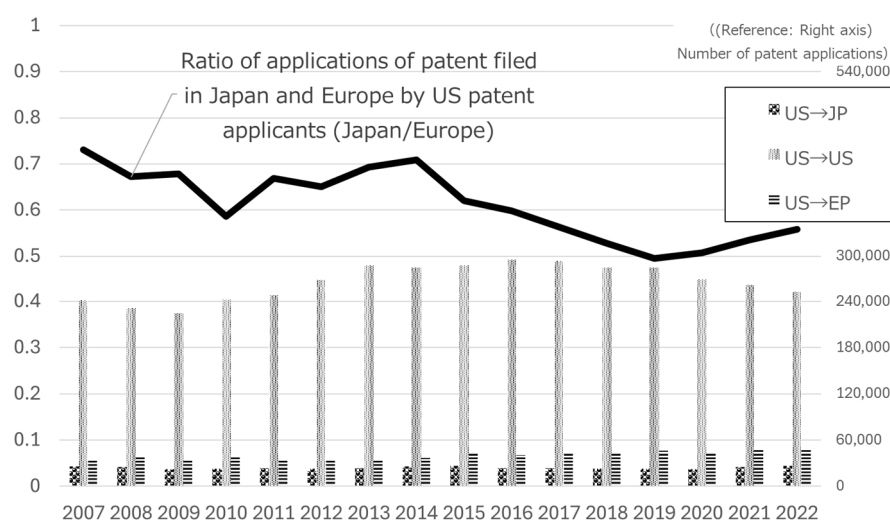
(Source) JPO website "Patent Administration Annual Report 2024"

Figure 28: Trends in the number of patent applications filed with IP5 offices and the ratio of patent applications



(Source): Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters, based on the WIPO IP Statistics Data Center

Figure 29: Trend in percentage of applications of patents filed in Japan and the United States by European national applicants



(Source): Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters, based on the WIPO IP Statistics Data Center

Figure 30: Trend in percentage of applications of patents filed in Japan and Europe by U.S. patent applicants

To strengthen competitiveness as a center of innovation, it is essential to attract and accumulate global intellectual capital, such as by encouraging patent applications from overseas. The number of patent applications in Japan ranks third behind China and the US and is gradually declining, and the percentage of patent applications from overseas is lower than in Europe and the US (see Figure 28). Moreover, applicants from Europe and the US continue to place greater importance on patent applications in the US and Europe than in Japan (see Figures 29 and 30).

Therefore, one approach to establishing its position as an innovation hub is to strengthen the globalization of its patent application procedures to serve as a foundation for this endeavor. Currently, the application of patents in foreign languages incurs certain translation costs, but reducing the burden of translation is likely to increase patent applications from overseas, which in turn will strengthen Japan's role as an innovation hub. On the other hand, there are concerns that the burden of monitoring patent applications by third parties will increase, mainly for domestic applicants such as SMEs.

First, it is necessary to examine the effectiveness of the foreign language patent application system in promoting innovation, the ideal acceptance environment that meets user needs, and the advantages and disadvantages of such a system.

In addition, to establish its position as an innovation hub, it is essential to promote further innovation by granting patents for innovative technologies at an early stage

through high-quality examination. Looking back on the last 10 years, the workload required for examination has been steadily increasing due to factors such as the increase in foreign language patent documents required in prior art searches and the sophistication and complexity of inventions due to the proliferation of AI technology. It will therefore be necessary to continue to provide swift and appropriate protection for innovative technologies developed by Japanese companies.

Furthermore, a diplomatic conference to finalize and adopt the Design Act was held in Riyadh, Saudi Arabia, in November 2024, and the Riyadh Design Law Treaty (DLT) was adopted. The treaty aims to reduce the burden on applicants by harmonizing and simplifying domestic procedures that vary among countries; discussions have been ongoing since 2005. From the perspective of strengthening Japan's competitiveness as an innovation hub, it is important to proceed with discussions regarding Japan's accession to the treaty.

Although pharmaceutical data protection has been legislated in Europe and the United States and other countries, Japan has no laws directly regulating pharmaceutical data protection. Instead, the re-examination system (Article 14-4 of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices) effectively serves as pharmaceutical data protection in Japan. It has been pointed out that²⁹, because there is no independent pharmaceutical data protection system, those unfamiliar with the system might think that Japan does not have a pharmaceutical data protection system. For this reason, it is necessary to investigate and analyze the need to legislate a pharmaceutical data protection system by consolidating discussions among relevant industry organizations in preparation for the next round of discussions on revisions to laws and regulations related to Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices.

< Response to the DX era >

In order to realize an intellectual property system with international appeal, it is necessary to promote not only globalization but also digitalization. To this end, the Japan Patent Office (JPO) has implemented various institutional reforms in response to changes in social conditions and is also taking institutional measures in line with the rapid

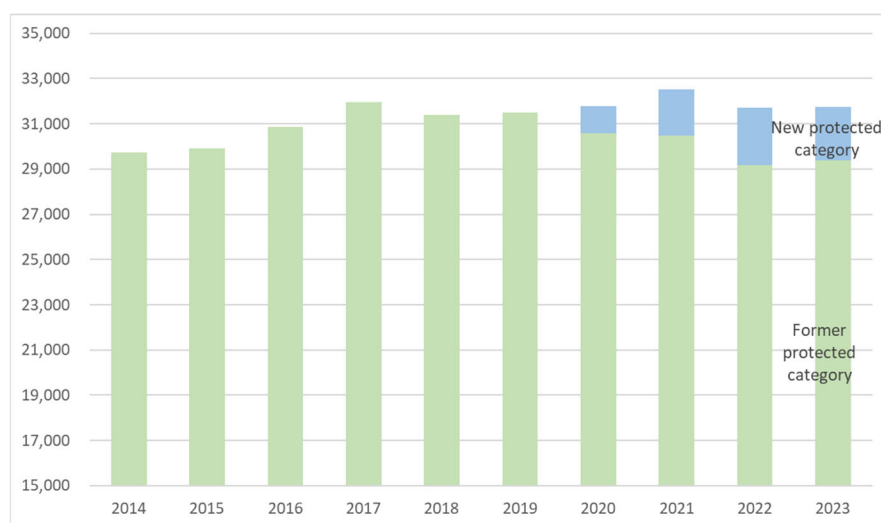
²⁹ Soliciting opinions for the formulation of the “Intellectual Property Strategic Program 2025” [Opinions from corporations and organizations], P.99

(https://www.kantei.go.jp/jp/singi/titeki2/chitekizaisan2025/pdf/siryoushou2025_2.pdf)

development of digital technology.

In recent years, DX has accelerated throughout society. With the increase in cross-border services due to the development of network-related technologies, some have suggested that patent infringement can be avoided by installing servers, which are part of the constituent elements of inventions, overseas. While there have been court rulings³⁰ on patent infringement in such cases, the Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council is currently examining cases that can be considered to constitute actual acts of exploitation within Japan.

As a result of measures to strengthen the design system by expanding the scope of protection to images, buildings, and interiors as new domains under the 2019 revision of the Design Act, the number of design applications in the new protected categories has expanded to account for approximately 7% of the total number of applications as of 2023. Consequently, applications in the new protected categories have increased to supplement the existing categories (see Figure 31).



(Source) JPO

Figure 31: Design application trends in new protected categories (images, buildings, interiors)

This is partly due to changes in industrial structures, and more recently, with the

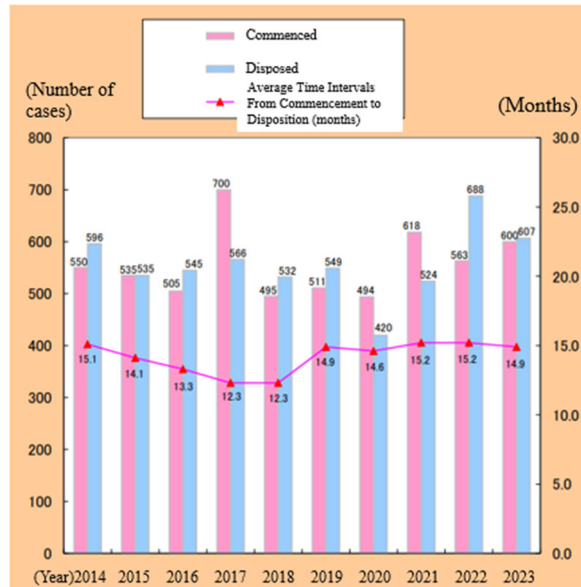
³⁰ According to the Supreme Court Second Petty Bench Judgment of March 3, 2025 (Patent Infringement Injunction Case, 2023 (Received) 14,15), concerning the “provision” of programs from servers in the United States, and the Second Petty Bench of the Supreme Court, in its ruling on March 3, 2025 (patent infringement injunction case, 2023 (accepted) 2028), concerning the “production” of an invention of a system consisting of servers located in the United States and terminals, respectively recognized patent infringement.

increase in services in virtual spaces due to the development of VR technology and the growth of online communication opportunities, there have been cases where third parties sell 3D models that imitate the design of real-world goods without permission, or where designs of 3D models that can be used in virtual spaces are copied. Accordingly, based on the current state of business and design creation in virtual space, the Design System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council is currently considering the necessity of revising the design system and the direction of institutional reforms.

<Infrastructure development for IP dispute resolution>

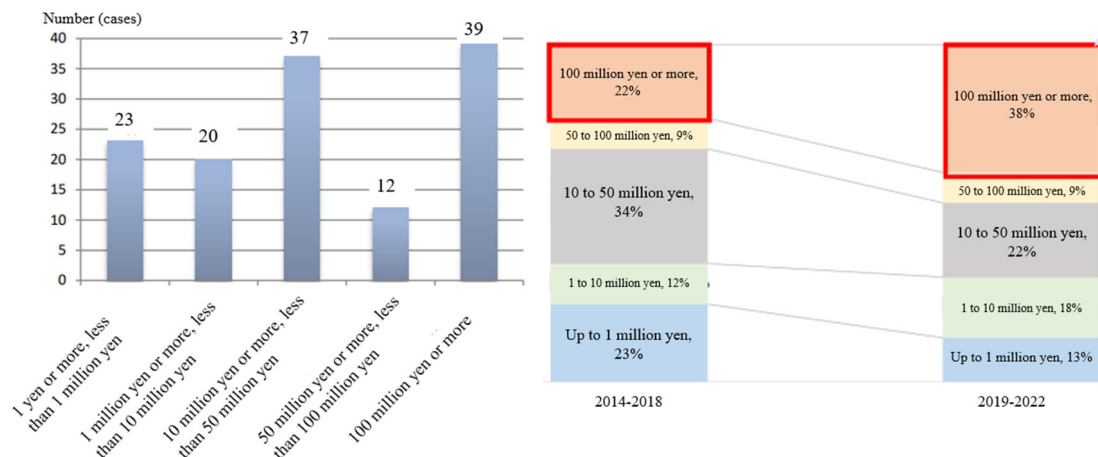
Towards the realization of an IP system with international appeal, it is indispensable to constantly review and consider improvements to dispute resolution mechanisms so that those whose rights have been infringed are appropriately compensated and infringement is prevented.

According to the trend in the number of newly received civil cases related to intellectual property rights, the number of first instance cases in district courts nationwide has been increasing and decreasing, while the number of cases in the first instance trial has remained at around 500 to 700 (Fig. 19). In the cases of patent infringement lawsuits, cases involving the amount of money more than 100 million yen awarded in judgments account for approximately 30% of the total (Figure 33). Furthermore, the proportion of cases where the amount awarded was 100 million yen or more increased from 22% between 2014 and 2018 to 38% between 2019 and 2022, with a judgment exceeding 2.7 billion yen in 2022, indicating an overall increase in the amounts awarded (Figure 34).



(Source) Intellectual Property High Court website “Statistics” (“Number of New and Existing IPR-related civil cases and Average Trial Duration [First Instance, District Courts Nationwide]”)

Figure 32: Number of new and existing IPR-related civil cases and average trial duration



(Source) Intellectual Property High Court website “Statistics” (“Statistics on Patent Infringement Litigation [Tokyo District Court and Osaka District Court, 2014–2023]”)

Figure 33: Amount awarded in the judgment

(Source) Compiled by JPO, “Statistics” on the Intellectual Property High Court website

Figure 34: Amount awarded in lawsuits claiming damages for patent infringement (Tokyo District Court and Osaka District Court)

Against this backdrop, the 2019 revision of the Patent Act (Article 102 of the Patent Act) revised the method for calculating damages, making it possible to add to the amount of damages by considering the portion of infringing products sold by the infringer that

exceeds the manufacturing and sales capacity of the rights holders as having been licensed to the infringer.

On the other hand, businesses can improve their production capacity and expand their personnel leveraging their resourcefulness when calculating the quantity of goods that could have been sold if the infringement had not occurred. In recent years, there has been an increase in cases where production is outsourced to external parties; therefore, it is necessary to closely monitor whether the amount of damages can be flexibly determined based on actual business conditions, such as the expansion of outsourcing, in light of court rulings that “ability to work the patented invention” is sufficient as potential capacity.³¹ Various measures have been proposed to deter intellectual property infringement, such as increasing the amount of damages; however, it is first necessary to verify the effectiveness of the 2019 amendment through analysis of court precedents and other means, consider the need for further measures to deter infringement, and then examine appropriate institutional arrangements to deter intellectual property infringement, while referring to systems in other countries.

Although investigation system was introduced in the 2019 revision of the Patent Act regarding evidence collection procedures, there are opinions ³² calling for an understanding and analysis of the subsequent practical situation, which should be considered based on needs and other factors.

Furthermore, mediation and alternative dispute resolution procedures (hereinafter referred to as “ADR”) may be effective means of resolving IP disputes other than litigation. For example, in the case of mediation, the Tokyo District Court and the Osaka District court began operating a specialized mediation service for resolving disputes concerning intellectual property rights in 2019. The average length of proceedings for mediation is 6.2 months (reference: average length of proceedings for civil cases related to intellectual property rights (2023) is 14.9 months), enabling disputes related to

³¹ In the judgment of the Intellectual Property High Court's Grand Bench on February 28, 2020 (Case No. 10003 of 2019), it was held that “the ‘ability to implement’ is sufficient as a potential ability, and even if it is possible to supply a quantity of products corresponding to the quantity of infringing products sold through methods such as production outsourcing, it should be interpreted that the ability to implement exists.”

³² In the judgment of the Intellectual Property High Court's Grand Bench on February 28, 2020 (Case No. 10003 of 2019), it was held that “the ‘ability to implement’ is sufficient as a potential ability, and even if it is possible to supply a quantity of products corresponding to the quantity of infringing products sold through methods such as production outsourcing, it should be interpreted that the ability to implement exists.”

intellectual property rights to be resolved swiftly, which is expected to lead to further expansion of its use in the future.

Furthermore, with the proliferation of IoT technology in recent years, standard essential patents, which are essential for implementing standard specifications for communications and other technologies, are having an increasingly significant impact on global competition, leading to ongoing global competition for leadership in the formation of rules for resolving disputes over standard essential patents. It is hoped that SEP-related documents³³ will continue to be disseminated and that appropriate measures will be taken in light of the situation and discussions regarding international IP disputes, with revisions being considered as necessary.

(KPI)

- Promote the enhancement of litigation systems toward intellectual property systems with international appeal (grasp the upward trend in the amount awarded after 2019 and the number of cases accepted for ADR).

(Direction of measures)

- Based on the revised Arbitration Law and other laws that meet the latest international standards, which came into effect in April 2024, and with the aim of creating an environment in which Japan can use international arbitration as a means of fair and equitable resolution of global legal disputes, including intellectual property disputes, and based on the guidelines formulated at the “Liaison Conference of Ministries and Agencies Concerned with the Promotion of International Arbitration” in May 2024, further efforts will be made to develop Japan-based arbitration personnel and to raise public awareness of arbitration in Japan and overseas.

(short term and mid term) (Ministry of Justice, Concerned government ministries)

- We will hold international conferences on IP-related disputes with judicial officials in the Asian region and hold follow-up seminars to improve the dispute resolution capacity of the Asian region as a whole, as well as hold international conferences with judicial officials in Western countries to promote international cooperation in

³³ The Ministry of Economy, Trade and Industry released the “Guidelines for Good-Faith Negotiations on Licensing Standard Essential Patents” in 2022, while the Japan Patent Office revised its “Guidelines for Licensing Negotiations on Standard Essential Patents.”

IP dispute resolution and provide information on IP dispute resolution to legal professionals and private companies in Japan.

(short term and mid term) (Ministry of Justice, JPO)

- Promote ODR, which utilizes digital technology to conduct ADR online, and enhance information infrastructure sites so that a variety of dispute resolution methods can be provided to those facing intellectual property and other issues. In addition, the Ministry will further expand and revitalize ADR and ODR by promoting public awareness and publicity of ADR and ODR, and by promoting cooperation and strengthening of certified ADR service providers and related organizations.

(short term and mid term) (Ministry of Justice)

- Regarding efforts to translate laws and regulations into foreign languages, by actively utilizing AI technology for legal translation and smoothly operating a more efficient work scheme based on this technology, the provision of high-quality English translations will be expanded and accelerated, leading to the active overseas dissemination of English translations of laws and regulations related to intellectual property fields.

(short term and mid term) (Ministry of Justice)

- To support the development and operation of legal systems for the enforcement of IP rights in emerging countries and to establish effective judicial procedures, we will support the development of IP judicial human resources by providing training to judicial officials in emerging countries.

(short term and mid term) (Ministry of Justice, MOFA)

- To facilitate licensing negotiations for the standard essential patent, we will continue to disseminate the "Guide to Licensing Negotiations Involving Standard Essential Patents," which was revised in 2022.

(short term and mid term) (JPO)

- Conduct an effectiveness review based on court precedents and other sources regarding the 2019 amendments to the Patent Act and other laws concerning the calculation of damages, consider whether further measures are necessary to deter infringement, and examine appropriate institutional measures to deter intellectual property infringement, including improving the function of patent marking. Take necessary measures, including amendments to laws.

(short term and mid term) (JPO) 【reprinted】

- To maintain the speed of patent examination amid the rapid increase in applications for AI-related technologies, based on discussions at the “Study Group

on Intellectual Property Rights in the AI Era,” the examination system will be improved so that the "examination period from the request for examination to the grant of a patent" (standard examination period) will remain "within 14 months on average" in FY2033, by taking measures such as replacing examiner personnel and improving examiners' abilities including their proficiency in multiple technical fields.

(short term and mid term) (JPO)

- To further improve the quality of patent examination, improvements in measures based on co-creation with users and thorough streamlining of the patent examination process, including the utilization of AI technology, will be considered and necessary measures will be taken to promote patent examination innovation. At the same time, conduct surveys on user needs regarding foreign language written application systems, aiming to promote innovation.

(short term and mid term) (JPO)

- Continue to raise awareness of the importance of design and strategic use of design rights.

(short term and mid term) (JPO)

- Amidst increased burdens on trademark examination due to changes in the operation of the system, such as the introduction of the consent system under the revised Trademark Act in April 2024, we will enhance the efficiency of trademark application examination processing and strengthen the examination system by utilizing initiatives such as promoting applications that avoid grounds for refusal and conducting cross-examination surveys of trademark refusal grounds so that “the total pendency” and “the first action pendency” can be set at an average of 7 to 9 months and an average 5.5 to 7.5 months, respectively in fiscal 2025. Also, we will strengthen awareness of the importance and utilization methods of trademarks to promote the dissemination of the trademark system.

(short term and mid term) (JPO)

- In order to support the global expansion of Japanese companies into emerging markets, which are expected to grow further in the future, by providing training to IP human resources in emerging countries, including Japanese examiners, patent attorneys, and other experts as lecturers, while also utilizing online lectures, we will support the establishment of IP systems in emerging countries. Additionally, in emerging countries such as those in Southeast Asia, we will strengthen support for expediting patent examinations and improving quality through expert meetings and other initiatives, ensuring that Japanese companies'

intellectual property rights receive prompt and appropriate protection.

(short term and mid term) (JPO)

- Regarding the Riyadh Design Act, promote awareness among domestic users, listen to their needs regarding accession to the treaty, and consider domestic legislation and accession to the treaty.

(short term and mid term) (JPO, MOFA)

- With the advancement of DX in corporate activities, such as the diversification of businesses due to the development of generative AI technology and the expansion of transactions in virtual spaces, new issues are arising in the industrial property rights system. In addition, there is a need to further improve the convenience of government procedures. In light of these factors, the ideal industrial property rights system for the DX era will be examined.

(short term and mid term) (JPO)

- In light of the increase in cross-border services due to the development of network-related technologies, the Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council will consider clarifying the requirements for recognizing cross-border exploitation of network-related inventions as actual domestic exploitation even if part of the constituent elements of the invention are located outside Japan, in cases where infringement can be easily avoided because the server is located overseas; necessary measures, including legal revisions, will be taken.

(short term and mid term) (JPO)

- Given the current state of business and design creation in virtual spaces, the Design System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council will examine the need to review the design system and the direction of institutional measures, taking necessary steps, including the revision of laws.

(short term and mid term) (JPO)

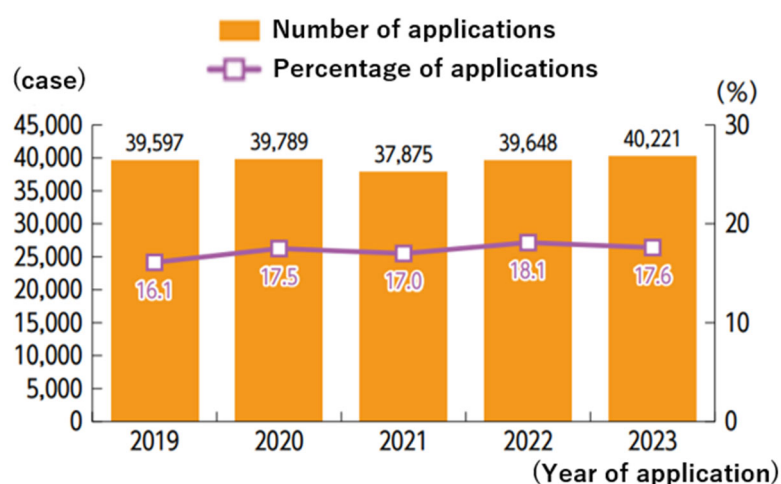
(4) Intellectual property protection in the region

(Current situation and challenges)

<SMEs and medium-sized companies>

SMEs and medium-sized companies account for 99.9% of all companies and are extremely important in Japan's innovation ecosystem as a source of innovation.

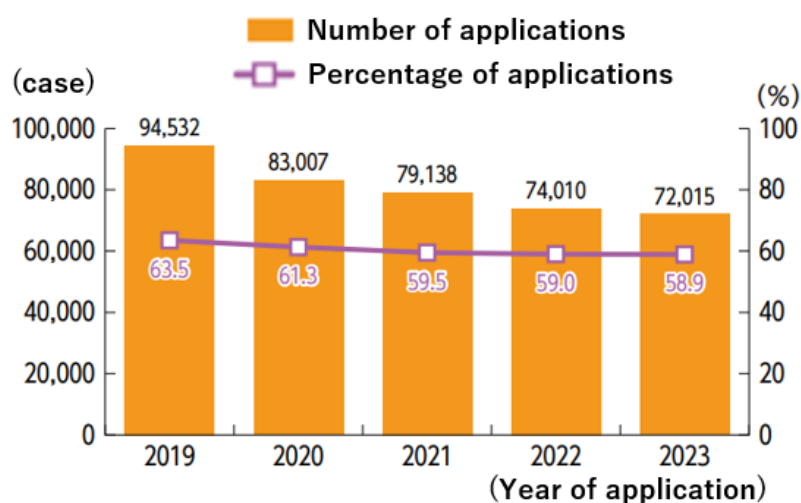
However, in the current situation, intellectual property activities are not being carried out sufficiently due to a lack of information, knowledge, and human resources related to intellectual property, as well as a lack of funds. In recent years, the ratio of applications by SMEs to the total number of patent applications has remained flat, along with the number of patent applications (Figure 35). This trend is also seen in the number of design applications by SMEs.



(Source) JPO website “Annual Report on Patent Government 2024 Edition”

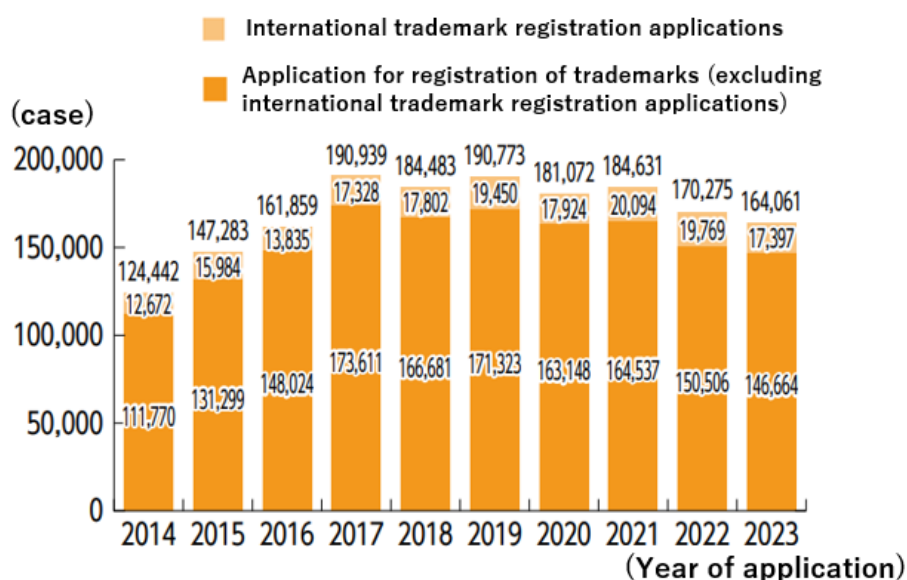
Figure 35: Trends in the number of patent applications filed by SMEs

In addition, applications from SMEs, which account for a large proportion of all trademark registration applications, are on a downward trend (Figure 36), leading to a decline in the number of trademark registration applications in Japan overall (Figure 37). It is therefore necessary to further promote and raise awareness of the trademark system by strengthening efforts to inform SMEs of the importance of acquiring trademark rights, with a view to increasing the number of trademark applications, particularly those from SMEs.



(Source) JPO website “Annual Report on Patent Government 2024 Edition”

Figure 36: Trends in the number of trademark registration applications filed by SMEs



(Source) JPO website “Annual Report on Patent Government 2024 Edition”

Figure 37: Trends in the number of trademark registration applications

Furthermore, intellectual property such as technology, know-how, ideas, designs, and brands is an important management resource for SMEs and medium-sized companies, which have fewer management resources than large corporations; however, “awareness” of their value is not sufficient, posing challenges for financing using intellectual property.

Due to issues such as a lack of knowledge about intellectual property and the uneven distribution of support human resources, such as patent attorneys, the percentage of SMEs

that have obtained patents remains at less than 18%, and more than 80% of patent applications are filed in the four metropolitan areas of Tokyo, Osaka, Aichi, and Kanagawa. Thus, the utilization of intellectual property is not progressing among SMEs, especially those in regional areas.

Additionally, the rapid evolution of AI, the digital transformation of industries where data is often exchanged across borders, and the revitalization of economic activities in the digital space have brought about changes that were not anticipated by the current intellectual property system in the fields of R&D and industrial creation.

Given this situation, it is necessary to formulate support measures that enable companies to “earn money from IP” through the promotion of IP utilization and protection among SMEs in rural areas, and the creation of an environment conducive to AI and DX through the review of IP systems such as patent rights.

(a) IP management support network

Aiming to revitalize regional economies, regional intellectual property strategy headquarters have been established throughout Japan to provide intellectual property support tailored to the circumstances of each region. The Japan Patent Office (JPO) has also released the “Third Action Plan for Regional Intellectual Property Revitalization” (formulated on May 24, 2023) for the three years to fiscal 2025, providing support to create models of intellectual property management for SMEs.

Furthermore, in March 2023, the Japan Patent Office, the Industrial Property Information and Training Institute, the Japan Patent Attorneys Association, and the Japan Chamber of Commerce made a joint declaration to establish an “IP Management Support Network. In December 2024, the Small and Medium Enterprise Agency joined the “IP Management Support Network” to gain a broader understanding of the actual state of IP transactions, improve the “IP management literacy” of SMEs, small businesses, and support organizations, and provide efficient support from an IP perspective for management consultations and other issues faced by SMEs.

Going forward, with reference to the initiatives of INPIT Kansai Headquarters (INPIT-KANSAI), consideration will be given to the development of further support bases, and the creation of exemplary cases and accompanying support through the network will be promoted, along with the development of human resources for IP management support.

(b) Project for creating regions with intellectual property management models

As part of its efforts to support local communities, the Japan Patent Office (JPO) has been implementing the “Project for creating regions with intellectual property

management models” since FY 2024, which designates local governments (regions) that are keen to promote the regional business growth and revitalization through IP utilization as IP priority support areas and dispatches business producers to those areas. In FY 2024, three regions were selected: Aomori Prefecture, Ishikawa Prefecture, and Kobe City. Through the creation of regions that aim to promote the sustainable utilization of IP (IP Management Support Model Regions), it will continue to improve the earning power of regions through the utilization of intellectual property.

(c) Promotion of financing focused on business

It is important that financial institutions do not rely too heavily on real estate collateral or management guarantees, but rather provide loans based on an understanding of the actual situation and future prospects of the business operator. To this end, the “Act on Promotion of Cash Flow-Based Lending” was enacted in June 2024. With the enactment of this law, financial institutions will need to promote the sustainable growth of businesses by utilizing Enterprise Value Charge as one option, while strengthening their own revenue bases through business loans.

(d) Measures to strengthen the protection and utilization of the intellectual property of SMEs

To enable SMEs to secure resources for sustainable wage increases while creating innovation and expanding added value, it is essential to enhance their “earning power” through intellectual property, which is the source of innovation. Specific measures to achieve this include improving IP management literacy, promoting IP utilization, including the formation of regional bases, and strengthening IP protection, including improving the function of patent indications.

To address these issues, the government is considering measures to prevent intellectual property infringement and support the export of high-added-value products utilizing IP to overseas markets, in addition to expanding the “IP management support network” mentioned above.

Regarding the prevention of intellectual property infringement, measures include improving the intellectual property literacy of SMEs and start-ups, conducting surveys by the government, thoroughly implementing guidelines for appropriate intellectual property transactions, and establishing systems to strengthen infringement prevention.

As for supporting the export of high-value products to overseas markets using IP, the government will conduct surveys to improve support measures and consider necessary

measures to help SMEs and start-ups with limited financial resources. These groups often find it difficult to bear the complicated procedures and costs involved in acquiring IP, such as patent rights and trademarks. Additionally, the number of IP-related lawsuits overseas is on the rise, making it difficult for SMEs to bear the risk of litigation.

The Japan Patent Office is considering a “support package” that covers the creation of exemplary cases and accompanying support through such “IP management support networks,” the development of human resources for IP management support, the prevention of intellectual property infringement, and support for the export of high-added-value products to overseas markets utilizing IP.

(e) Preservation of traditional crafts

In the EU, in order to expand GI protection to non-agricultural products, on October 9, 2023, draft regulations on GI for handicrafts and industrial products were finally approved by the EU Council (Council of Ministers) and will come into effect on December 1, 2025.

Traditional crafts in Japan are protected by the Act on the Promotion of Traditional Craft Industries (Traditional Crafts Act) and the Trademark Act. However, as handicrafts are subject to geographical indication (GI) protection in the European Union (EU), an Economic Partnership Agreement (EPA) partner, Japan will monitor EU developments and consider introducing GI protection.

<Agriculture, Forestry, and Fisheries>

(a) Current situation of intellectual property in the agriculture, forestry, and fisheries sectors

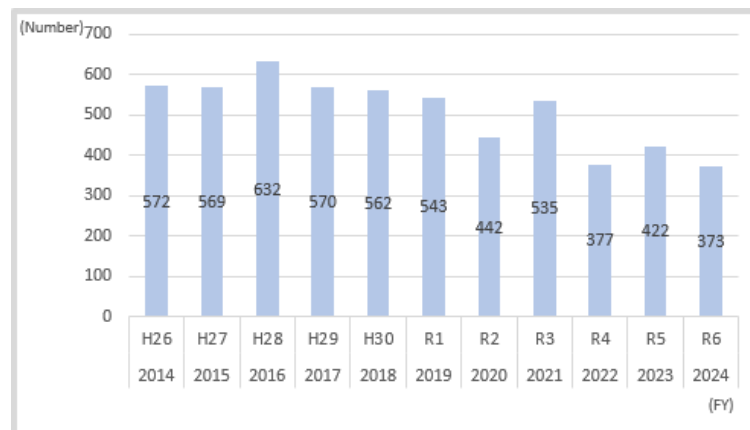
Japan's agricultural, forestry and fishery products and food have unparalleled characteristics and strengths that have enabled them to capture overseas markets, based on technologies and know-how for producing high-quality, high-added value products, as well as intellectual property such as Japanese food culture and traditional culture.

Expanding demand in overseas markets carries the risk of exporting superior varieties. Therefore, appropriately protecting and utilizing IP in the agriculture, forestry, fisheries, and food industries is crucial for further expanding overseas markets.

Under these circumstances, on May 29, 2024, a bill to partially revise the Basic Act on Food, Agriculture, and Rural Areas was passed during the ordinary session of the National Diet. The bill added “sustainable development of agriculture through improved productivity and added value” as a basic principle of the law and listed “enhancing the added value of agricultural products (including IP protection and utilization)” as one of the basic measures, thereby clarifying the government's IP-oriented stance.

In recent years, based on the “Ministry of Agriculture, Forestry and Fisheries' Intellectual Property Strategy 2025,” the government has been promoting initiatives such as strengthening the protection and distribution management of livestock genetic resources, restricting the export of registered varieties by breeders' rights holders, promoting a licensing system for self-propagation, and providing support for variety registration overseas, to create a system that is appropriate for the global era. Furthermore, in July 2025, the Ministry plans to further develop this strategy and formulate the “Ministry of Agriculture, Forestry and Fisheries' Intellectual Property Strategy 2030” with a view to “earning money” from overseas through intellectual property.

(b) Protection and utilization of breeders' rights



(Source) MAFF

Figure 38: Trends in the number of applications for variety registration for varieties developed in Japan

As shown in Figure 38, the number of applications for variety registration for varieties developed in Japan over the past 10 years has been declining overall, although some fluctuations have been seen from year to year. Against this backdrop, awareness of IP protection and utilization has not yet proliferated in the agricultural sector, partly because the focus has been on the dissemination of developed varieties and cultivation techniques.

Given this situation, the Ministry of Agriculture, Forestry and Fisheries of Japan has been implementing the following measures to raise awareness of IP among stakeholders in the field and promote the protection and utilization of agricultural IP in the field.

- Establishment of online courses to learn the basics of intellectual property
- Implementation of seminars for specialized professionals with professional qualifications
- Development of specialized human resources who can provide advice on intellectual property management in the field
- Dissemination of good practices through recognition of companies that have made excellent use of intellectual property rights systems in the agriculture, forestry, fisheries, and food industries

On the other hand, the increase in online transactions since the COVID-19 pandemic has led to an expansion of highly anonymous transactions that are difficult for rights holders to track and manage, as well as the handling of seedlings by non-farmers, creating a new risk of outflow. To address these issues, the Ministry of Agriculture, Forestry and

Fisheries held a study group on the management and utilization of excellent varieties, and in June 2024, compiled a set of recommendations titled “Directions for the Protection and Utilization of Excellent Varieties in Response to the Advancement of Digitalization.”

Toward the implementation of these proposals, an interim report is scheduled to be released on comprehensive measures, including the establishment of an institutional framework to ensure thorough management by rights holders and those involved in agriculture and to improve the effectiveness of responses to infringements.

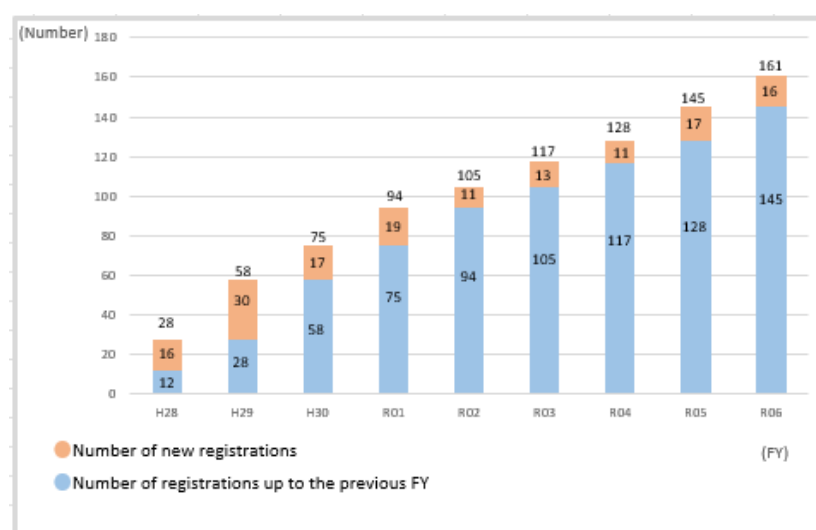
(c) Promotion of GI protection systems

The GI protection system protects the names of products that have developed over many years in a specific region, possessing characteristics such as quality and social reputation that are unique to the natural, cultural, and social factors and environment of that region, as intellectual property of the region. Through this, the potential appeal and strengths of products linked to a region, including their quality, manufacturing methods, reputation, and stories, can be visualized, making it easier to explain and prove them in transactions and gain the trust of consumers.

In November 2022, the GI system was revised as follows to further promote income and regional vitality and export promotion.

- Expand the scope of registration to include a wide range of products, from traditional products that should be protected in the region to processed products and products for overseas markets, while reducing the burden on the region during the application and registration process.
- Strengthen strategic promotion to increase opportunities to see GI in the market, and raise awareness and value of GI.

In addition, the “Geographical Indication Protection Consultation Office” (GI Support Desk) has been established as a central point of contact for receiving consultations from producers seeking registration, and provides free advice from experts.



(Source) Prepared by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters based on the MAFF website

“List of Registered Products”

Figure 39: Trend in GI registrations (domestic products)

The number of registrations has been increasing every year, with 16 registrations in FY 2024, the highest number in recent years. As of the end of March 2025, the number of domestic products registered under the GI system reached 161 (Figure 39).

It is necessary to continue steadily promoting various initiatives to encourage the use of the GI system.

The GI protection system, combined with the GI mark, is effective in appealing to the appeal and stories of products to foreign nationals, leading to a movement to utilize GI as tourism content for the growing number of inbound tourists. To link these efforts to the improvement of added value of agricultural, forestry, and fishery products, regional revitalization, and expansion of exports, it is necessary to build a cooperative framework with the Ministry of Agriculture, Forestry and Fisheries, the Japan Tourism Agency, and Destination Management Organizations (DMOs), and to promote information dissemination overseas to appeal the attractiveness of these products.

(d) Creating an environment for overseas market expansion

The “Basic Plan for Food, Agriculture and Rural Areas” (approved by Cabinet Decision on April 11, 2025) sets a government target of 5 trillion yen in exports of agricultural, forestry and fishery products and food by 2030. The MAFF will implement measures to expand demand and improve supply capacity in an integrated manner, aiming to further expand exports of agricultural, forestry and fishery products and food. Under these circumstances, in order to expand exports and protect the competitive environment of

Japanese agriculture, the government promotes the acquisition of breeders' rights overseas and the strategic overseas licensing of excellent varieties that contribute to export promotion.

○ Acquisition of breeders' rights overseas

To prevent unauthorized cultivation overseas, the acquisition and enforcement of breeders' rights must be strengthened. To this end, the Ministry of Agriculture, Forestry and Fisheries provides financial support for overseas applications and infringement responses. As of the end of September 2024, the MAFF had supported a total of 1,203 overseas applications (of which 431 have been registered).

Meanwhile, some countries do not have adequate variety protection systems in place, and there are challenges to ensuring appropriate variety protection in these countries. In Asia in particular, the rate of accession to the International Convention for the Protection of New Varieties of Plants (hereinafter referred to as the “UPOV Convention”), which stipulates the basic principles for the protection of new varieties, remains low.

For this reason, Japan is promoting the establishment of variety protection systems in countries that do not have such systems, including East Asian countries, and their accession to the UPOV Convention through the East Asian Plant Variety Protection Forum established in 2007. It is expected that Japan will continue to promote efforts to establish variety protection systems in other countries through the Forum and other means, as well as promote the protection of Japanese varieties overseas through examination cooperation with UPOV member countries.

○ Promotion of strategic overseas licensing

To complement off-season export periods through overseas licensed production and establish a system for the year-round supply of Japanese-branded agricultural products in export destination countries, and to create a sustainable cycle in which royalty revenues from overseas are reinvested into the development of highly competitive new varieties, the Ministry of Agriculture, Forestry and Fisheries has, in recent years, formulated overseas licensing guidelines aimed at promoting strategic licensing. In addition, the Ministry is actively promoting the early establishment and commercialization of breeder's rights management organizations that undertake overseas applications, licensing operations, and infringement responses on behalf of breeders.

○ Advanced technology in agriculture, forestry, fisheries, and food

Regarding smart agriculture, consideration should also be given to intellectual property protection through the acquisition of rights related to patent applications in other countries.

Existing support measures include window support, accompanying support, and overseas rights acquisition support³⁴, which are expected to contribute to further intellectual property protection for smart agriculture technologies.

In the food industry, investment in advanced technologies like food technology is growing worldwide, while domestic investment is sluggish. From the perspective of food security in Japan, it is hoped that efforts to expand the food technology market will be strengthened in line with overseas trends and that the use of automation technology will be promoted to improve productivity in the food industry.

(KPIs)

- With the goal of enabling SMEs to earn income from intellectual property, encourages more than 14,000 SMEs to file new applications for patents and take related action.
- The value of exports of agricultural, forestry and fishery products and food is expected to reach approximately 5 trillion yen by 2030, up from approximately 1.5 trillion yen in 2024.

(Direction of measures)

<SMEs and medium-sized companies>

- According to a survey by the Small and Medium Enterprise Agency, SMEs that cite “research and development” as their main use of profits are likely to see significant growth in sales. On the other hand, given that there are cases of intellectual property infringement against SMEs and small businesses in their transactions with large corporations, the government will work to improve the intellectual property management literacy of SMEs and other entities and establish systems to strengthen infringement deterrence.

In addition, the Fair Trade Commission will conduct surveys on the actual situation and, on the basis of the results, will formulate guidelines for appropriate intellectual property transactions under the Antimonopoly Act and ensure their strict compliance.

Furthermore, in order to enhance the earning potential of small and medium-

³⁴ Examples include the Strategic R&D Intellectual Property Management Enhancement Project (Ministry of Agriculture, Forestry and Fisheries of Japan), the Intellectual Property Comprehensive Support Desk (INPIT), and the Overseas Rights Acquisition Support Project (INPIT).

sized enterprises (SMEs) and micro businesses through the promotion of intellectual property (IP) utilization, efforts will be made to create exemplary cases, provide hands-on support, and develop human resources involved in IP management support through the IP Management Support Network—a framework established through collaboration among the Japan Patent Office, the Industrial Property Information and Training Center, the Japan Patent Attorneys Association, and the Small and Medium Enterprise Agency, in cooperation with the Japan Chamber of Commerce and Industry, to provide IP-based support for SMEs and micro businesses.

(short term and mid term) (FTC, JPO, Small and Medium Enterprise Agency)

- Based on the “Third Action Plan for Regional Intellectual Property Revitalization,” provide support to create examples that can serve as models for intellectual property management in SMEs.

(short term and mid term) (JPO)

- The Small and Medium Enterprise Agency will be added to the “IP management support network” to gain a broader understanding of the actual state of IP transactions, improve the “IP management literacy” of SMEs, small businesses, and support organizations, as well as provide efficient support from an IP perspective for management consultations and other issues faced by SMEs. Additionally, strengthen cooperation among relevant organizations through the IP Management Support Network and improve the effectiveness of measures by providing IP support tailored to the management issues of companies, including those in the agriculture, forestry, and fisheries sectors.

(short term and mid term) (JPO, Small and Medium Enterprise Agency)

- In order to strengthen and enhance IP management support and improve the earning power of local communities, efforts will be made to create regions that aim to promote sustainable IP utilization through strengthening cooperation among local support networks and fostering innovation among local companies (IP management support model regions).

(short term and mid term) (JPO)

- To enable SMEs to grow sustainably based on business strategies that leverage intellectual property, enhance their corporate value, as well as ensure that the enhanced corporate value is appropriately evaluated by financial institutions, SMEs and financial institutions will cooperate to envision the future, analyze the current situation, and provide support for the formulation of business strategies

that include intellectual property and intangible assets.

(short term and mid term) (JPO)

- Work toward building an ecosystem for the spread and practical application of value design management, including further expanding the use of management design sheets among startups and SMEs.

(short term and mid term) (Cabinet Office [IP])

- Utilize the Yoroazu Support Center to provide management consultation, including support for considering long-term visions through the creation of management design sheets.

(short term and mid term) (Small and Medium Enterprise Agency, Cabinet Office [IP])

- The Japan Patent Office will serve as a hub to enhance collaboration among support organizations, including INPIT and the Japan External Trade Organization (JETRO), through business introductions and joint seminars in various awareness-raising activities, thereby strengthening support for SMEs facing intellectual property issues in their overseas expansion.

(short term and mid term) (JPO)

- Through the Declaration of Partnership Building, seek compliance with guidelines for intellectual property transactions and promote the dissemination and use of template contracts. Furthermore, gain an understanding of the actual state of intellectual property transactions through our Intellectual Property G-Men, who specialize in dealing with intellectual property-related transaction issues, as well as hold an “Intellectual Property Transaction Advisory Board” to obtain advice on future responses.

(Short term and mid term) (Small and Medium Enterprise Agency, Cabinet Office (Director General for Economic and Fiscal Management)

- Endeavor to raise awareness and publicize new financing options (corporate value collateral rights) that focus on the entire business, including intangible assets (e.g., corporate know-how and customer bases), to business operators, financial institutions, and other stakeholders for their active utilization.

(short term and mid term) (FSA, Cabinet Office [IP], Small and Medium Enterprise Agency)

- In order to proliferate management practices that utilize IP and intangible assets among Japanese companies, surveys will be conducted on the actual status and issues surrounding investment in and utilization of IP and intangible assets at medium-sized companies, including through the use of IP landscapes. Based on

these surveys, the promotion of investment in and utilization of IP and intangible assets at medium-sized companies will be promoted.

(short term and mid term) (JPO) [Repeated]

- Consider formulating and promoting measures to increase the “earning power of IP” in SMEs. This could include promoting IP utilization, such as improving IP management literacy and establishing regional bases, as well as strengthening IP protection, such as improving patent display functions.

(short term and mid term) (JPO)

- Considering that handicrafts are subject to GI in the EU, which is covered by the EPA, grasp the trends in the EU and examine the feasibility of introducing GI in Japan.

(short term and mid term) (METI, MOFA)

- Amidst an increasing burden on trademark examination due to changes in the system, such as the introduction of the consent system under the Trademark Act revised in April 2024, efforts will be made to reduce the “examination period until rights are granted” and the “period until the first examination notification” to an average of 7 to 9 months and 5.5 to 7.5 months, respectively, in fiscal 2025, by promoting applications that do not require reasons for refusal and conducting cross-examination of reasons for refusal of trademarks, improving the efficiency of trademark application examination and enhance the examination system. Additionally, strengthen awareness of the importance and utilization of trademarks, thereby promoting the spread and proliferation of the trademark system.

(short term and mid term) (JPO)[reprinted]

<Agriculture, forestry, and fisheries>

- To strengthen intellectual property management capabilities across the entire agriculture and food industry, support the development of educational curricula and seminars, and foster and secure specialized human resources capable of advising on intellectual property activities that contribute to management in the field of agriculture. In addition, promote awareness of intellectual property among all stakeholders in the agriculture and food industry through the creation and implementation of programs for seed and plant suppliers.

(short term and mid term) (MAFF) [reprinted]

- Continue to present the Minister of Agriculture, Forestry and Fisheries Award to businesses that have achieved remarkable results in business development through the protection and utilization of intellectual property in the agriculture, forestry,

and food industries, and promote the discovery and horizontal development of excellent and advanced models for the strategic protection and utilization of intellectual property, thereby revitalizing IP activities that contribute to management in the agricultural field.

(mid term) (MAFF)

- Aiming to improve the international competitiveness of Japanese agriculture, and strengthen intellectual property management at public research institutes so that the results of public research can be effectively implemented in society. Specifically, with regard to intellectual property management, establish a network to strengthen cooperation among public research institutes and other relevant stakeholders involved in intellectual property management, as well as provide support for practical intellectual property management, consultation services by intellectual property experts, and seminars for the horizontal development of practical initiatives.

(short term and mid term) (MAFF)

- Provide opportunities to acquire knowledge and skills through visiting lectures and intellectual property education systems to higher education institutions, such as graduate schools, universities, vocational schools, and high schools, that are considering introducing intellectual property education in the field of agriculture, forestry, fisheries, and food as part of their educational curriculum or special lectures so as to promote the development of the next generation of human resources with knowledge of agricultural intellectual property. In addition, promote the smooth introduction of intellectual property education into the educational curriculum of these institutions.

(short term and mid term) (MAFF)

- To promote the protection and utilization of intellectual property in the agricultural field, an “Agricultural Intellectual Property Comprehensive Consultation Desk” will be established to match field workers with specialized human resources and provide advice. The desk will provide advice and support for the protection and utilization of intellectual property in response to consultations received. At the same time, promising projects will be selected and accompanied by project-based consulting by experts.

(short term and mid term) (MAFF)

- In order to protect the competitive environment for the global development of excellent varieties, introduce a system to strictly manage the production and trade of excellent variety seedlings, including a system for leasing seedlings to

producers, and take comprehensive measures, including consideration of the development of institutional frameworks, to improve the management of breeders' rights and the enforceability of rights so as to respond to new risks of outflow, such as the expansion of online transactions.

Furthermore, develop and secure seedling suppliers with a high level of awareness and capability regarding variety protection, and facilitate the handling of excellent varieties by such suppliers.

(short term and mid term) (MAFF)

- To prevent the loss of competitive advantage due to the leakage of excellent cultivation techniques and know-how in the agricultural field, continue to disseminate the “Guidelines for Protecting Trade Secrets in the Agricultural Sector” to production sites, and work on improving the ability to appropriately manage technology and know-how through practical training and consultation support utilizing the “Basic Management Manual for Trade Secrets” included in the guidelines.

(short term and mid term) (MAFF)

- Based on the “Livestock Improvement and Propagation Act” and the “Act on Prevention of Unfair Competition Regarding Livestock Genetic Resources,” the following initiatives will be promoted to protect the value of livestock genetic resources as intellectual property and to further improve distribution management.
 - Regarding the dissemination of model contracts to be concluded when transferring Wagyu genetic resources, since dissemination to livestock genetic resource producers has become established, efforts will continue to disseminate these contracts to downstream stakeholders to prevent unfair competition and promote the protection of intellectual property value.
 - Conduct regular on-site inspections of artificial insemination centers for livestock nationwide and ensure thorough compliance with regulations by holding training sessions for artificial insemination technicians and other relevant personnel, thereby promoting the proper distribution management system.
 - Promote the reduction of administrative work for prefectures associated with reports from livestock artificial insemination centers, operate and enhance the functionality of a nationwide system for information aggregation, thus promoting digitization.

(short term and mid term) (MAFF)

- To further contribute to improving the income and vitality of stakeholders in

agriculture, forestry, and fisheries, as well as promoting exports, raise awareness of the GI protection system, promote collaboration with the food industry and other industries, encourage the registration of a wide range of products, including processed products and products for export, promote the use of GI as a tourism resource, leading to an expansion of food-related consumption through inbound tourism.

(short term and mid term) (MAFF)

- To prevent the distribution of counterfeit products of Japanese agricultural, forestry and fishery products and food brands overseas, promote mutual protection of GI with foreign countries, conduct surveys overseas and on EC sites, and facilitate the operation of a consultation service for information on suspected counterfeit products of agricultural, forestry and fishery products and food.

(short term and mid term) (MAFF, MOFA, JPO) [reprinted]

- For the promotion of the GI protection system, establish a comprehensive support system from GI application to registration, and support initiatives to expand the market exposure of GI products, such as expanding sales channels for GI products.

(short term and mid term) (MAFF)

- Support the development of international intellectual property strategies, subsidize the costs of foreign applications for intellectual property rights (GI, trademarks), intermediate procedures such as responding to notices of refusal, and registration costs, and promote the acquisition of rights in foreign countries. Additionally, subsidize the costs of measures against unauthorized applications and imitation damage in foreign countries, and work to improve the export environment through the acquisition, commercialization, and enforcement of global intellectual property rights.

(short term and mid term) (MAFF)

- To raise awareness of intellectual property in the agriculture, forestry, fisheries and food industries among companies and schools, implement initiatives to widely educate people about the protection and utilization of intellectual property in educational settings, utilizing GI, which is intellectual property closely linked to local history and the environment.

(short term and mid term) (MAFF)

- For the protection and utilization of new plant varieties from Japan overseas, support the acquisition of breeders' rights overseas and measures against infringement in Japan and overseas, and prevent the export of seeds and seedlings that infringe breeders' rights through cooperation with customs authorities, thereby

promoting the appropriate management of registered varieties by breeders' rights holders.

(short term and mid term) (MAFF)

- To effectively deter unauthorized cultivation overseas and to generate overseas revenue, promote strategic overseas licensing and contribute to export promotion by establishing a system capable of supplying Japanese brands year-round in target export markets. In addition, establish a cycle of investing royalties from overseas into the development of competitive new varieties, domestic management, local production, and branding.

Aiming to achieve this, take responsibility for global expansion and promote the early establishment and commercialization of a breeder's rights management organization that will register varieties overseas, monitor infringements, respond to litigation, and grant overseas licenses on behalf of breeders' rights holders. At the same time, promote the development of new varieties with an eye on overseas markets and the utilization of varieties that are not yet used in Japan.

(short term and mid term) (MAFF)

- For the protection and utilization of new plant varieties from Japan overseas, promote the international harmonization of examination standards so that data on characteristics related to variety registrations in Japan can be utilized overseas and Japanese varieties can be registered appropriately and promptly. In particular, to contribute to the early acquisition of rights for fruit tree varieties, the National Agriculture and Food Research Organization Seed Management Center will gradually establish a system for conducting characteristic surveys of fruit trees in accordance with international standards. In addition, to improve the efficiency of variety registrations, the Institute will investigate the status of international technological development that contributes to the utilization of genetic information, which is increasingly being used overseas.

(short term and mid term) (MAFF)

- For the purpose of adequately protecting Japanese plant varieties overseas, efforts will be made to promote the establishment of variety protection systems in countries, including those in East Asia, where such systems are not yet fully developed, and their accession to the UPOV Convention through activities of the East Asian Plant Variety Protection Forum, which was established on Japan's initiative. Efforts will also be made to promote cooperation in the examination and standardization of application forms. In cooperation with UPOV, strengthen activities to promote UPOV membership through the utilization of the UPOV e-

PVP (UPOV electronic plant variety protection) system, which is shared by UPOV member countries, and through surveys and analyses of excellent examples of the utilization of new plant varieties.

(short term and mid term) (MAFF)

- To enable safe data sharing across manufacturers and systems for agricultural machinery and other equipment, the “Guidelines for the Development of Open APIs in the Agricultural Sector” was formulated in FY 2020, and open APIs were developed for agricultural machinery such as tractors and combine harvesters to obtain location information and working hours. After FY2025, the environment for agricultural data sharing and collaboration will continue to be developed, and the development of open APIs will be promoted through support for the enhancement of service providers' functions through the development of new services utilizing the open APIs that have been implemented and released to date.

(short term and mid term) (MAFF)

- Concerning advanced technologies related to food, including FoodTech, while continuing to give consideration to the importance of protecting and utilizing intellectual property, promote the development of platforms for open innovation, promote the creation of new products and added value utilizing FoodTech, and support the improvement of productivity at food companies through the introduction of new technologies such as automation.

(short term and mid term) (MAFF)

3. “Utilization” of Intellectual Property

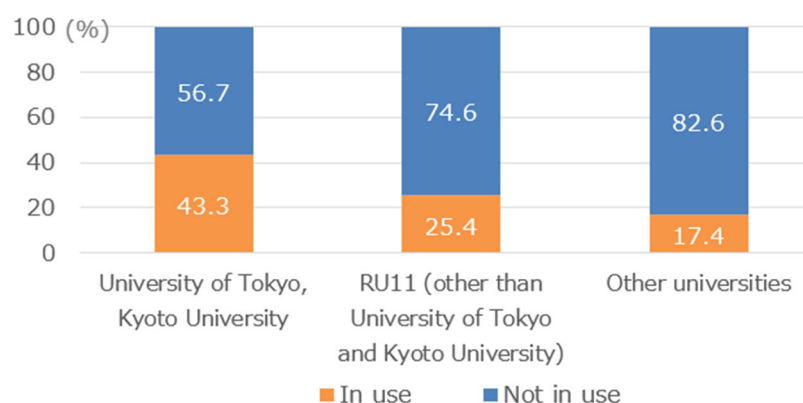
(1) Promoting social implementation through industry-academia collaboration

(Current situation and challenges)

Among the missions of universities —education, research, and social contribution— the creation, protection, and utilization of intellectual property play a fundamental role in the implementation of these activities. In other words, intellectual property plays a significant role in creating a virtuous cycle in which university research achievements become intellectual property, which in turn leads to the creation of start-ups, which then leads to social implementation, and finally to new research activities through the profits generated. To support the “Startup Development Five-Year Plan” (determined by the Council of New Form of Capitalism Realization on November 28, 2022) from the perspective of intellectual property, it is necessary to create an environment in which startups can commercialize intellectual property rights held by universities.

However, as shown in Figure 40, intellectual property resulting from university research achievements is not being fully utilized. This is thought to be due to various

factors, including a lack of intellectual property management, creation and rights acquisition with a view to commercialization at universities, and a lack of systems and budgets for maximizing opportunities for the social implementation of research achievements. These factors require measures to address them.



(Source) Compiled by the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters, based on the “Status of Industry-Academia Collaboration at Universities, etc. in FY 2022” by MEXT

Figure 40: Utilization status of patents held by universities

<University Intellectual Property Governance Guidelines>

With the aim of maximizing opportunities for the social implementation of intellectual property created by universities and achieving a virtuous cycle of funding, the Cabinet Office, the Ministry of Education, Culture, Sports, Science and Technology, and the Ministry of Economy, Trade and Industry formulated the “University Intellectual Property Governance Guidelines” in March 2023. Subsequently, while promoting the guidelines and encouraging their implementation, discussions were held to identify issues. These discussions revealed that the guidelines had achieved some success; however, there were also cases of rigid contract negotiations that deviated from the spirit and intent of the guidelines (e.g., no changes to the contract template were allowed).

It is thought that this is because the university, collaborative research partners, and start-ups do not fully recognize the importance of building good partnerships and promoting cooperation, as intellectual property related to university research achievements cannot be socially implemented by any one party alone. It is therefore essential to conduct reasonable contract negotiations³⁵ between universities and collaborative research

³⁵ For example, refer to “Manners Book for Promoting Open Innovation between Universities and Business Companies” and “Manners Book for Promoting Open Innovation between Universities and Startups” (both published by the Japan Patent Office in

partners, or between universities and start-ups, including ownership stakes, implementation licenses, and consideration and compensation. Under mutual trust and communication, it is essential to improve the implementation status of intellectual property related to university research achievements.

In light of the above situation, it is crucial to continue promoting the “University Intellectual Property Governance Guidelines” and discussions on the guidelines, analyze and organize the status of intellectual property management based on the guidelines, identify issues and measures, and consider necessary measures, taking into account the opinions gathered. Furthermore, it is important to collect exemplary cases of the implementation of the principles of the guidelines and release the results.

<Guidelines for handling intellectual property upon transfer or retirement of university researchers>

With the increasing mobility of university researchers, it is necessary to handle the intellectual property of researchers who move to other universities appropriately in order to maximize opportunities for social implementation by making full use of outstanding research achievements at universities.

Therefore, the Cabinet Office will hold a “Study Group on the Handling of Intellectual Property of Researchers at Universities, etc. upon Retirement or Transfer” from December 2024 to further promote the social implementation of intellectual property created by researchers at universities, national research and development agencies, and other organizations that are leaders in innovation (hereinafter referred to as “universities, etc.” in this section)., the Cabinet Office established the “Study Group on the Handling of Intellectual Property upon the Transfer or Retirement of Researchers at Universities, etc.” in December 2024. The results of the study were formulated and released in March 2025 as the “Guidelines for the Handling of Intellectual Property upon the Transfer or Retirement of Researchers at Universities, etc.”

Going forward, in addition to promoting the guidelines, it is expected that universities and other institutions will trial the guidelines in practice when researchers retire or transfer to other institutions. As the guidelines are implemented at universities and other institutions, issues will be identified, and information will be gathered on the status of management of the checklist and intellectual property list presented in the guidelines. This information will be used to further examine the guidelines through verification.

<iAca (intellectual property support project for social implementation of research achievements at universities, etc.) and support from intellectual property strategy experts>

INPIT has launched the iAca Project in fiscal 2024 to dispatch intellectual property strategy producers — experts in intellectual property management — to universities and other institutions with the aim of rapidly bringing research achievements to social implementation. This project provides seamless support, from the discovery of seeds in the early stages of research and the formulation of exit strategies, to support for industry-academia collaboration activities aimed at the commercialization of outstanding seeds (FY2024 results: 40 projects, 27universities). It will be necessary to continue efforts to facilitate social implementation, including the creation of start-ups.

INPIT also provides support from intellectual property strategy experts as another means of support for universities, start-ups, etc. As support for collaborative research agreements, INPIT provides advice on points to consider in negotiations and agreements between the relevant entities, such as introducing contract templates and explaining the approach to consideration and compensation in the event of implementation or non-implementation. INPIT is encouraged to continue its efforts to promote social implementation.

<Skill map for intellectual property support human resources>

At the end of March 2025, INPIT released a skill map for intellectual property support professionals. The map systematically organizes the skills required for professionals supporting intellectual property management at companies (e.g., SMEs, start-ups), universities, and research institutions, including intellectual property creation and protection, research and analysis, strategy development, and support for academia and start-ups.

In the future, training content for human resources supporting intellectual property (examples: intellectual property management seminars and instructor training seminars) will be improved based on this skill map, which is expected to expand the learning content for candidates for human resources supporting intellectual property.

(KPI)

- Encourage maximization of opportunities for social implementation of intellectual property through dissemination of University Intellectual Property Governance

Guidelines (social implementation examples and understanding of the current situation).

(Direction of measures)

- Continue to analyze and organize the status of intellectual property management based on the “University Intellectual Property Governance Guidelines,” as well as issues and measures, and consider necessary measures, referring to the discussions on the “University Intellectual Property Governance Guidelines” and the opinions received. Additionally, collect exemplary cases for implementation and release the results.

(short term, mid term, long term) (Cabinet Office [IP], MEXT)

- In addition to disseminating the “Guidelines for the Handling of Intellectual Property upon the Transfer or Retirement of University Researchers,” analyze and organize issues that arise when the guidelines are used at universities and other institutions, and consider appropriate responses.

(short term and mid term) (Cabinet Office [IP])

- To maximize opportunities for social implementation of university intellectual property and foster a virtuous cycle of funding, research and studies will be conducted to assess the current state of industry-academia collaboration activities (e.g., technology transfer, licensing, collaborative research activities) at universities in Japan and abroad, and collect and analyze best practices.

(short term and mid term) (JPO)

- To support the development of international intellectual property strategies by small and medium-sized enterprises, start-ups, universities, etc., grant subsidies for foreign application costs, examination request costs, and other intermediate procedure costs such as responses to notices of refusal, thereby promoting the acquisition of rights in foreign countries. At the same time, grant subsidies for measures against intellectual property rights infringement overseas, leading to the acquisition, commercialization, and enforcement of global intellectual property rights. Furthermore, with the partial revision of the Industrial Competitiveness Enhancement Act in 2024, which added subsidy operations to INPIT's duties, INPIT will leverage its expertise in intellectual property management support to improve the effectiveness of its measures.

(short term and mid term) (JPO)

- Through sustainable collaboration between universities, business companies, and startups, work to expand and establish the “OI Model Agreement (University

Edition),” which aims to maximize the total social value through a virtuous cycle of social implementation of “knowledge” and creation of new “knowledge.” Continue to disseminate the “Guidelines for Business Collaboration with Startups and Investment in Startups.”

(short term and mid term) (FTC, JPO)

- Although university intellectual property governance is improving in accordance with the “University Intellectual Property Governance Guidelines,” there are concerns that researchers who generate research achievements at universities have not received sufficient support, including the provision of information on intellectual property, from industry-academia collaboration centers. Considering the results of a survey on the actual state of support provided by industry-academia collaboration offices and methods for delivering information that researchers need to know to appropriately protect intellectual property, information provision to researchers and industry-academia collaboration offices will be implemented through seminars, events, and other occasions in FY2025.

(short term and mid term) (JPO)

- Implement iAca (a project to support the social implementation of research achievements at universities, etc.) and dispatch “intellectual property strategy producers,” who are experts in intellectual property management, to universities, etc. This project provides seamless support, from the discovery of seeds in the early stages of research and the formulation of exit strategies to industry-academia collaboration activities for the commercialization of outstanding seeds, including the creation of start-ups.

(short term and mid term) (JPO)

- Inform private sector companies that it is now possible to obtain open patent information from companies, universities, research institutions, etc., in a format that can be searched in the open patent information database. In addition, inform registrants that a manual has been created and released that includes tips on how to efficiently register information in the database and increase its usability, as well as usage examples. Support the commercialization of patents that are intended to be opened through matching projects that utilize information on patents that are intended to be opened.

(short term and mid term) (JPO)

- Improve training for intellectual property support human resources based on the skill map for intellectual property support human resources created in FY2024.

(short term and mid term) (JPO)

(2) Startup Support

(Current situation and challenges)

Since the formulation of the “Startup Development Five-Year Plan,” Japan has been steadily implementing various measures aimed at becoming one of the world's leading hubs for startups, focusing on three pillars: (1) strengthening human resources and networks, (2) strengthening funding and diversifying exit strategies, and (3) promoting open innovation.

Although human resources who can support the development of intellectual property strategies for the commercialization of start-ups are currently highly valued, there is a shortage of intellectual property strategy support professionals.

In this regard, there are opinions that it is necessary to appoint a chief intellectual property officer (CIPO) or other person responsible for overseeing intellectual property to develop and implement intellectual property strategies appropriate to business strategies, and that human resources who understand the value of non-financial capital, like intellectual property and intangible assets, should be developed. In short, comprehensive support packages are needed to develop management personnel who understand and practice intellectual property management, improve the mobility of specialized human resources³⁶, and evaluate the value of non-financial capital. Further consideration is required to develop new support measures in combination with the existing measures listed below.

Additionally, with the active participation of start-ups with innovative technologies expected in the public sectors, the National and Local Start-up Collaboration Working Group was launched on July 10, 2024, as part of the digital government and administration reform. During the discussion, it became clear that the utilization of new technologies and services by startups is a promising option for local governments to improve the quality of public services and reduce labor. However, progress has stalled due to a lack of consideration for startups' intellectual property and an insufficient understanding of procurement procedures.

Furthermore, as support for startups, further utilization of the open innovation promotion tax system is expected to encourage open innovation initiatives with business companies and other entities.

³⁶ In response to requests for intellectual property due diligence support for startups, refer to “Guide for Venture Investors on Intellectual Property Evaluation and Support” (JPO, 2018).

<Skill map for intellectual property support human resources > [reprinted]

At the end of March 2025, INPIT released a skill map for intellectual property support professionals. The map systematically organizes the skills required by professionals who support intellectual property management at companies (e.g., SMEs, start-ups), universities, and research institutions, including intellectual property creation and protection, research and analysis, strategy development, and support for academia and start-ups.

In the future, training content for human resources supporting intellectual property (examples: intellectual property management seminars and instructor training seminars) will be improved based on this skill map, which is expected to expand the learning content for candidates for human resources supporting intellectual property.

<VC collaborating on Intellectual Property Acceleration program for Startups (VC-IPAS)>

Starting in FY 2023, the Japan Patent Office will dispatch IP experts to venture capital (VC) firms through the VC collaborating on the Intellectual Property Acceleration program for Startups (VC-IPAS) to provide support for IP strategy development for startups through VCs, as well as support for improving the IP literacy and practical IP utilization skills of VCs. Taking into account the positive feedback received from interviews with the VCs to which experts were dispatched and the trial dispatch of experts to incubation facilities in FY2024, JPO plans to increase the number of VCs to which experts are dispatched and expand the scope of dispatch targets to include startup supporters other than VCs, thereby promoting the proliferation of IP in the startup ecosystem more effectively.

<Stabono>

Japan Patent Office launched “Stabono,” a matching program for startups and Probono (social contribution activities that utilize professional skills and experience) in FY2024. This program brings together intellectual property professionals from large corporations and other organizations to form teams with non-IP professionals, such as those in charge of business development at large corporations, to provide operational support to startups. Promoting dual occupations and side jobs for intellectual property department staff will also lead to the development of intellectual property strategy support professionals in the startup ecosystem, thus requiring review and verification of this project.

(KPI)

- Promote the development of startups through intellectual property support measures (grasp the current situation, including startup support satisfaction and case studies).

(Direction of measures)

- Improve training for intellectual property support human resources based on the skill map for intellectual property support human resources created in FY2024.

(short term and mid term) (JPO) [reprinted]

- Through IPAS, dispatch mentoring teams consisting of business experts and IP experts to start-ups in their early stages to provide support for building business models as well as formulating IP strategies tailored to those models. The program will also be offered twice a year to improve user convenience and provide more flexible support in collaboration with INPIT's IP strategy experts.

(short term and mid term) (JPO)

- Dispatch intellectual property experts, including patent attorneys and lawyers, to venture capitalists to strengthen support for the development of intellectual property strategies for startups, and provide support to improve the intellectual property literacy and practical skills of venture capitalists. In FY2025, while increasing the number of venture capital firms to which experts are dispatched, dispatch experts to start-up support organizations such as accelerators, thereby promoting the proliferation of intellectual property in the start-up ecosystem more effectively.

(short term and mid term) (JPO)

- Promote ecosystem revitalization through effective information dissemination, such as video streaming on an intellectual property portal site for startups, and by providing opportunities to connect stakeholders in startup ecosystems across the country with intellectual property stakeholders. In FY2025, by conducting events in collaboration with media that distribute video content online, further dissemination of IP utilization to startups and startup supporters (e.g., venture capitalists and IP experts) will be promoted.

(short term and mid term) (JPO)

- To promote innovation by startups and other entities, patent examiners will provide proactive support during the examination stage and encourage the use of various support measures. In addition, through interview examinations, support for the smooth and effective acquisition of rights in line with the business strategies of startups and other entities will be provided. Furthermore, while

gathering user feedback, improvements to operations will be considered as necessary.

(short term and mid term) (JPO)

- To meet the needs of startups for early rights acquisition for financing and other purposes, establish the necessary examination system and realize early examination for startups in the field of design.

(short term and mid term) (JPO)

(3) New International Standards Strategy

In 2006, the government formulated the “International Standards Comprehensive Strategy” (decided by the Intellectual Property Strategy Headquarters on December 6, 2006) and established five strategies to promote international standardization activities in industry and academia across the government.

Recently, the international community and Japan have been facing various issues that cannot be adequately addressed within the existing framework: medium- to long-term issues such as climate change and respect for human rights; risks of disruption to global supply chains due to the increasing complexity of the international situation; and rapid technological innovation, including generative AI.

The strategic utilization of international standards is an effective option for realizing societies and industries that respond to these domestic and international issues. The importance of “economic security” is increasing, requiring the perspective of securing autonomy, and securing, maintaining, and strengthening superiority and indispensability through international standards.

In light of these circumstances “The New International Standards Strategy” (hereinafter referred to as the “New Strategy”) has been established to lead the way in solving social issues and creating markets through international standardization activities as an active contribution by Japan towards resolving issues faced by the international community and Japan and ensuring economic security.

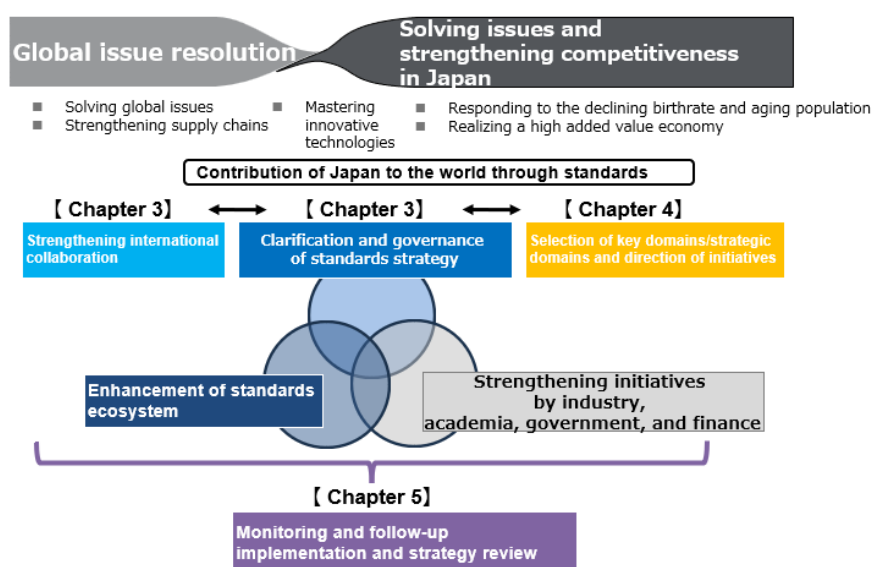
To further enhance Japan's appeal in the international standardization activities, it is essential to raise awareness and change behavior in industry and academia, enhance the development of relevant human resources in Japan, strengthen standards development, certification authorities, testing institutions, and other support functions for these activities, and establish a headquarter to connect the various entities involved in international standards.

Regarding the public and private sector initiatives related to international standards to date, domestic and international trends, Japan's initiatives aimed at solving issues through international standards, important domains and strategic domains on which Japan will

focus its international standardization activities, and the implementation of monitoring and follow-up, the New Strategy outlined below should be referred to.

<Strengthening Japan's efforts to solve issues through international standards>

Under the New Strategy, the government, in close cooperation with the private sector, will promote the following domestic initiatives: “clarification and governance of international standards strategy,” “standards ecosystem,” and “industry-government-academia-finance initiatives” with the aim of solving domestic and international issues and creating new markets through international standards. In addition, by combining “international cooperation,” “selection and support of important and strategic domains,” and “monitoring and follow-up,” the government will implement effective initiatives.



(Source) “New International Standards Strategy”

Figure 41: Overview of initiatives under the new strategy

While continuing to promote compliance with de jure standards set by international standard-setting institutions such as ISO, IEC, and ITU, in which Japan has been actively involved, and where various initiatives are expected to continue, Japan will also pay attention to various forum standards, proprietary standards, and de facto standards that have become active in recent years, and pursue for their effective combination to achieve international standards.

At the same time, it is indispensable to recognize that international standardization is not a goal in itself, but rather a tool for solving issues and creating markets. Based on this understanding, it is essential to develop comprehensive international standards strategies in various domains and fields, including the option of not pursuing international

standardization, and to build international partnerships and incorporate the economic security perspective described below into the New Strategy.

For example, based on the Open & Close strategy, it is necessary to combine or appropriately utilize various elements: regulatory compliance, standardization activities, IP management, and know-how confidentiality. Standardization can be considered an effective tool for this purpose.

Furthermore, when considering standardization, with a view toward its dissemination and implementation, a framework for conformity assessment (certification) of standards should also be considered simultaneously with the cooperation of specialized services.

When Japan proposes an international standard, it is desirable that the standard be thoroughly discussed and standardized as a national standard.

Meanwhile, where interoperability is ensured to Japan, international standardization will be promoted not only for standards established in Japan but also for standards established in other countries, giving due consideration to interoperability. Additionally, in specific fields where the convenience of Japanese companies is recognized, measures to enable certification in other countries to be obtained domestically (through the use of international mutual recognition systems) will also be facilitated.

Additionally, when promoting initiatives related to international standards, measures will be taken to ensure autonomy, security, maintenance, and strengthening of superiority and indispensability, as well as maintenance and strengthening of the international order. In such case, in addition to securing autonomy and strengthening supply chains, and responding to risks of information leakage and illegal intervention, close attention will be paid to the spread of standards through standard essential patents (SEPs) and their impact on competitiveness (licensing negotiations and global disputes regarding FRAND conditions, royalty rates, and non-assertion clauses), and necessary measures will be promoted.

The government will promote international standardization activities on an all-Japan basis to effectively in close cooperation with the private sector, from new view point of expanding on cross-domain standardization activities and of economic security in addition to the roles expected of each entity.

The specific measures taken by the government are summarized below. KPIs have been established for each measure to encourage its implementation.

- | |
|---|
| <ul style="list-style-type: none">(1) Strengthening collaboration between industry, government, academia, and finance<ul style="list-style-type: none">1-1) Encourage industrial, academic, and financial communities.1-2) Shift the perspectives of companies, research institutions, and the government. |
|---|

- 1-3) Utilize standards in public procurement and subsidies.
- 1-4) Incorporate standardization activities into the research and development stage.
- 1-5) Enhance the effectiveness of government support.

- (2) Strengthening standards ecosystem
 - 2-1) Strengthen human resources development systems.
 - 2-2) Develop and strengthen specialized services and expand their utilization.
 - 2-3) Promote regulations, standards, and certification integrally.

- (3) Clarification of standardization strategies and governance
 - 3-1) Establish a headquarter through public-private partnership.
 - 3-2) Establish frameworks for sharing and matching knowledge, know-how, human resources, and other information.

- (4) Strengthening international cooperation
 - 4-1) Engage in human resources development and networking for international standardization.
 - 4-2) Promote the use of international mutual recognition systems, harmonization of regulations, and dissemination of standards.
 - 4-3) Strengthen cooperation with ASEAN and other countries.
 - 4-4) Hold international conferences on international standard in Japan.

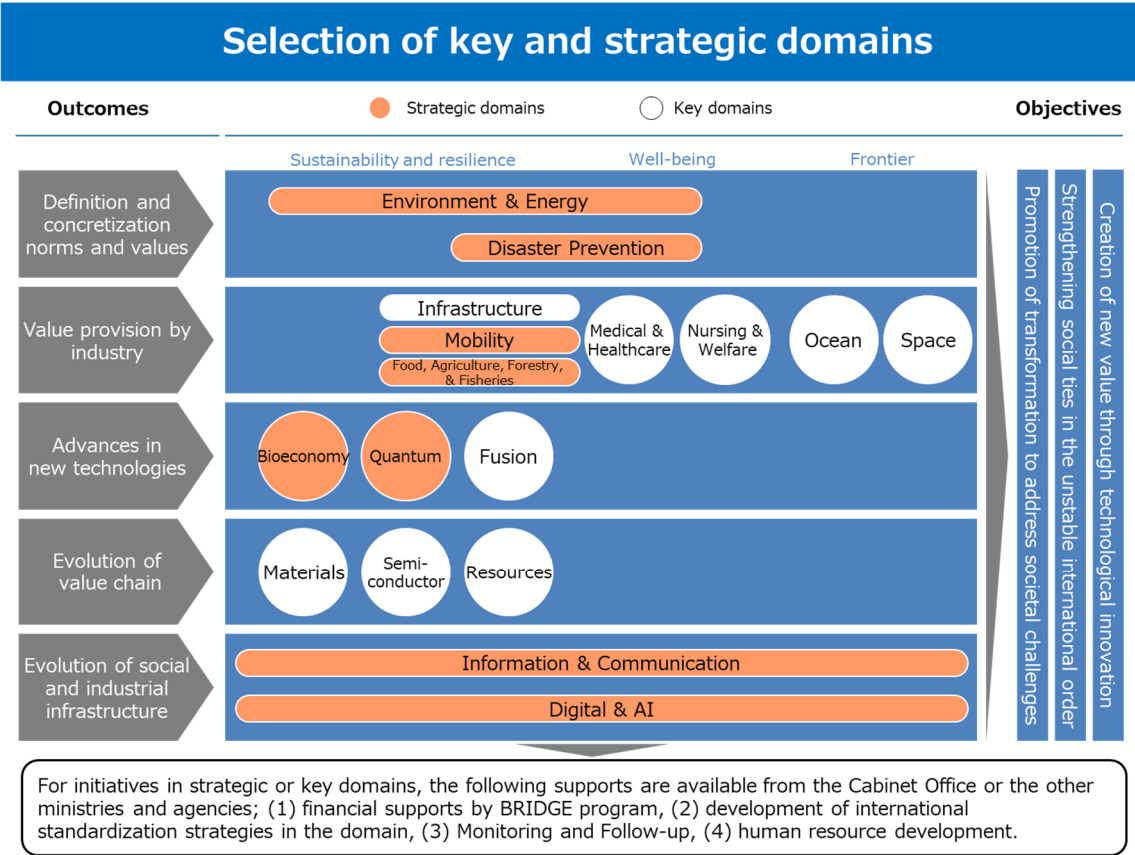
< Selection of key and strategic domains>

From Japan's perspective, we must concentrate our limited international standardization resources by selecting domains that are important to the international community and where international standards are a key solution. This is to achieve the resolution of international social issues and the creation of new markets through collaborative international standardization activities, ultimately leading to the resolution of domestic social issues and the strengthening of Japan's competitiveness. Examples of such domains include the following;

- A field requiring transformation from the current situation
- A field where strengthened cooperation through international standards is needed due to instability in the global order
- A field where technological innovation creates new value that transcends existing industry boundaries

Under the New International Standards Strategy, 17 key domains have been selected, and from among these, eight strategic domains have been selected on the basis of their maturity and urgency: “environment and energy,” “Food, Agriculture, Forestry, and Fisheries,” “Disaster Prevention,” “Digital and AI,” “Mobility,” “information and Communication,” “Quantum,” and “Bioeconomy.” Going forward, the government and the private sector will cooperate to strengthen international standardization activities in these key and strategic domains.

The key and strategic domains selected are for the immediate future. They will be reviewed through monitoring of international standardization activities by the public and private sectors, as well as through annual follow-up.



(Source) “the New International Standards Strategy”
Figure 42: Selection of key and strategic domains

<Implementation of monitoring and follow-up, and review of the New Strategy>

In international standardization activities, monitoring shall be conducted on a regular basis for matters that have a significant impact on the international community and Japan, and the results shall be shared appropriately between the public and private sectors so that

timely and appropriate responses can be taken.

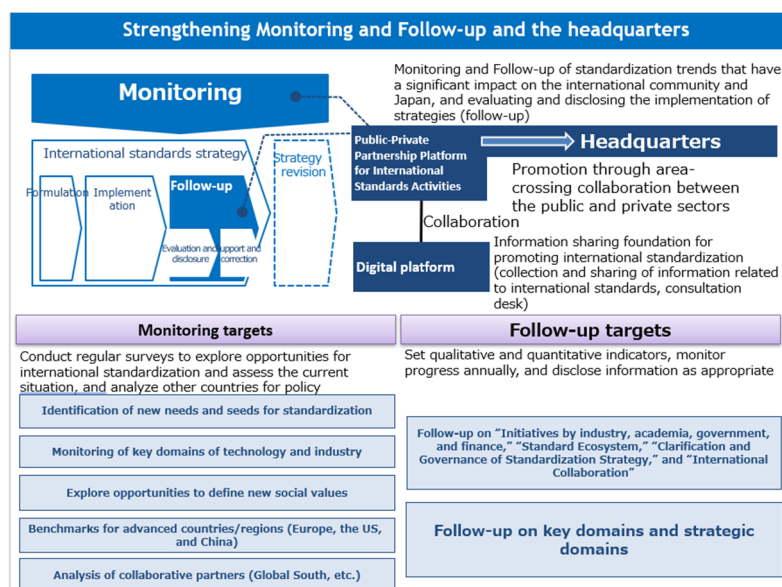
The results of this monitoring will be handled carefully and shared appropriately with public and private stakeholders through public-private partnerships and digital information sharing platforms. These results will be used to promote agile public-private initiatives and measures, such as proactive participation in international conferences and the sharing of human resources.

In addition, the progress of the measures, key domains and strategic domains of each ministry and agency summarized at this time, will be confirmed through follow-up (PDCA cycle) every fiscal year. This includes confirming the early achievement of KPIs for measures, as well as seeking deeper KPIs and initiatives if there are any deficiencies in initiatives.

The progress and achievements of these initiatives will be reported at public-private partnership meetings and expert meetings, evaluated quantitatively and qualitatively, and stakeholders will be requested to take measures based on the evaluation. The results of these reports and evaluations will be disseminated to the international community, including through the annual Intellectual Property Strategic Program, with a focus on Japan's international standardization activities aimed at solving global issues.

In such cases, to ensure appropriate monitoring and follow-up through public-private partnership, consideration will be given to establishing a public-private collaboration meeting body within the headquarters, as well as information sharing for monitoring and follow-up. This will include sharing know-how and strengthening ecosystems related to international standards in Japan. Additionally, a digital platform will be established and disseminated as an information-sharing infrastructure that contributes to promoting industry-academia-government collaborations.

Furthermore, based on annual follow-up reports and evaluations of measures taken by each ministry, agency, key domains, and strategic domains, an interim review will be conducted in FY 2027, followed by a final review in FY 2029. The New Strategy's measures, key domains and strategic domains will be reviewed and revised in an agile manner.



(Source) Key points of the "New International Standards Strategy"

Figure 43: Strengthening monitoring and follow-up with the headquarters

<Relationship between the Intellectual Property Strategic Program and the New Strategy>

International standards are a tool for strengthening the international competitiveness of Japanese industry and are an integral part of the creation, protection, and utilization of intellectual property. In this sense, the New Strategy is part of this Intellectual Property Strategic Program as well as part of the overall industrial policy and science, technology, and innovation strategy of the government.

Therefore, when monitoring, following up, and reviewing the New Strategy, it should be implemented in coordination with Japan's industrial strategy, science and technology innovation strategy, and intellectual property strategy.

Additionally, the rapid changes in international standards make it essential to conduct quick and flexible reviews to ensure the effectiveness of standardization activities in both the public and private sectors.

For this reason, when formulating the Intellectual Property Strategic Program (international standard section) for the next fiscal year and beyond, it shall be linked to the monitoring, follow-up, and review of the New Strategy, and the results of the monitoring and follow-up shall be incorporated into the Intellectual Property Strategic Program as appropriate. At the same time, depending on changes in circumstances, measures related to international standards and reviews of key domains and strategic domains will also be incorporated into the Intellectual Property Strategic Program as appropriate, and will be reviewed in conjunction with the New Strategy to ensure an agile response.

(4) Development of data distribution and utilization environment (Current situation and challenges)

With the advancement of digital technology, the importance, diversity, and volume of “data” have exploded. However, in Japan, the environment for all aspects of data, including generation, collection, and utilization, has not been adequately developed. On the other hand, in other countries, efforts to effectively generate, collect, and utilize data have been actively pursued, leading to the development of platforms and legal frameworks.³⁷

Therefore, to promote data utilization and create new value in Japan, it is necessary to implement data handling rules to dispel the concerns and anxieties of data subjects regarding data circulation on platforms. Based on this recognition, the “Guidance for Platform Data Handling Rules Ver. 1.0” (hereinafter referred to as “Rule Implementation Guidance”) was established in March 2022.

With the transition to the concrete rule implementation phase, it will be necessary to identify the risks associated with data transactions on each platform and establish appropriate rules according to those risks.

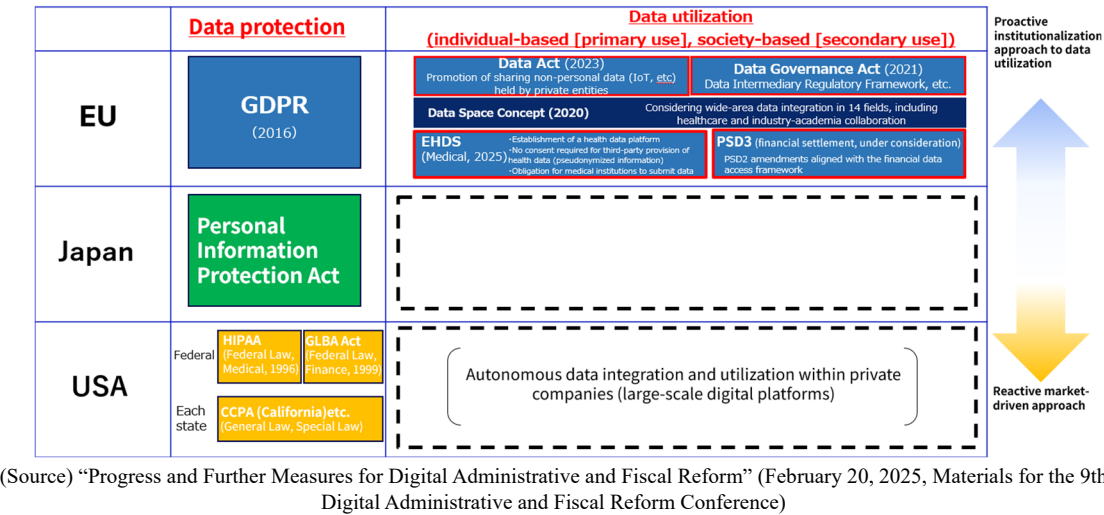
As the latest initiative of the Government on data utilization, the "Digital Government and Administrative Reform Council" held in November 2024, in the EU and other countries, in line with personal information protection laws and regulations, and taking into account the rapid progress in the development of systems for data utilization in fields such as healthcare, finance, and industry, the Digital Government and Administrative Reform Council has indicated its intention to formulate basic policies on the future direction of Japan's data utilization systems by June 2025.

Accordingly, the “Study Group on Data Utilization Systems and Systems” was launched in December 2024, and discussions have begun on the formulation of basic policies. The promotion of utilization is being considered from a holistic perspective that takes into account various related policies, including those concerning the protection of personal information, consumer protection, the promotion of competition, the protection of intellectual property, and cybersecurity.

Furthermore, from the perspective of competitive AI research and development, it is

³⁷ For example, in the EU, the European Data Act released in February 2022 came into effect in January 2024. In addition, the Digital Services Act (DSA) came into full effect in February 2024, followed by the full implementation of the Digital Market Act (DMA) in March 2024.

important to collect not only large language models (LLMs) but also operational data from robots and autonomous driving. With the advancement of data utilization, AI performance is expected to improve and diverse use cases are expected to emerge.



(Source) “Progress and Further Measures for Digital Administrative and Fiscal Reform” (February 20, 2025, Materials for the 9th Digital Administrative and Fiscal Reform Conference)

Figure 44: Comparison of legal systems in Japan, the US, and the EU (Image of regulations on the private sector)

Even the new International Standards for National Accounts (SNA 2025), adopted by the United Nations Statistical Commission in 2025 and revised from SNA 2008, reflect significant progress in digitalization since the previous standards were adopted. They require data to be recorded as fixed capital.

As described above, in response to the increasing economic value of data, various initiatives related to the utilization of data are progressing both in Japan and overseas. Based on these movements, while promoting the valuation of intellectual property and intangible assets and investment promotion under the intellectual property strategy, the government will encourage companies to recognize and manage data as a source of corporate value in addition to research and development expenses and intellectual property. In addition, as one of the strategic areas in the newly formulated strategy, it will promote the formation of rules related to data.

With regard to research data, under the Open and Close Strategy, the government formulated the “Fundamental Principles for the Management and Utilization of Research Data Supported by Public Funds” (April 2021) at the Integrated Innovation Strategy Promotion Council, which stipulates measures for the management and utilization of research data supported by public funds.

Currently, various institutions are promoting initiatives for the management and utilization of research data. Fifty-four national universities have established data policies; four inter-university research institutions and 24 national research and development corporations have already formulated policies. The goal is to achieve 100% coverage by 2025 for the formulation of data policies at all national universities, university joint research institutions, and national research and development agencies that have institutional repositories.

Going forward, in promoting research data initiatives, the Science Council of Japan presented in December 2022 its views on matters to be considered for the promotion of data-driven science in the future and specific measures for data sharing. In light of these recommendations, the Cabinet Office and other relevant organizations should further promote initiatives for the management and utilization of research data, including research DX and AI utilization, while taking into consideration the Open and Close Strategy.

(KPI)

- Given the progress of discussions on data utilization across the government, KPIs will be set at an appropriate time in the future.

(Direction of measures)

- Promote the use of “Guidance for Platform Data Handling Rules ver1.0.”
(short term and mid term) (Digital Agency, concerned government ministries)
- To manage and utilize research data obtained with public funds, R&D institutions such as universities, university joint research institutions, and national research and development agencies should formulate data policies and promote the inclusion of research data in institutional repositories. In addition, metadata will be added to research data so that it can be searched on the research data infrastructure system. Furthermore, horizontal development of previous cases and issues will be promoted.
(short term and mid term) (MEXT, Cabinet Office (Science and Technology), concerned government ministries)
- The relevant ministries and agencies will continue to promote efforts to establish frameworks for data management plans (DMPs) for new publicly solicited research funds and for assigning metadata linked to these plans.

(short term and mid term) (Cabinet Office (Science and Technology), MEXT, concerned government ministries)

- Promote the provision of brokers free of charge for data collaboration infrastructure and give advice on their use, as well as support the development and utilization of integrated data collaboration infrastructure in each region. At the same time, based on the vision for shared use of data collaboration infrastructure formulated by prefectures in FY 2024, encourage data collaboration between multiple services (fields) while avoiding duplicate investment in infrastructure with the same functions.

(short term and mid term) (Digital Agency)

- To enable safe data sharing across manufacturers and systems for agricultural machinery and other equipment, “Guidelines for the Development of Open APIs in the Agricultural Sector” were formulated in fiscal 2020, and open APIs were developed for agricultural machinery such as tractors and combine harvesters to acquire location information and working hours. From FY2025 onwards, in addition to developing an environment for agricultural data sharing and collaboration, promote the development and utilization of open APIs through support for the enhancement of service providers' functions by developing new services that utilize the open APIs that have been implemented and released to date.

(short term and mid term) (MAFF) [reprinted]

- Efforts related to data health reform are being promoted in accordance with the roadmap formulated in June 2021. In FY 2024, an “electronic medical record information sharing service” was established to share necessary medical information about patients between medical institutions, and a model project was implemented in some areas from February 2025. From FY2025 onwards, initiatives related to data health reform will continue to be steadily implemented.

(short term and mid term) (MHLW)

- As services and businesses utilizing personal data continue to change and expand, to improve and revise guidelines for ensuring the safe and secure circulation of personal data with the consent of individuals in a manner that reflects actual conditions, conduct surveys necessary to understand the actual state of data utilization and to promote cooperation with similar systems in other countries.

(short term and mid term) (MIC)

- In the disaster prevention field, the information sharing rules among disaster response organizations based on the new comprehensive disaster prevention information system (SOBO-WEB) that began operation in April 2024 have been organized based on the “Rule Implementation Guidance” and other documents. Furthermore, discussions are underway to promote data circulation in the field of

disaster prevention, including collaboration with the data collaboration infrastructure of the Digital Agency, which is currently being designed and constructed.

(short term and mid term) (Cabinet Office [Disaster Management])

4. Follow-up on the New Cool Japan Strategy

(1) Implementation of the New Cool Japan Strategy

(Current situation and challenges)

<Progress of overseas expansion of Cool Japan-related industries>

Overseas expansion based on the latest figures for industries related to Cool Japan totaled 27.1 trillion yen, an increase of 8.0 trillion yen (41.92%) from the previous results. Growth was seen in content, inbound tourism, food, and fashion.

Inbound tourism reached a record high, with over 36 million foreign visitors to Japan (preliminary figures for 2024), amounting to 8.1395 trillion yen in travel spending by foreign visitors to Japan, and over 220,000 yen in travel spending per foreign tourist visiting Japan. While tourism demand has recovered rapidly, there are concerns about declining visitor satisfaction due to factors such as uneven distribution of demand, mainly in urban areas, insufficient secondary transportation in some regions³⁸, and long immigration procedures at airports. Thus, improving the environment for inbound tourism remains an issue.

Exports of agricultural, forestry and fishery products and food reached a record high of 1,507.1 billion yen (final figures for 2024). Exports of Japanese alcoholic beverages amounted to 133.7 billion yen, remaining at roughly the same level as in 2023. Still, demand is expected to grow in the future due to the registration of “Japan’s Traditional Brewing” as a UNESCO Intangible Cultural Heritage in December 2024.

Additionally, the export value of fashion (textile products) was 176.8 billion yen in 2023, with textile products such as yarn and woven fabrics accounting for 773.6 billion

³⁸ To address the “shortage of leaders” and “transportation options” in local transportation, a private car utilization project was launched in March 2024 under the supervision of taxi operators to enable the provision of transportation services using private cars and general drivers. According to the Cabinet Office's Regulatory Reform Promotion Conference Working Group on Regional Revitalization and Labor Shortages, “Verification of the Status of Improvements in Transportation and Evaluation of Results from the Perspective of Users as of March 2025” (April 9, 2025), 60% of foreign visitors to Japan reported having experienced transportation difficulties during their stay in Japan. In addition, among those who had experience using ride sharing in their own countries, more than 80% said they would like to use it in Japan. The reasons for using ride sharing were that they were accustomed to it (60%), they could use the app they normally use (50%), and they could know the fare in advance (45%). Furthermore, over 60% said that they expect ride sharing to improve their mobility, and 75% said that they would have been able to do more if ride sharing had been available. Specifically, over 50% said that they would have been able to visit tourist attractions, accommodations, and restaurants that are farther away.

yen. The export value of textile products increased by nearly threefold from 2012 to 2023. Overseas sales of major fashion manufacturers have also continued to grow. Cosmetics exports totaled approximately 600 billion yen in 2023, having increased by over six times from 2012 to 2021. However, exports decreased in both 2022 and 2023, and major cosmetics manufacturers have also seen a slight decline since 2022.

		Current survey value (trillion yen)	Change (%)	Previous survey (trillion yen)
Overseas expansion of content (overseas market size)		5.8 (2023)	23.22	4.7 (2022)
Amount of travel spending by foreign visitors to Japan (inbound tourism)		8.1 (2024)	53.39	5.3 (2023)
Food	Exports of agricultural, forestry and fishery products and food	1.5 (2024)	3.64	1.5 (2023)
	Sales of local subsidiaries in the food manufacturing industry ³⁹	7.3 (2023)	109.00	3.5 (2022)
Fashion	Exports of textiles and textile products	1.0 (2023)	2.85	0.9 (2022)
	Overseas sales of major fashion manufacturers	1.8 (2023)	26.83	1.4 (2022)
Cosmetics	Exports of cosmetics	0.6 (2023)	-21.05	0.8 (2022)
	Overseas sales of major cosmetics manufacturers	1.0 (2023)	-4.77	1.0 (2022)
Total		27.1	41.92	19.1

Source: Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters based on various materials cited in

Note 40⁴⁰

Figure 45: Overseas expansion of Cool Japan-related industries

³⁹ The previous survey recorded “overseas sales of major food manufacturers” based on a survey by the Cabinet Office; however, the current survey records “sales of local subsidiaries of food manufacturers” based on the “Survey of Basic Overseas Business Activities” conducted by the Ministry of Economy, Trade and Industry.

⁴⁰ Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters based on various materials.

• Overseas expansion of content (overseas market size): Compiled based on “Japan and Global Media × Content Market Database 2024” (Human Media Co., Ltd.).

• Amount of travel spending by foreign visitors to Japan (inbound tourism): Compiled based on the “Survey on Consumption Trends of Foreign Visitors to Japan” conducted by the Japan Tourism Agency.

• Export value of agricultural, forestry and fishery products and food: Prepared by the Ministry of Agriculture, Forestry and Fisheries (MAFF) based on the Ministry of Finance (MOF) “Trade Statistics”.

• Sales of local subsidiaries of food manufacturers: Prepared based on the “Survey of Overseas Business Activities” conducted by the Ministry of Economy, Trade and Industry (METI).

• Exports of textiles and textile products: Compiled based on the Ministry of Finance’s “Trade Statistics.”

• Overseas sales of major fashion manufacturers: Compiled based on the “Empirical Survey on the KGI/KPI Set by the Cabinet Office for Fiscal 2033” by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters.

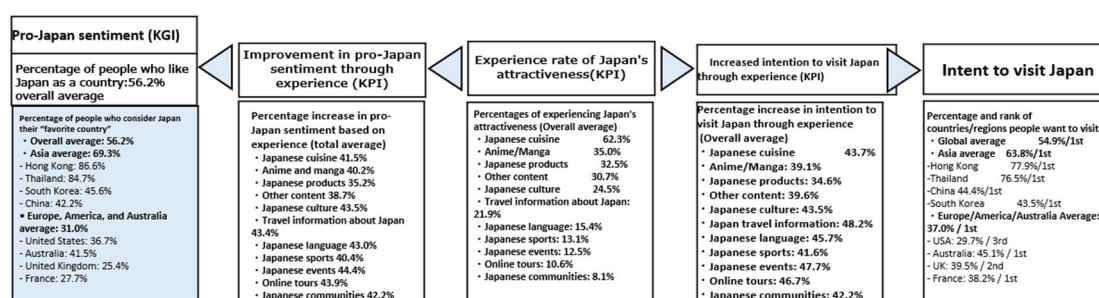
• Cosmetics exports: Compiled by the Japan Cosmetic Industry Association based on the Ministry of Finance’s “Trade Statistics.”

• Overseas sales of major cosmetics manufacturers: Compiled based on the “Empirical Survey on KGI/KPI Set by Cabinet Office for Fiscal Year 2033” by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters.

<Pro-Japan sentiment other attitudes among foreign nationals>

According to the results of a 2024 survey in which respondents from 12 countries and regions selected their “five favorite countries and regions,” the percentage of respondents who chose Japan as their “favorite country” was 56.2% of the global average, 69.3% of the Asian average, and 31.0% of the European, American, and Australian average. The goal is to increase these percentages by 10% by 2033.

In addition, a survey was conducted to determine whether the level of pro-Japan sentiment and intention to visit Japan increases based on the rate of experience of Japan's attractiveness. The results showed that the content and food sectors, which have a significant economic impact, had high experience rates among foreign nationals, indicating that experiencing these aspects of Japan's attractiveness increased the level of pro-Japan sentiment and intention to visit Japan among approximately 40% of foreign nationals. Improving the rate of experience of Japan's attractiveness, both domestically and internationally, will lead directly to an increase in pro-Japan sentiment and an expansion of inbound tourism. Additionally, pro-Japan sentiment is generally high in neighboring Asian countries; thus, it is important to take advantage of this sentiment.



* Japan ranks first among all countries and regions in Asia, second in Australia, third in the United States, fifth in France, and eighth in the United Kingdom.

(Source) Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters based on the “DBJ-JTBF Survey on the Preferences of Foreign Visitors to Japan from Asia, Europe, the US, and Australia, 2024 Edition” by Development Bank of Japan Inc. (DBJ) and Japan Travel Bureau Foundation (JTBF)

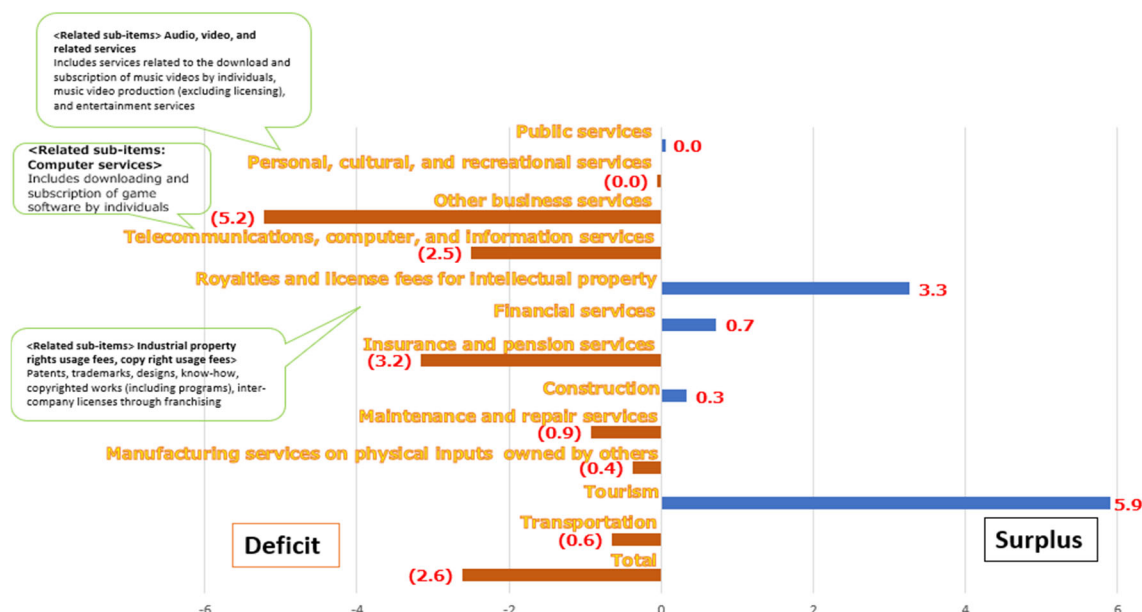
Figure 46: Foreign nationals' affinity for Japan, intention to visit Japan, experience rate of Japan's attractiveness, and improvement in affinity for Japan and intention to visit Japan based on experience

<Cool Japan as seen from Japan's balance of payments>

Although Japan has been running a trade deficit in recent years, with the preliminary figures for 2024 showing a deficit of 2.6 trillion yen, a breakdown of the service balance shows that “royalties and license fees for intellectual property,” which includes royalties for the use of copy rights, and “travel” have been in surplus for the past few years, making the promotion of the Cool Japan strategy a source of earning power for Japan.

On the other hand, it is also necessary to consider whether it is possible to achieve

growth that exceeds the growth rate of the global market. Comparing from a global perspective (in US dollars), for example, the percentage of travel revenue in GDP is higher in Japan than in the United States, while in the United Kingdom and France, it is approximately 2.5 times higher than in Japan. Intellectual property royalties are on the rise and show a surplus, significantly exceeding the United States in terms of percentage of GDP and roughly equal to Germany, which has a similar GDP.⁴¹



(Source) Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters based on “Statistics on International Payments” by the MOF

Figure 47: Cool Japan from Japan’s balance of payments (IP and travel balance within services balance) (2024 preliminary figures)

<Promotion of Regional Revitalization 2.0 Utilizing Cool Japan>

In October 2024, based on the idea that “regional areas are the main drivers of growth,” the Government established the “New Regional Economy and Living Environment Creation Headquarters” within the Cabinet to enable regional areas to develop in accordance with their respective characteristics. In December 2024, it released the “Basic Approach” for Regional Revitalization 2.0.

One of the five pillars of the basic concept for Regional Revitalization 2.0 outlined in

⁴¹ The ratio of travel revenue and intellectual property royalties (balance) to GDP was estimated by the Cabinet Office based on the “Top 50 Countries by Travel Revenue (Receipts)” and “Top 50 Countries by Intellectual Property Royalties (Balance - Receipts Exceeding Payments)” from the International Trade and Investment Research Institute’s international comparative statistics and nominal GDP (IMF).

- Percentage of travel revenue to GDP (2023) with Japan set at 1 United States: 0.75, United Kingdom: 2.39, France: 2.57
- Percentage of intellectual property royalties to GDP (2023) United States: 0.31%, Germany: 0.55%, Japan: 0.54%

this “Basic Approach” is “creating a new regional economy that generates added value,” and “creating added value by promoting Cool Japan in regional areas ” is positioned as one of the pillars of this concept. Going forward, it will be necessary to strengthen Cool Japan initiatives as part of the implementation of Regional Revitalization 2.0.

(1) Collaboration based on content

Against the backdrop of the growing global popularity of anime and other content in recent years, there has been an increase in the number of foreign visitors to so-called “tour of related places,”⁴² such as locations that appear in anime and the hometowns of original authors. This has led to the popularity of foods that appear in anime, and the popularity of content has had a ripple effect on other fields such as inbound tourism and food. Collaboration across fields and industries, with content as the starting point and gateway, has the potential to expand respective economic area.

The “places related to anime” located throughout Japan have the potential to increase fan engagement even after the content has ended for stakeholders, which can lead to regional revitalization through an increase in the number of people connected to the area and growth of the local economy. In addition, since there are places related to anime all over Japan, it could encourage people to travel around the country, which may help prevent and control overtourism by attracting visitors to regional areas .

(2) Creative initiatives in the region, including the development of bases and human resources

In cooperation with local governments and educational institutions, the region is also working to attract anime-related companies and develop facilities for human resources development with the aim of creating jobs and revitalizing local industries. It is also developing tourist facilities that utilize original manga and anime artwork created during the production process.

Although some initiatives in certain regions involve collaboration between the public and private sectors and companies in non-content fields that are focusing on collaboration with content, initiatives in other regions are difficult to implement due to the need to coordinate rights among various stakeholders across different fields and industries. As a result, nationwide initiatives have just begun.

⁴² The “New Cool Japan Strategy” (decided on June 4, 2024) refers to it as “visiting places related with anime,” but it is also sometimes called a pilgrimage to a sacred place or anime tourism.

Efforts to promote collaboration between different fields are not limited to content. For example, there are initiatives to leverage the strengths of both sides in manufacturing by bringing together high-end brands and designers from Japan and overseas with local industries that produce traditional crafts for which Japan is renowned. Such collaboration refines local resources as brands from new perspectives as well as creating new value. It is therefore important to promote collaboration between different fields to realize high added value for local resources.

(3) Intellectual property management in the region

The common point of the above initiatives is the utilization of intellectual property. It is important to have an intellectual property strategy to take advantage of various local resources, including the abundant nature, and to collaborate with various clusters in Japan and overseas for global expansion. From the perspective of Japan's service balance, expanding inbound tourism through the effective utilization of intellectual property in local communities is also an important initiative.

Interdisciplinary collaboration enables the creation of new products and services by transcending the wisdom and common knowledge that each individual possesses. However, since common knowledge varies depending on the field and industry, it is necessary to understand the vision and approach of each business and set medium- to long-term goals. Based on past regional initiatives, it is essential to have key figures in the core region as well as producers with knowledge, expertise, and connections that are not available locally.

While interdisciplinary collaboration is creating new value in regional areas, there are concerns that this value is not sufficiently reaching overseas markets and customers. When expanding overseas, it is critical to conduct branding based on a thorough understanding of the potential of local resources. At that time, it is necessary to disseminate information from the perspective of foreign nationals, including information dissemination that transcends regional (field) boundaries and collaboration with influencers.⁴³

(KPIs)

⁴³ In doing so, it is necessary to create frameworks that enable people to experience and be impressed by services and products overseas.

- The economic effect of Cool Japan-related industries, including overseas expansion of content, inbound tourism (amount of travel spending by foreign visitors to Japan), overseas expansion of agricultural, forestry, and fishery products, and overseas expansion of fashion and cosmetics, will reach more than 50 trillion yen by 2033.
- To expand the number of fans of Japan, the percentage of people who “I love Japan” in each country and region will be increased by 10 percentage points by 2033.

(Direction of measures)

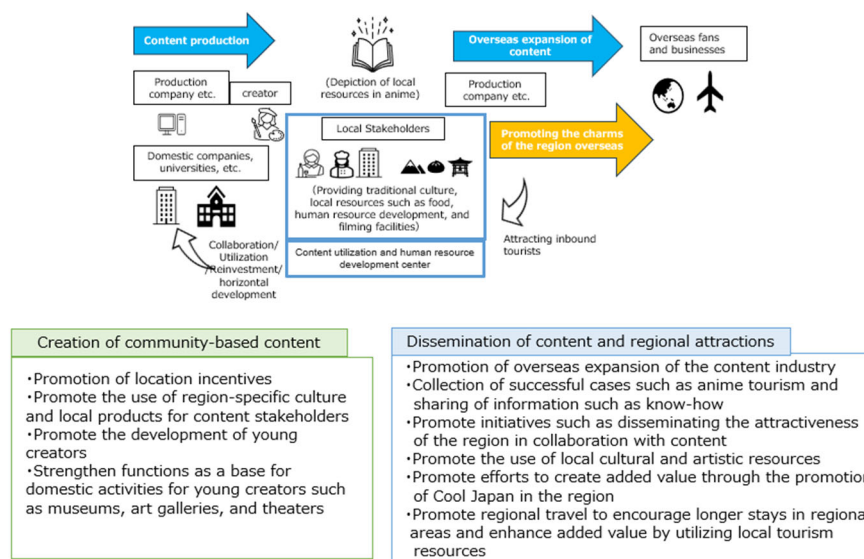
< Virtuous Cycle of Content and Regional Revitalization Plan >

Toward the promotion of Regional Revitalization 2.0 utilizing Cool Japan, local governments, related businesses, content stakeholders, and others will collaborate to promote interdisciplinary collaboration that maximizes the use of regional resources that have not been fully utilized, such as the original landscape, food, traditional culture, and specialty products, with content as the starting point. In this process, collaboration will be strengthened among concerned government ministries, local governments, and the private sector. In the development of bases that leverage regional strengths, collaboration with numerous stakeholders from industry, academia, and government is essential; thus, the role of local governments is expected to be significant.

Share the success factors and know-how of cases of regional revitalization utilizing content, such as attracting high-value added travelers through the use of content and the development of bases related to content, and promote creative ideas and initiatives in other regions. At the same time, promote the creation of community-based content through location incentives and the expansion of activities by young creators, etc., to create a virtuous cycle of increasing the attractiveness of content in the region and expanding inbound tourism, particularly high-value added travelers. Furthermore, from the perspective of promoting local initiatives, establish frameworks for verifying the effects of collaboration with content on the local economy. Consideration should be given to ensuring that benefits are returned to the local economy in this process.

To enhance the appeal of regional tourism, including overnight stays, the Cool Japan Strategy Council will designate content driven public-private initiatives expected to generate significant economic ripple effects as Content Regional Revitalization Bases. These initiatives will be strongly promoted through collaboration among relevant government ministries, local governments, and the business community, with the goal of selecting about 200 locations nationwide by 2033 to revitalize regional economies.

Virtuous Cycle Toward Regional Revitalization Through Content Utilization



(Source) Compiled by Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters

Figure 48: Virtuous cycle for realizing “Content-driven Regional Revitalization”

The Cool Japan Strategy Council will designate regional initiatives such as anime tourism and location incentives that leverage the appeal of anime, film, and other content as Content Regional Revitalization Bases. These initiatives are expected to generate significant economic ripple effects by attracting high-value-added inbound tourism. Their realization and expansion will be driven through collaboration among relevant government ministries, local governments, and the business community.

(Short term and mid term) (Cabinet Office [IP],

Cabinet Secretariat [New Local Economy and Life Environment Creation

Headquarters Secretariat], METI,

Agency for Cultural Affairs, Japan Tourism Agency, and concerned government ministries)

- To facilitate and promote location filming and incentives, promote greater understanding and mutual understanding among stakeholders through the dissemination of a handbook summarizing matters to be addressed by film commissions (FC), licensing authorities, producers, etc. To disseminate this information, an English version of the handbook summarizing the key points will be produced and distributed overseas.

(short term and mid term) (Cabinet Office [IP], National Police Agency, Fire and

Disaster Management Agency, Immigration Services Agency,
MLIT, Japan Tourism Agency, concerned ministries and agencies)

- In order to promote regional revitalization through film and video production and achieve the goal of “turning filming locations into pilgrimage sites,” consider the operation and coordination of entities such as locally managed “film commissions,” as well as the licensing framework for businesses at filming locations. Develop guidelines and explore institutionalizing a national recognition system.

(short term and mid term) (METI)

- To effectively realize economic and social industrial promotion through location incentives, work on granting incentives and effective utilization to attract post-production processes, including VFX. Consider support for the smooth filming of works eligible for incentives as well as promote the utilization of completed works in the filming locations.

(short term and mid term) (METI, Cabinet Office [IP], concerned government
ministries)

- Since film and anime locations are important bases for stimulating domestic and international tourism demand, the government, in close cooperation with the private sector, will promote location-based tourism and anime tourism through the use of content for tourism promotion so as to effectively realize the economic and social benefits of location incentives.

(short term and mid term) (Japan Tourism Agency)

- Regarding “tours of places related to anime and manga” by high-value-added travelers and others, based on survey results obtained at the Expo 2025 Osaka, Kansai, Japan and previous cases in other regions, collect know-how on coordination with rights holders and implementation systems, analyze economic ripple effects, and provide this information to regional stakeholders who will work on future initiatives. In this way, promote initiatives to convey the appeal of the region in collaboration with stakeholders related to content.

(short term and mid term) (Cabinet Office [IP], Japan Tourism Agency)

- In addition to promoting the development of human resources in Japan's highly regarded media arts field and the collection, preservation, exhibition, and utilization of related materials, as a “National Center for Media Arts” (tentative name) that will serve as a core facility for the promotion of media arts, Promote initiatives for the development of bases that have the following functions: (1) collection, preservation, and digitalization (2) research and study (3) human resources development and education (4) information dissemination in Japan and

overseas (5) exhibition and utilization, and (6) dissemination and exchange of information related to manga, anime, special effects, games, and other related works and intermediate products such as original drawings.

(short term and mid term) (Agency for Cultural Affairs)

Continue to approve plans based on the Act on Promotion of Cultural Tourism⁴⁴ and offer financial support for these plans, as well as raise awareness of measures and support initiatives that leverage the unique characteristics of each region to further revitalize Japan Heritage. Through these efforts, aim to further advance cultural tourism.

(Short term and mid term) (Agency for Cultural Affairs, Japan Tourism Agency)

- Through further refinement and creation of tourism content that utilizes the finest cultural resources, as well as the promotion of strategic and integrated promotional activities, “Japan Cultural Expo 2.0” will foster enthusiasm for visiting Japan and attract visitors from the Expo (Osaka and Kansai region) to other regions. Based on a review of the efforts made thus far, “NEXT Japan Cultural Expo” (tentative name) will be established to refine and utilize cultural resources in each region and develop human resources, thereby contributing to regional revitalization.

(short term and mid term) (Agency for Cultural Affairs, concerned government ministries)

- Strengthen the functions of national parks and public facilities managed by the private sector to serve as centers for contemporary culture and information dissemination. Specifically, consider utilizing Kitanomaru Park as a center for disseminating information on cutting-edge science, arts, and culture.

(Short term and mid term) (Agency for Cultural Affairs, MOE, concerned government ministries)

- To promote art initiatives and investment by local governments and companies, as well as to create an environment in which funds are returned to artists, systems should be established to certify and recognize art initiatives by companies. Infrastructure should also be developed, such as knowledge sharing and human networks.

(short term and mid term) (METI)

⁴⁴ The Law for the Promotion of Cultural Tourism in Regions with Cultural Tourism Facilities as Their Core (Law No. 18 of 2020)

- To encourage the creation of content that utilizes local traditional culture and specialty products, promote and attract the anime industry and other industries to the area, and provide support for location scouting, production, and events.

(short term and mid term) (METI)

- Comprehensively support the development of tourism content that utilizes local resources, the development of appropriate sales channels, and information dissemination, etc., to develop high-value-added inbound tourism destinations in regional areas. In this process, refine tourism content and promote it overseas to maximize the appeal of each region, including adventure tourism that allows visitors to deeply experience the essence of Japan through nature, culture, and activities, as well as ecotourism and infrastructure tourism. Additionally, consideration will be given to providing support to businesses, including new entrants and startups, that undertake these initiatives.

(short term and mid term) (Japan Tourism Agency, MOE, Agency for Cultural Affairs, MLIT)

- Create a new exchange market and develop international tourist resources to increase repeat visits to Japan and boost consumer spending. To encourage regional travel and long-term stays, provide comprehensive support for initiatives led by tourism development organizations (DMOs) and carried out by the entire community.

(short term and mid term) (Japan Tourism Agency)

- Support initiatives aimed at regional revitalization through the utilization of local content.

(Short term and mid term) (Cabinet Secretariat [New Local Economy and Life Environment Creation Headquarters Secretariat], Cabinet Office [Regional Revitalization Promotion Office, IP], concerned ministries and agencies)

- Facilitate collaboration between different industries by recognizing and introducing outstanding regional revitalization initiatives and human resources that utilize anime, manga, movies, and other media to provide high-value experiences in collaboration with relevant government ministries and agencies and the public and private sectors.

(short term and mid term) (Cabinet Office [IP], METI, Japan Tourism Agency)

- Work to create opportunities for human resource exchanges between different industries and build human resource networks. For example, deepen connections between members and producers through the Cool Japan Public-Private

Partnership Platform.

(short term and mid term) (Cabinet Office [IP])

Collect excellent examples of high-value-added initiatives that seek to discover and refine the appeal of regional areas. Extract the factors behind their success and share the know-how.

(short term and mid term) (Cabinet Office [IP])

- Facilitate initiatives to convert valuable local resources into Non-Fungible Tokens (NFTs) for distribution on a global platform, thereby generating revenue based on international standards. In doing so, consider frameworks to encourage the listing of a large number of NFTs on the platform and active trading, and provide support as necessary.

(short term and mid term) (Cabinet Office [IP], concerned ministries and agencies)]

- In the dissemination of information on the appeal of the region using content, promote information dissemination from the perspective of foreign tourists visiting Japan, such as centralized information dissemination that transcends regional (field) boundaries.

(short term and mid term) (Cabinet Office [IP], Japan Tourism Agency)

- Regulations and systems may become barriers when attempting to provide unprecedentedly high-value-added services. In Japan, various systems have been established as part of regulatory reform, including the Regulatory Reform Promotion Conference, the Special Zone System (including the Special Zone for National Strategic Projects), the Regulatory Sandbox System (New Technology Demonstration System), and the Gray Zone Elimination System. By encouraging greater awareness and utilization of these systems and contact points, promote regulatory reform necessary for the provision of high-value-added services.

(short term and mid term) (Cabinet Office [Regulatory Reform Promotion Office, Regional Revitalization Promotion Secretariat]),

Cabinet Secretariat [New Capitalism Implementation Headquarters Secretariat], METI)

<Promoting experiential value and high-value-added development in response to global demands>

The history, culture, and nature of each region of Japan have their own fascinating story and have the potential to become a destination for visitors from around the world. It is important to protect these attractions and pass them on to future generations. By utilizing these local resources, efforts will be made to add high-value to products and services that

offer experiences sought after by people around the world, generate revenue at international price levels, and build a sustainable ecosystem that reinvests profits. To achieve this, it is necessary to enhance high-value-added accommodation facilities in regional areas, expand secondary transportation, and accurately disseminate information to increase the high-value-added tourism.

In addition, design and art have a positive impact on Japanese society overall, including the growth of the culture and creative sectors and the enhancement of corporate value. Consequently, the design and art functions will be utilized to raise the level of Cool Japan initiatives.

Furthermore, efforts will be made to support SMEs and start-ups that create high-value-added innovation, to develop an environment that is conducive to new entrants, and to promote initiatives that utilize new technologies. Additionally, human resources will be developed to promote valuable experience and high-value-added creation.

- Secure and train high-quality guides who can respond to the diverse needs of foreign visitors to Japan and appropriately convey Japan's attractiveness. In particular, support comprehensive and strategic initiatives to secure and train local guides in a sustainable manner, in line with regional characteristics, especially in regional areas.

(short term and mid term) (Japan Tourism Agency)

- With the regional food and the agriculture, forestry, and fisheries industries that produce it at its core, the “SAVOR JAPAN” approved regions will collectively engage in information dissemination overseas. At the same time, through collaboration between approved regions, the initiative aims to create a virtuous cycle that expands food-related consumption by inbound tourism and leads to regional revitalization and increased exports by offering high-value-added tours combining distinctive food experiences.

(short term and mid term) (MAFF)

- To create sustainable tourism regions, support efforts to enhance and make multi-language content available on owned media⁴⁵ for tourist destinations and key tourism resources, introduce digital tools for tourism destinations and the tourism industry, and build models that foster virtuous cycles of regional revitalization using data, thereby promoting DX in the tourism sector.

⁴⁵ Media owned by the company (e.g., websites and blogs) for information dissemination.

(short term and mid term) (Japan Tourism Agency)

- To alleviate congestion at immigration procedures at airports due to the increase in foreign tourists visiting Japan, the concerned government ministries will collaborate to implement innovative immigration procedures, such as aiming to reduce the waiting time for immigration procedures at airports to within 20 minutes.

(short term and mid term) (Japan Tourism Agency, Immigration Services Agency, concerned ministries and agencies)

- To increase income in farming, mountain, and fishing villages and create related jobs, comprehensive support will be provided for the development of Farm Stay regions, strengthening of management, refinement of food and landscape as tourist attractions, promotion in Japan and overseas, and development of accommodation facilities utilizing traditional Japanese houses. This will lead to an increase in visitors to Farm Stay regions, including inbound tourism, and expansion of consumption opportunities.

(short term and mid term) (MAFF, Japan Tourism Agency)

- By expanding marine-related businesses nationwide that utilize the unique resources of fishing villages, such as highly fresh seafood, fishing experiences, and unique landscapes and history, aim to promote exchange and increase seafood consumption, while also securing regional income and employment opportunities.

(short term and mid term) (MAFF)

- Aiming to enhance the appeal of stays in national parks, promote stay-type, high-value-added tourism centered on inspiring experiences in beautiful natural surroundings, advance the branding of national parks, and contribute to attracting visitors from Japan and abroad. Expand the National Park Enjoyment Project to national parks throughout Japan, and improve the reception environment by revitalizing and upgrading visitor facilities, promoting nature experiences, and improving sustainability. At the same time, encourage adventure travel and sustainable tourism, and disseminate information and promote the appeal of national parks in Japan and overseas using social media and digital technology. Furthermore, to accelerate decarbonization in harmony with the conservation of the natural environment, designate areas that are taking the lead in carbon neutrality as “Zero Carbon Parks” and provide support as necessary.

(short term and mid term) (MOE)

- Support initiatives aimed at clarifying and promoting the value of food culture, disseminate information to raise awareness of the cultural value of food culture, conduct research and coordination related to the establishment of an award system in the field of food culture, as well as organize information on regional foods and food culture. Simultaneously, by developing human resources who will pass on Japanese food culture to the next generation, strive to protect, preserve, and utilize Japan's attractive food culture.

(short term and mid term) (Agency for Cultural Affairs, MAFF)

- To address the risk of the loss or destruction of cultural properties, which are both the national treasures nurtured and preserved over the long history of our country and which attract people from both within and outside Japan while conveying the charm of our country and regions, appropriate measures such as designation under the Cultural Properties Protection Act will be implemented. Additionally, initiatives such as the creation of regional plans for the preservation and utilization of cultural properties will be promoted to enable the preservation and utilization of cultural properties through the collective efforts of the entire local community.

(short term and mid term) (Agency for Cultural Affairs)

- Traditional crafts have been nurtured within the history, culture, and natural environment of various regions across Japan. These crafts have enriched the lives of the Japanese people. Ongoing efforts will support these crafts by fostering the next generation of artisans in production areas, preserving techniques and methods, expanding demand, and promoting labeling initiatives. Additionally, support will be provided for cross-regional events and marketing surveys organized by the Traditional Crafts Industry Promotion Association, a general incorporated foundation, as well as for its certification program for traditional craftsmen. These efforts aim to promote the revitalization and development of the traditional crafts industry.

(short term and mid term) (METI)

Based on the vision of the Study Group on the Cosmetics Industry Vision, promote consideration and initiatives for shifting to business strategies that capture new demand, establishing the “Japan” brand, shifting to marketing strategies that utilize digital technology, and utilizing diverse human resources.

(short term and mid term) (METI)

- To strengthen the international competitiveness of the fashion industry, transform it into a sustainable business model and ecosystem, create added value through

collaboration between creators and local cultural resources, and promote other infrastructure development, thereby promoting global expansion and entry into digital markets.

(short term and mid term) (METI)

- For fashion creators and teams who are active overseas, support their commercialization within the framework of the “Entertainment Startup Commercialization Support Project,” and implement projects that directly connect textile production areas throughout Japan with designers.

(short term and mid term) (METI)

- To promote the global expansion of Japanese culture, establish a network of artists, curators, creators, and others mainly in Asia, as well as form “new values” in art, including pop culture, from a context different from Western art history, thereby continuing to implement international initiatives to disseminate these values to the world.

(short term and mid term) (Agency for Cultural Affairs)

- Establish a foundation for utilizing resources such as industrial products made by Japanese companies that have shaped Japan's world-renowned lifestyle culture, as well as fashion designs, including kimonos, which are preserved by museums and companies in Japan. For this purpose, while strengthening the competitiveness of domestic industries and fostering the next generation of designers, refer to overseas examples that are also being utilized as tourism resources, and in collaboration with institutions that hold domestic artworks, consider the ideal form of archives for the coming era.

(short term and mid term) (METI)

- To develop the Japanese art market and art scene into an international hub and revitalize it, establish an environment and system to attract overseas customers by implementing Japan's first new art platform in collaboration with internationally influential art fairs. Additionally, take initiatives to promote art internationally at international events.

(short term and mid term) (Agency for Cultural Affairs)

- Introduce international standards for the management of artworks and cultural properties, and promote the establishment of a certification system for price appraisal businesses with the aim of improving the reliability of art price appraisals.

(short term and mid term) (Agency for Cultural Affairs)

- In addition to supporting SMEs in promoting high-value-added development

through the creation of innovative products and services and fostering start-ups, develop an environment that facilitates the entry of new businesses. Also, promote initiatives that utilize new technologies such as blockchain/Web 3.0, NFT, AI, metaverse, and VR.

(short term and mid term) (METI, Cabinet Office [IP], concerned government ministries and agencies)

- In the overseas expansion of agricultural, forestry, and fishery products, taking into account efforts through innovation, develop markets in countries and regions where overseas expansion has been difficult, and promote Japanese food and food culture.

(short term and mid term) (MAFF)

- Build a network of producers who promote Japan's attractiveness and create collaboration in many fields. Efforts will be made to network producers who can produce content through collaboration and integration in fields such as “content” with “inbound tourism” (example: anime tourism), “food” with “inbound tourism” (examples: farm stays and sake brewery tourism), and “nature and cultural experiences” with “inbound tourism” (example: adventure tourism).

(short term and mid term) (Cabinet Office [IP], concerned government ministries)

<Expanding overseas markets through market-oriented branding>

The government will promote initiatives to develop and expand overseas markets with a greater focus on the market perspective of what the world truly needs.

For example, amid growing global demand for Cool Japan driven by a mindset focused on solving global social issues, increasing health consciousness, the growing popularity of Japanese content and food around the world, and the recovery of inbound tourism, demand for Japanese alcoholic beverages is expected to grow in the future with the registration of “Japan’s Traditional Brewing” as a UNESCO Intangible Cultural Heritage in December 2024. Branding will be developed based on this growing global recognition. To accomplish this, it will be necessary to clearly define targets and develop marketing strategies that take into account the different cultures and values of each country and region, as well as to promote brands using digital tools such as social media. It is essential for companies, including SMEs, that are promoting themselves overseas to develop brand strategies based on an understanding of overseas markets to develop and expand those markets.

On the other hand, taking advantage of the growing global reputation of Japanese products, there is a risk that counterfeit and imitation products will appear on the market,

thus hindering Japanese exports. When expanding overseas, it is critical to implement a “Brand Strategy” to enhance brand reliability and recognition. In Japan, the names of GI products designated in international agreements concluded between countries and regions are protected for agricultural, forestry, and fishery products and alcoholic beverages. These GIs can be effective tools for highlighting the attractiveness and stories of products to foreign nationals, given that similar systems exist overseas.

With regard to local products, the “Regional Group Trademark System” was introduced on April 1, 2006, with the aim of maintaining the credibility of businesses and revitalizing the regional economy by protecting “regional brands.” In addition, traditional crafts are protected overall by registering the “Traditional Crafts Mark” overseas as a trademark under the Traditional Crafts Law. As mentioned in “2. (4) Intellectual property protection in the region,” given that handicrafts will be subject to GI protection from December 2025, Japan will monitor future developments in the EU and consider whether to introduce this system in Japan.

- To develop the brand value that contributes to changes in values and lifestyles, such as solving global social issues and increasing health consciousness, rather than simply selling goods, and work to cultivate new markets and expand existing markets. In particular, in the export of agricultural, forestry, and fishery products and the overseas expansion of food and food culture, efforts will be made to establish standards, create and utilize innovation, and strengthen branding through GI to leverage strengths such as high quality.

(short term and mid term) (MAFF, National Tax Agency, concerned government ministries and agencies)

- Promote strategic overseas licensing to effectively prevent the unauthorized cultivation of excellent Japanese varieties that are highly regarded overseas, while also generating “earning power” from overseas.

(short term and mid term) (MAFF)

- In cooperation with concerned government ministries such as the Japan Tourism Agency and other stakeholders, promote GI products that have quality, tradition, and stories derived from the natural environment, culture, and customs unique to their region, and utilize them as regional tourism resources while publicizing them widely.

(short term, mid term) (MAFF, National Tax Agency, concerned government ministries and agencies)

- Based on the “Strategy for Expanding the Export of Agricultural,

Forestry and Fishery Products and Foods,” and taking advantage of the registration of “Japan’s Traditional Brewing ” as a UNESCO Intangible Cultural Heritage, proactive efforts will be made to further expand exports of Japanese alcoholic beverages. These efforts will include enhancing recognition through international promotion and expanding sales channels by supporting business matching between Japanese alcoholic beverage producers and overseas buyers. In addition, to promote product differentiation and the creation of high-value-added offering, support will be provided for branding initiatives by producers, overseas expansion, and sake brewery tourism. Efforts will also be made to disseminate and utilize GI, along with the provision of technical assistance.

(short term and mid term) (National Tax Agency)

- Strengthen functions such as gathering and sharing overseas marketing information from the perspective of what is truly needed, and what Japan's attractiveness can contribute, by capturing changes in global values and lifestyles.

(short term and mid term) (Cabinet Office [IP], concerned government ministries)

- To prevent the distribution of counterfeit Japanese agricultural, forestry and fishery products and food products overseas, measures against unauthorized use will be implemented through the promotion of mutual protection of GI with foreign countries, investigation of overseas markets and EC sites, and operation of a consultation service for information on suspected counterfeit products.

(short term and mid term) (MAFF, MOFA, JPO) [reprinted]

- Given that handicrafts and other products are subject to GI in the EU, which is an EPA partner, grasp EU trends and consider whether to introduce GI in Japan.

(short term and mid term) (MAFF, MOFA) [reprinted]

- Amid evolving societal values, SDGs and ESG investment are becoming increasingly important. Cool Japan Fund Inc. (Cool Japan Organization) will work to develop overseas demand by clearly recognizing Japan's strengths in areas such as disaster, the super-aging society, and the recycling-oriented economy, which are among the various social issues facing the world in the future.

(short term and mid term) (METI)

<Response to international political and economic climate risks>

Regarding the export of agricultural, forestry, and fishery products, in response to cases such as overseas import restrictions resulting from the accident at the Tokyo Electric

Power Company's Fukushima Daiichi Nuclear Power Plant and the release of the Advanced Liquid Processing System (ALPS) treated water into the ocean, efforts will be made to correct misinformation and urge the immediate lifting of import restrictions that are not based on scientific evidence, while also diversifying export destinations and exploring new markets. With regard to inbound tourism, considering the international political and economic climate, efforts will be made to diversify and disperse markets and develop new markets in order to build a portfolio of various countries and regions of departure.

Furthermore, monitor trends in various international regulations and respond appropriately, as in the case⁴⁶ where the introduction of new regulations on food packaging in the EU threatened to hinder exports of sake.

- To prevent excessive dependence on certain countries and regions for exports of agricultural, forestry, and fishery products and inbound tourism, develop new markets by diversifying export destinations and promoting promotional activities to encourage visits to Japan, while accurately assessing the needs of overseas markets.

(short term and mid term) (MAFF, National Tax Agency, Japan Tourism Agency)

- Grasp trends in overseas regulations and take appropriate measures at both the government and private levels and through various channels to prevent adverse effects on exports of Japanese agricultural, forestry, and fishery products.

(short term and mid term) (MAFF, National Tax Agency, MOFA, concerned government ministries)

<Strengthening outreach capabilities to expand Japan's global fan base>

Strengthen outreach capabilities to convey Japan's attractiveness to many countries and regions, including decision-makers in the political and business communities and the wealthy, to expand the number of fans of Japan and enhance Japan's brand power. In terms of information dissemination, as the perspective of the recipient is important, proactive collaboration and utilization of foreign communities of fans of Japan and influencers will be encouraged. Effective dissemination will be achieved through collaboration between

⁴⁶ The EU plans to introduce regulations requiring businesses that manufacture and sell food products within the EU to recycle or reuse a certain percentage of their containers from 2030. As a result of the Japanese government's efforts, sake bottles will be exempt from the reuse requirement.

relevant ministries and agencies, across sectors and regions, and between the public and private sectors, with promotion carried out across the board rather than in specific areas.

Furthermore, since foreign visitors to Japan are likely to share their positive experiences on social media and through word of mouth, it is important to enhance outreach capabilities and focus on initiatives that add high value to the experience and attractiveness of the region.

- To promote Japan's attractiveness through overseas diplomatic establishments, JAPAN HOUSE, and the Japan Foundation, strategic public relations and cultural activities will be carried out in cooperation with relevant ministries, agencies, and other organizations, utilizing online platforms to conduct appropriate promotional activities and cultural events such as lectures, performances, exhibitions, and film screenings in a wide range of fields, according to the needs of each country and region.

(short term and mid term) (MOFA, Cabinet Office [IP], concerned government ministries)

- Further utilize and strengthen the outreach capabilities of JAPAN HOUSE. When doing so, pay attention not only to outreach, but also to securing commercial distribution channels so that outreach activities at JAPAN HOUSE lead to business opportunities.

(short term and mid term) (MOFA, Cabinet Office [IP], concerned government ministries)

- Coordinate information dissemination by relevant ministries, agencies, and other organizations, including through social media, to further enhance outreach capabilities by leveraging respective knowledge and resources, and strengthen information dissemination through the government's international public relations activities.

(short term and mid term) (Cabinet Office [government public relations] and concerned government ministries)

- To ensure effective information dissemination, collect and analyze information on overseas promotion activities by concerned government ministries and agencies to promote the appeal of Japan's Cool Japan-related industries. Based on this information, actively implement comprehensive promotion activities by concerned government ministries and agencies.

(short term and mid term) (Cabinet Office [IP], MIC, MOFA, National Tax Agency, Agency for Cultural Affairs, MAFF, METI, Japan Tourism Agency, concerned

government ministries and agencies)

- With the aim of increasing exports of agricultural, forestry, and fishery products, in addition to promoting individual items, the appeal of Japanese food and food culture as a whole will be promoted, and promotions will be conducted in conjunction with food-related goods such as tableware and chopsticks to raise awareness and promote the growth of Japanese food and food culture overseas.

(short term and mid term) (MAFF, National Tax Agency, concerned government ministries and agencies)

- Regarding “Japan’s Traditional Brewing,” which was registered as UNESCO’s Intangible Cultural Heritage in December 2024, engage in various outreach and awareness activities, such as holding symposiums, to pass on techniques to the next generation and raise global awareness.

(short term and mid term) (National Tax Agency)

- The Expo 2025 Osaka, Kansai, Japan is an excellent opportunity to showcase Japan's attractiveness to the world. Therefore, not only the concerned government ministries but also the public and private sectors will collaborate to promote Japan's attractiveness in various fields related to Cool Japan, such as tourism, food, and culture, both inside and outside the Expo site, as well as before and after the Expo.

(short term and mid term) (Cabinet Office [IP], Cabinet Secretariat (Expo), National Tax Agency, Agency for Cultural Affairs, MAFF, Japan Tourism Agency, concerned government ministries and agencies)

- Taking the 100th anniversary of the Showa era as an opportunity, promote events related to Showa culture, including songs, manga, anime, movies, and publications.

(Short-term) (Cabinet Secretariat "Showa 100th Anniversary" Policy Promotion Office), concerned government ministries and agencies)

- Some fans of Japan expand their interests and concerns through visits to Japan, which can lead to various collaborative projects and business opportunities. It is therefore important to increase the number of foreign nationals living in Japan who can take advantage of such opportunities. For this purpose, identify issues⁴⁷ that need to be addressed in order to increase the number of foreign entrepreneurs and international students in Japan, and work to improve the environment.

⁴⁷ There have been reports of issues related to residence status and difficulties in opening bank accounts at financial institutions during the initial six months of arrival in Japan. In addition, a special system (Foreign Entrepreneur Support Program [Startup Visa]) has been established for those who wish to start a business, as well as a status of residence for those who wish to engage in cultural activities. Furthermore, the Financial Services Agency has notified financial institutions to allow the opening of bank accounts under certain conditions, even before six months have passed since arrival in Japan for those who wish to start a business.

(short term and mid term) (Cabinet Office [IP], Ministry of Justice, MEXT, FSA, MLIT, concerned government ministries)

- International students play an important role in promoting mutual understanding and friendship between Japan and other countries, as well as actively promoting Japan's various attractions overseas. Therefore, based on the second proposal of the Education Future Creation Council⁴⁸, efforts will be made to promote the internationalization of universities by expanding study abroad mobility, including the acceptance of outstanding international students from diverse countries and regions. Additionally, an environment will be created where Japanese and international students can study together, and inter-university exchanges will be strengthened.

(short term and mid term) (MEXT)

- To discover and refine Japan's attractiveness from a foreign perspective and strengthen communication with overseas audiences, engage in collaboration with networks of fans of Japan and domestic and overseas media.

(short term and mid term) (Cabinet Office [IP], concerned government ministries)

- To deepen cooperation with Cool Japan Fund Inc. (Cool Japan Organization) and related ministries, agencies, and organizations, utilize the Cool Japan Public-Private Partnership Platform to provide information on global perspectives and new initiatives to the Cool Japan Organization, as well as share information and support cooperation with members participating in the platform regarding projects already invested in by the Cool Japan Organization.

(short term and mid term) (METI, Cabinet Office [IP])

(2) Content strategy

(Current situation and challenges)

The market size of Japan's content industry is 13.3 trillion yen (2023), which is larger than the petrochemical industry and the semiconductor industry. Furthermore, the overseas market size of Japanese content is 5.8 trillion yen (2023), which exceeds the export value of the iron and steel industry and the semiconductor industry. In particular, of the 5.8 trillion yen (2023), home video games (online) account for 2.4833 trillion yen and home video games (software sales) account for 869.7 billion yen, making up more than half of the total. The game market is expected to continue to be the driving force

⁴⁸ “Initiative to Promote Study Abroad for Young People Creating the Future” (April 27, 2023, Education Future Creation Council).

behind the overseas expansion of the content market.

The global content industry market⁴⁹ is expected to grow significantly, by 62.4% between 2019 and 2023 and by 12.3% between 2022 and 2023, based on yen value. In contrast, the Japanese content industry market is expected to grow by only 7.4% between 2019 and 2023 and by 1.0% between 2022 and 2023. (Based on dollar figures, due to exchange rate fluctuations, the global content industry market is expected to grow 26.1% between 2019 and 2023 and 5.1% between 2022 and 2023, while the Japanese content industry market is expected to decline between 2019 and 2023 and between 2022 and 2023.)

With the Japanese market stagnating due to the declining birthrate and aging population, there is a need to capture this growth as earning power for the Japanese economy. The overseas market size of the Japanese content industry is expected to grow by 56.2% from 2019 to 2023, and by 23.3% from 2022 to 2023, while in dollar terms, it is projected to grow by 21.7% from 2019 to 2023 and 15.5% from 2022 to 2023. These figures are largely in line with the growth of the global market, making further growth highly anticipated.

Strategically, Japanese artists have steadily built up a track record of opening up major markets by collaborating with stakeholders in Japan and overseas, including stage productions originating in Japan attracting hundreds of thousands of people overseas, Japanese artists attracting hundreds of thousands of people in major cities around the world, and Japanese artists playing key roles at world-renowned music events. In May of this year, the “MUSIC AWARDS JAPAN” was held in Kyoto, organized by the Culture and Entertainment Industry Promotion Association, providing another opportunity for music fans and stakeholders around the world to recognize the depth and breadth of Japan's music industry.

As positioned in the “New Cool Japan Strategy,” the content industry is truly one of Japan’s core industries.

⁴⁹ The global market is calculated based on the content market size of Japan, the US, China, Germany, the UK, France, Korea and India, as compiled by Human Media Co., Ltd. in “Japan and Global Media & Content Market Database (2024).”

Cabinet Secretariat jointly serve as the secretariat for the Public-Private Council for the Content Industry, which includes creators, and the Film Strategy Planning Committee, which was launched in September 2024.

In light of these developments, the Ministry of Economy, Trade and Industry launched the Entertainment and Creative Industry Policy Study Group in November 2024. The group compiled an action plan in May 2025 that outlines public and private sector initiatives to promote the growth of the entertainment and creative industries, taking into account changes in distribution structures and production environments brought about by digitalization. The Ministry of Internal Affairs and Communications launched a study group on the future of broadcasting in the digital age, the “Broadcasting and Distribution Content Industry Strategy Study Team,” in March 2025, and is examining issues and measures for revitalizing the broadcast content industry, as well as the ideal form of public-private collaboration.

Furthermore, in December 2024, the Fair Trade Commission released the results of a survey on the actual state of transactions between performers in the fields of music and broadcasting and talent agencies. The FTC plans to publish guidelines jointly with the Cabinet Secretariat based on the results of this survey, setting forth specific considerations in light of the Antimonopoly Act and other relevant laws. At the same time, the FTC has been surveying the film and animation industries since January 2025.

In November 2024, the Act on Proper Transactions between Freelancers and Business Operators came into effect, making it important to promote the creation of an environment in which creators can work with peace of mind and sustainability in the content industry, including compliance with this act. Additionally, concerning government support, the supplementary budget for FY 2024 integrates the support for creators and businesses that had been requested by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Ministry of Economy, Trade and Industry (METI) to form a fund for supporting creators, to enhance support.

The policy speech delivered by Prime Minister Ishiba at the 217th session of the National Diet set a target of 20 trillion yen for the overseas market size of the entertainment and content industry by 2033. To achieve this, it is necessary to promote content promotion measures, including the development of a foundation for a sustainable content creation environment and the diversified development of intellectual property. Therefore, as pillars of measures to achieve this, this plan positions the strengthening of command center functions, a Virtuous Cycle of Content and Regional Revitalization Plan, improvement of business development capabilities overseas, promotion of structural reforms to respond to digital business, strengthening of human resources supporting the

content industry, strengthening of measures against piracy, and promotion of digital archives, based on the response policy outlined in the “New Cool Japan Strategy.”

<Strengthening command center functions>

The Public-Private Council for the Content Industry will serve as a command center, holding strategic discussions on the promotion of the content industry and implementing a PDCA cycle in cooperation with the public and private sectors. The promotion of the content industry is an area where the government, in close cooperation with the private sector, should work together. Practical efforts should be centered on initiatives by the private sector, with the government providing support to effectively promote and facilitate these initiatives.

For this reason, the government will work to establish and maintain functions that are easy for users to understand, such as compiling a list of various support measures offered by concerned government ministries, including the Creative Support Fund. At the same time, it is necessary to continuously examine effective support measures for the promotion of Japan's content industry, including the pros and cons of introducing tax incentives and improving subsidy management.

It is also necessary to compile statistical data appropriate for core industries, including the number of employees and sales in each content field.

Against the backdrop of the growing global popularity of anime and other content, it is important to revitalize related industries in local communities through measures such as attracting high-value-added travelers to “places related to anime” and other works and their creators throughout Japan and developing bases for such activities, as well as promoting regional revitalization through the dissemination of soft power via digital archives.

< Virtuous Cycle of Content and Regional Revitalization Plan >

(As described in III.4. (1) above)

<Enhancing business development capabilities overseas>

With Japan's population declining, the growth of the domestic content market is limited. Therefore, Japan's content industry needs to capture overseas markets. The “New Cool Japan Strategy” sets a target of expanding the overseas market for Japanese content to 20 trillion yen by 2033.

To achieve this goal, it is necessary to be a content industry that can continuously create and develop content and intellectual property. While promoting structural reforms to

accommodate digital business and strengthening content human resources in each field, initiatives must be taken to improve overseas business development capabilities. Specifically, it is necessary to continue efforts to collect and share overseas marketing information, strengthen matching functions with overseas local players, and facilitate external financing.

Regarding raising funds, Japan has a well-established system of production committees for the production of animated films, movies, and other visual media. The production committee system has the advantage of spreading high investment risks among multiple companies and mitigating investment risks by allowing members to receive handling fees. However, it also has drawbacks, such as the inability to scale up production due to committee members determining their investment amounts based on expected brokerage fees, and constraints arising from the principle of unanimous consent, which may hinder business expansion of works that leverage the strengths of committee members.

On the other hand, there are initiatives to form funds to produce multiple films, attract capital from outside the industry, and return profits to content developers. In the music industry in Europe and the United States, music copyright funds are becoming more widespread amid the spread of streaming distribution.

There are various other methods of raising funds, such as loans and crowdfunding. However, it is desirable to select and explore the most appropriate method of raising funds based on the characteristics of the work and field, taking into consideration the advantages and disadvantages of each method, to secure the necessary funds and ensure that they are appropriately returned to the content production site.

International co-production is also a means of raising funds. Furthermore, location incentives for large-scale overseas productions (live-action) will lead to the improvement of the technical skills of domestic production staff, as well as promoting Japan's attractiveness overseas and contributing to inbound tourism, which is important from the perspective of Cool Japan.

Concerning location incentives, based on discussions at the Practitioners' Roundtable on Improving the Environment for Location Filming (Secretariat: the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters), the relevant ministries and agencies jointly released the “Handbook for Location Filming: What Stakeholders Need to Know for Expanding Location Filming and Incentives” in March 2025. This handbook revises the previous guidelines (“Guidelines for the Smooth Implementation of Location Filming” (August 2020)) by clarifying the points of contact for location filming and adding case studies. It is expected that the handbook will contribute to improving the

environment for location filming of domestic and international films in Japan.

With regard to overseas expansion, it is necessary to widely develop business through a media mix both in Japan and overseas. diversified intellectual property development is required to expand the overseas market for Japanese content, including character businesses such as live entertainment and merchandise sales.

<Promotion of structural reforms to respond to digital business>

The wave of digitalization continues to bring about new changes in the creation, distribution, and consumption of content. These changes are driving game-changing developments in the content business, moving away from the dominance of traditional platforms and further expanding the movement toward creator-led content production. For example, in the music industry, with the spread of streaming distribution in Europe and the United States, it has become possible to track usage and provide a high percentage of compensation to creators; some have pointed out that this represents a shift of power toward individuals. It is important to view this change as an opportunity and to promote digitalization and DX based on international standards while addressing anticipated issues, thus achieving new growth and enhancing compensation returns.

In addition, the utilization of technology is extremely effective in promoting DX in the production process, improving the appeal of images, promoting overseas expansion through more efficient translation, as well as providing compensation returns to creators. It is necessary to promote the utilization of digital technology by content providers, including advanced technologies such as AI, VFX, and Web 3.0.

Furthermore, the development of the metaverse is expected to shift various types of consumption in the real world to virtual space, thereby expanding the consumption and creation of diverse content. Advances in technologies such as public blockchains and NFTs are also driving the expansion of peer-to-peer content transactions, creating new economic ecosystems where creators and consumers can connect directly. These trends are fostering the creation of a creator economy and the activation of fan communities.

With the progress of digitalization and networking, the distribution process of content involves a vast and diverse range of copyrighted works. Therefore, smoothly handling rights is important. For this reason, environmental improvements will be promoted for the implementation by spring 2026 of a new arbitration system (unmanaged works arbitration system) for the use of unmanaged published works, according to the 2023 amendment to the Copyright Act. With regard to broadcast content in particular, there have been reports of a shortage of personnel for rights clearance at local stations, making

it necessary to improve the efficiency of rights clearance.

At the same time, it is essential to improve contract literacy among creators and content production companies, etc., from the perspective of realizing appropriate compensation returns, with a view to achieving fair and free competition. It is necessary to consider the desirable form of compensation returns to performers and record producers for the performance and communication of recorded music, while taking into account international trends, consensus building among stakeholders, and the prospects for a smooth collection and distribution system.

<Strengthening human resources supporting the content industry>

Human resources are the source of content creation. To attract young people to the content industry and keep it innovative, it's indispensable to create an environment where creators can work with peace of mind and sustainably, as well as to ensure fair transactions and other practices in the content industry.

In addition, in promoting structural reforms to accommodate digital business and expanding business overseas, human resources will be needed who can drive the creation of new intellectual property, transform production methods and processes, and create new business models. To this end, it will be essential to establish a framework for nurturing talented individuals, including through overseas assignments, and to develop digital creators who are proficient in cutting-edge digital technologies.

Furthermore, it is required to develop and strengthen practical producers, including through study abroad programs, and to visualize the skills required in each field, such as games, anime, manga, live-action, music, performing arts, and art, as well as to provide learning opportunities through higher education that correspond to those skills. To make “skills visible,” higher education institutions and industry in each field must collaborate to develop human resources that are truly needed by companies. Additionally, the content industry must actively work to ensure that employees are treated in accordance with their skills and to improve their treatment.

To develop the human resources involved in content development and utilization, it is necessary to promote multi-layered measures. This includes developing human resources according to the required roles, such as creators and producers, as well as developing an environment that accepts and nurtures these individuals through full-time employment in the content industry. In the face of a declining population, securing the necessary working population and number of new entrants to the content industry is essential to achieving the above. Therefore, it is important to consider how to develop the statistical data necessary for continuously monitoring the number of people employed in the content

industry and the size of the market.

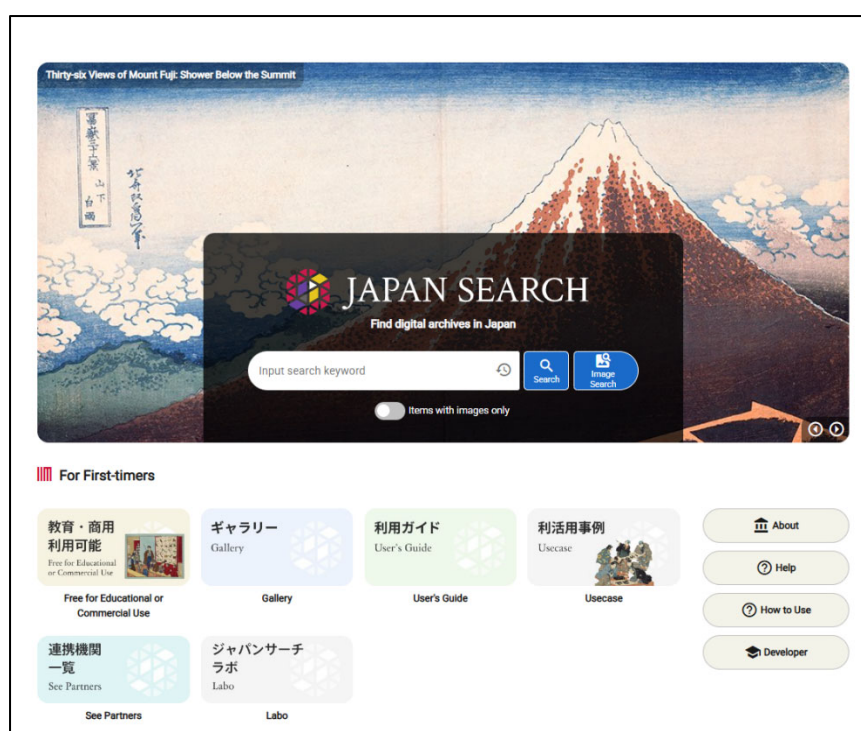
<Strengthening measures against piracy>

(As described in III.2. (2) above)

<Promotion of digital archives>

The government is working to create a “digital archive society” where digital archives are used on a daily basis to support a wide range of creative activities. In cooperation with archive institutions in various fields and concerned government ministries, digital archives are being promoted.

Specifically, the government launched Japan Search in 2020 as a platform for searching, viewing, and utilizing metadata on content in various fields, such as cultural properties, art, and books. Based on the Japan Search Strategic Policy 2021-2025, initiatives are being promoted to build and share digital archives and promote their utilization.



(Source) <https://ipsearch.go.jp/>

Figure 52: Japan Search (Top Page)

In March 2024, as a new promotion system for digital archives (hereinafter referred to as the “Digital Archive Japan Promotion System”), the “Digital Archive Strategy Council” and the “Study Group on the Promotion of Digital Archives” (Secretariat: the Cabinet Office, Secretariat of Intellectual Property Strategy Headquarters) were established to

further promote initiatives related to digital archives and to revitalize the creation of new value through the full utilization of diverse archived content assets.

Under this promotion system, Japan's digital archives are being developed through public-private partnerships, and in May 2025, the “Digital Archives Strategy 2026-2030” was formulated and released.

The strategy sets priorities for the five-year period from FY 2026 and positions this period as a time to establish frameworks and systems for promoting digital archives in Japan over the next five years and to lay the groundwork for revitalizing nationwide efforts to promote digital archives, with Japan Search as the cornerstone.

In addition, while prioritizing “cultural assets and academic materials,” emphasis will also be placed on media arts such as manga, anime, and games, as well as regional revitalization, including their use in disaster and tourism. Furthermore, with national archives and other institutions positioned as core promoting organizations, the promotion of digital archives will be advanced based on “Japan Search,” along with infrastructure development, overseas dissemination, human resources development, and awareness promotion.

The strategy aims to bring the scale, scope, and convenience of Japan Search to the same level as Europeana⁵⁰, while taking into account the differences between Europeana and Japan Search. It also sets targets for Japan Search and national archives, such as increasing the number of linked metadata to 50 million by 2030 (31 million as of February 2025) and increasing the number of publicly available content. In light of this strategy, it is necessary to proceed with the creation of a foundation for promoting digital archives in Japan, including consideration of the legal framework for the concept and objectives of digital archives and the roles and cooperation of stakeholders.

(KPIs)

- Expand the overseas market for content originating in Japan to 20 trillion yen by 2033.

With regard to the promotion of digital archives,

- Aim to bring the scale, scope, and convenience of Japan Search to the same level as Europeana by 2035.
- Advance the development of metadata at national archives and other institutions, aiming for 100% coverage of all materials to be organized by 2030, and reduce the

⁵⁰ Cross-sector integrated portal within the EU

number of cases where conditions for secondary use of content have not been established to zero by 2030.

- The number of linked metadata records in Japan Search is currently 31 million, which should be increased to 50 million by 2030, and the number of links with field and regional archives should be increased from 55 institutions to 80 by 2030.

(Direction of measures)

<Strengthening command center functions>

- Conduct strategic discussions for the promotion of the content industry with the Public-Private Council for the Content Industry serving as the command center, and implement a PDCA cycle between the public and private sectors. In addition, examine further clarification of the role of the command center.
(short term and mid term) (Cabinet Office [IP], Cabinet Secretariat (New Capitalism Implementation Headquarters Secretariat), Agency for Cultural Affairs, METI, MIC, FTC)
- Consider the scope of the overseas market size of Japanese-originated content that will form the basis for the target of 20 trillion yen by 2033, including indicators from the perspective of diversified intellectual property development.
(short term and mid term) (Cabinet Office [IP], METI, MIC, concerned ministries and agencies)
- Consider how to organize statistical data necessary for continuously understanding the number of people employed in the content industry, market size, and other factors.
(short term and mid term) (Cabinet Office [IP], METI, concerned government ministries and agencies)
- While checking various support systems related to content, work on effective communication by creating a portal site that lists support options so that individuals can easily understand them.
(short term and mid term) (Cabinet Office [IP], Agency for Cultural Affairs, METI, MIC, concerned government ministries and agencies)
- Grasp the current situation of the business environment, including tax systems in other countries, and examine effective support measures for the content industry, such as the film industry.
(short term and mid term) (METI, Cabinet Office [IP], concerned government ministries and agencies)

< Virtuous Cycle of Content and Regional Revitalization Plan >

(As described in III.4. (1) above)

<Improving business expansion capabilities overseas>

- To achieve the government's target of expanding the overseas market for the content industry to 20 trillion yen by 2033, steadily advance the implementation of the Entertainment and Creative Industry Strategy, which identifies 100 actions to be taken by the public and private sectors in 10 industries to overcome “8 deficiencies,” in cooperation with relevant ministries and agencies.

(short term and mid term) (METI, concerned government ministries and agencies)

- To strengthen the collection and sharing of overseas marketing information and the matching function with local players overseas, assign human resources specializing in content to JETRO and make JETRO an overseas support base to promote the overseas expansion of the content industry as well as the establishment of core networks in local markets.

(short term and mid term) (METI, Cabinet Office [IP], concerned government ministries and agencies)

- Secure production costs based on international standards and provide support for the production of globally competitive films to encourage the creation of high-quality films that leverage Japan's wealth of intellectual property. As the production of high-quality video works requires highly refined planning and development, a consistent support system for high-quality video production will be established by also providing support for pre-production.

(short term and mid term) (METI)

- To capture growing overseas demand and expand the market for Japanese content, strengthen production capabilities for overseas content distribution, acquire production and distribution know-how, enhance distribution platform functions, as well as provide support for promotion and localization (translation and others).

(short term and mid term) (METI, Agency for Cultural Affairs, concerned government ministries and agencies)

- Verify the acceptability of Japanese broadcast content by distributing it in specific countries in Southeast Asia. Support expenses necessary for the acquisition or use of advanced equipment for the production of live-action content intended for overseas distribution. Additionally, hold seminars and overseas training programs for producers and production technicians at program production companies and

broadcasting companies, and conduct market research for overseas expansion.

(short term and mid term) (MIC)

- To strengthen the production capabilities of broadcasting and distribution content and promote overseas expansion, the public and private sectors will collaborate to resolve issues in the planning, development, production, rights processing, and distribution processes, while promoting cross-cutting initiatives such as human resources development and DX.

(short term and mid term) (MIC)

- Consider support for securing opportunities to exhibit works at globally influential museums. Support the Japan Pavilion and Japan Booth at international film festivals and trade fairs, as well as the promotion of works at these events. In addition, provide broad support for exchanges between domestic and overseas filmmakers and the overseas expansion of Japanese films, as well as consider strategic and effective overseas outreach measures by both the public and private sectors for international film festivals in Japan and overseas, including the Tokyo International Film Festival.

(short term and mid term) (METI, Agency for Cultural Affairs, concerned government ministries and agencies)

Verify effective promotional measures at international trade fairs in Japan and overseas to secure business opportunities for overseas expansion of broadcast content.

(short term and mid term) (MIC)

- To capture growing overseas demand and expand the Japanese content market, support will be provided for live performances and other events in overseas markets that contribute to the formation of a global fan base for Japanese content.

(short term and mid term) (METI)

- To facilitate and promote location filming and incentives, disseminate a handbook summarizing matters to be addressed by film commissions (FC), licensing authorities, producers, etc., to further the proliferation of understanding and deepen mutual understanding among stakeholders. An English version of the handbook summarizing the main points will be created and distributed overseas.

(short term and mid term) (Cabinet Office [IP], National Police Agency, Fire and Disaster Management Agency, Immigration Bureau, MLIT, Tourism Agency, concerned ministries and agencies) [reprinted]

- In the ASEAN region, hold screenings of international co-production films and other films, and organize events to introduce attractive locations and local products

related to the films, continuing efforts to promote inbound tourism through film. At the same time, by operating a “location database” at the National Film Archive of Japan that allows users to search for location information held and accumulated by film commissions in various regions of Japan, information on attractive locations in Japan will be disseminated not only within Japan but also overseas, with the aim of promoting film shooting in Japan and revitalizing Japanese film production.

(short term and mid term) (Agency for Cultural Affairs, MOFA, METI)

- Given that locations used for filming movies and anime are important bases for stimulating domestic and overseas tourism demand, the government, in close cooperation with the private sector, will promote location-based tourism and anime tourism through the utilization of content for tourism promotion, etc., to effectively realize the economic and social effects of location incentives.

(short term and mid term) (Japan Tourism Agency) [reprinted]

- To effectively realize economic and social industrial promotion through location incentives, work on granting incentives and effective utilization to attract post-production processes, including VFX. In addition, consider support for the smooth filming of works eligible for incentives and promote the utilization of completed works in the location areas.

(short term and mid term) (METI, Cabinet Office [IP], concerned government ministries and agencies) [reprinted]

- Strengthen the functions of national parks and public facilities to serve as centers for contemporary culture and information dissemination by utilizing private-sector initiatives. Specifically, consider utilizing Kitanomaru Park as a center for disseminating information on cutting-edge science, arts, and culture.

(short term and mid term) (Agency for Cultural Affairs, MOE, concerned government ministries) [reprinted]

- Develop human resources in the field of media arts, which is highly regarded overseas, and promote the collection, preservation, exhibition, and utilization of related materials. At the same time, As the core of revitalization efforts, promote initiatives to establish a facility that serves as the “National Center for Media Arts” (tentative name) with the following functions: (1) collection, preservation, and digitalization, (2) research and study, (3) human resources development and education, (4) information dissemination both domestically and internationally, (5) exhibition and utilization, and (6) promotion and exchange. The facility will collect and preserve intermediate products such as manga, anime, special effects,

and game-related works and original drawings, as well as related information.

(short term and mid term) (Agency for Cultural Affairs) [reprinted]

- To value Japanese literary works and manga within the institutionalized framework of overseas libraries and other institutions, establish councils consisting of stakeholders such as experts from Japan and overseas and the publishing industry, investigate current issues, and provide information to libraries and other institutions.

(short term and mid term) (Agency for Cultural Affairs)

- • To disseminate and promote literary works and manga overseas, support will be provided to intermediaries who can convey their value, so that overseas expansion can be carried out based on the themes of individual authors and inclusiveness. At the same time, overseas experts who can provide translations and criticism based on overseas cultures and values will be unearthed and trained.

(short term and mid term) (Agency for Cultural Affairs)

- In countries where diplomatic relations and exchanges need to be strengthened, implement theater screenings and online distribution based on local needs to promote understanding of Japan. At the same time, create a foundation for overseas expansion by increasing demand for Japanese films and other video content.

(short term and mid term) (MOFA)

- With the aim of diversifying intellectual property based on anime, support will be provided for gathering and providing information on demand trends and regulatory trends for anime works in overseas markets as well as support for acquiring partners, raising funds, producing high-quality works, localization and cultural adaptation (adaptation to the culture of each country), promotion, and promoting international co-production of video works. Furthermore, support companies in planning overseas expansion strategies, marketing, merchandising, and other activities.

(short term and mid term) (METI)

- To encourage artists to expand overseas, discuss the introduction of recording and communication rights, including the prospects for consensus among stakeholders and the legal framework, aiming to reach a conclusion at an early stage.

(short term and mid term) (Agency for Cultural Affairs, concerned government ministries)

<Promotion of structural reforms to respond to digital business>

- With digital natives expected to become the core consumers and leaders of the content industry in the future, the competitiveness of the content industry will depend on the development of an industrial infrastructure capable of creating high-quality digital content using new digital technologies. Accordingly, efforts will be made to promote the creation of high-quality digital content using new digital technologies as well as to foster creators who can produce and disseminate such content.

(short term and mid term) (Agency for Cultural Affairs, METI)

Taking into account the status of use of copyrighted works on content distribution platforms and posting websites (including actual use involving infringement of rights) and the role of digital platform services in the content market, concrete measures will be examined in the field of copyright to ensure appropriate compensation returns in line with the digital age, such as contract terms and conditions, based on international trends and domestic policies such as competition policy, digital platform policy, and telecommunications policy.

(short term and mid term) (Agency for Cultural Affairs)

- Make necessary preparations for the smooth launch of an unmanaged works arbitration system under the Amended Copyright Act of 2023, with the aim of promoting a virtuous cycle of content creation in the digital age and contributing to compensation returns for creators. To ensure that the system is operational in time for the enforcement of the Act as well as the “cross-disciplinary rights information retrieval system,” collaboration with organizations that maintain databases in various fields will be promoted in addition to system development.

(short term and mid term) (Agency for Cultural Affairs)

- Continue to conduct demonstrations of systems that contribute to the efficient handling of rights related to the online distribution of broadcast content. At the same time, considering that rights handling is in principle the responsibility of those who reuse copyrighted works, and from the perspective of facilitating negotiations and others, consider requesting cooperation from telecommunications carriers regarding a framework for cooperation and division of roles among telecommunications carriers, which are intermediaries in the distribution of content on the Internet.

(short term and mid term) (MIC, concerned government ministries)

- With the advancement of digitalization, content is now mainly distributed via distribution platforms. Given that Japan has few platforms unique to itself, support

will be provided for the development of platformers that can compete overseas in the manga and book fields, leveraging Japan's expertise as an advanced country in electronic comics.

(short term and mid term) (METI, concerned government ministries and agencies)

- Promote necessary measures to address issues related to the protection of rights holders and users regarding the use of NFTs in the content field.

(short term and mid term) (METI)

- To develop new growth areas in Japan's content industry and promote the creation of a creator economy, efforts will be supported to develop an environment that supports individual creators through the use of digital technologies such as Web 3.0 and metaverses, to advance business models that utilize IP, as well as to provide new content experience values.

(short term and mid term) (METI, Agency for Cultural Affairs, concerned government ministries and agencies)

- In accordance with the “Act on Securing the Proper Distribution of Entertainment Tickets by Prohibiting the Illegal Resale of Specified Entertainment Tickets” (Act on Prohibition of Illegal Resale of Tickets), ensure effective enforcement through thorough crackdowns on violations, public awareness, and consultation services.

(short term and mid term) (Agency for Cultural Affairs, CAA, National Police Agency)

<Strengthening human resources supporting the content industry>

- To support young creators and artists aiming to expand overseas and strengthen training systems, provide flexible support over several years for integrated activities ranging from planning, negotiation, production, and presentation to overseas expansion of works and performances by creators of the next generation in fields such as games, anime, manga, live-action, music, performing arts, and art.

(short term and mid term) (Agency for Cultural Affairs)

- Support initiatives to unearth and nurture creators (including digital creators) and expand opportunities for them to play an active role, with a view to strengthening the competitiveness of the content industry. Efforts will also be made to support human resource development (including study abroad) in light of the latest technological trends, such as production staff capacity building, acquisition of production techniques and know-how for overseas expansion, and production and distribution of content for overseas markets, as well as production and management personnel for raising funds, contract negotiation, and management of

overseas content, and human resources for promoting the DX of the content industry.

(short term and mid term) (Agency for Cultural Affairs, concerned government ministries)

- The subsidy provider will subsidize the development and production costs, as well as the costs of production and commercialization support, for entertainment startups, including creators and the human resources that support them, that produce high-quality content and commercialize it, thus promoting the creation of businesses that produce high-quality content.

(short term and mid term) (METI)

- To effectively and strategically promote the international dissemination and global expansion of Japanese culture and arts while incorporating a business mindset, unearth top-level artists and other talents. Additionally, a comprehensive support program will be implemented through public-private partnerships to provide support for participation in opportunities to build careers on a global level, including in international centers for the relevant artistic fields, as well as from the perspectives of future economic growth and the Global South. This program will also include support for building overseas networks and promotional activities.

(short term, mid term) (Agency for Cultural Affairs)

- Support efforts to create content through the use of advanced technology, refine methods of monetization, reform industry structures, and reform content distribution structures to address issues facing the entertainment industry.

(short term and mid term) (METI, concerned government ministries)

- To develop appropriate human resources for the content industry, the public and private sectors will work together to examine measures to improve the mismatch between the human resources and skills required in each genre clarified by the industry, and clarify the future vision of the labor market to increase predictability for workers and contribute to improving their motivation to work. In response to the needs of industry, strive to develop highly specialized human resources who can play an active role globally by visualizing the necessary skills and other means, and strive to develop and secure the creators and staff necessary for content production to meet increasing domestic and overseas demand, leading to the dispatch of creators to elementary and junior high schools and other educational institutions, trial lessons, and a fundamental expansion of opportunities for activities in local communities.

(short term and mid term) (METI, Agency for Cultural Affairs, concerned government

ministries)

- To support contracts related to the use of copyrighted works while considering new contractual approaches in the DX era, the “Copyright Contract Creation Support System” providing standard contract templates and the “Copyright Contract Manual that anyone can use” for those not necessarily well-versed in copyright will be reviewed in a timely manner to support freelance creators and others.

(short term and mid term) (Agency for Cultural Affairs)

- To ensure that creators receive appropriate revenue, reinforce consultation services provided by lawyers and other experts to offer individual support on issues related to contract creation and other matters when creators develop their businesses.

(short term and mid term) (Agency for Cultural Affairs)

- Disseminate and raise awareness of guidelines, including contract templates released in July 2022, for the establishment of appropriate contractual relationships in the field of culture and the arts. At the same time, take specific measures, such as holding workshops and setting up consultation desks, to improve the working environment for cultural and artistic stakeholders, including freelance artists.

(short term and mid term) (Agency for Cultural Affairs)

- To improve the dignified creative environment for artists and other individuals, and promote proactive initiatives by cultural and artistic organizations to address issues such as harassment and working conditions in the cultural and artistic fields, measures will be taken to encourage cultural and artistic organizations to improve their functions.

(short term and mid term) (Agency for Cultural Affairs)

- Ensure thorough compliance with the Act on Fair Transactions between Freelancers and Business Operators, which came into effect in 2024, by continuing to raise awareness and other measures.

(short term and mid term) (Cabinet Secretariat, FTC, Small and Medium Enterprise Agency, MHLW)

- Refrain from entering into negotiations regarding payment to achieve “structural price transfer” that ensures appropriate price transfer throughout the supply chain. Additionally, based on the amendments to the Subcontract Act and the SMEs Promotion Act, which prohibit unilateral determination of payment amounts due to failure to provide necessary explanations or information during negotiations, necessary measures will be taken to publicize and promote awareness of the

amended provisions. In particular, for the 22 priority industries requiring special attention, including the production of visual, audio, and textual information, efforts will be made to thoroughly verify compliance with the labor cost pass-through guidelines across all layers of the supply chain, and further improvement measures will be considered as necessary, while continuing to promote awareness and implementation.

(short term and mid term) (Cabinet Secretariat (Secretariat of the Headquarters for Realizing New Capitalism),

FTC, Small and Medium Enterprise Agency, concerned ministries and agencies)

- To ensure that transactions related to the production of broadcast content are conducted appropriately, review guidelines related to the Subcontract Act and the Antimonopoly Act as necessary, as well as widely publicize them and ensure that they are thoroughly observed.

(short term and mid term) (MIC)

- Taking into account the Act on Proper Transactions between Freelancers and Business Operators, which came into effect in November 2024, revise the guidelines on the Act on Prevention of Delayed Payment of Subcontracts in the Advertising and Animation Production Industries in 2025, as well as widely publicize them and ensure thorough compliance.

(short term and mid term) (METI)

- Consideration will be given to promoting the Declaration of Partnership Building, organizing freelancers and other workers into professional groups through SME cooperatives, conducting interviews by subcontractor G-men and providing information to superior G-men, and utilizing consultation services to enable appropriate price negotiations between companies placing orders and companies receiving orders.

(short term and mid term) (Small and Medium Enterprise Agency, FTC, Cabinet Office [Director-General for Policy Planning [in charge of economic and fiscal management], concerned ministries and agencies)

- Aim to release the results of a survey on the business environment for creators working in the film and animation industry in the fall of this year.

(short term) (FTC)

- Support for businesses involved in domestic video production will be provided in accordance with the Labor Standards Act and other relevant laws and regulations, with a view to promoting improvements in working conditions at production sites. Additionally, in the screening process for subsidy programs, consideration will be

given to granting additional points or making compliance with the guidelines for appropriate film production transactions established by the Japan Film Production Promotion Organization a requirement for eligibility, along with consideration of solutions to issues related to improving the working environment in film production.

(short term and mid term) (METI, Agency for Cultural Affairs, MIC)

- Promote the efforts of the Japan Film Production Standards Organization and encourage related organizations to expand these efforts to other content fields, while also promoting awareness of the organization's efforts.

(short term and mid term) (METI)

- Promote the implementation of transaction guidelines for the sustainable development of film production to improve working conditions, while encouraging the industry to take appropriate measures to improve transactions through voluntary action plans based on the “Guidelines for Price Negotiations for the Appropriate Passing on of Labor Costs.”

(short term and mid term) (METI)

<Strengthening measures against piracy>

(As described in III.2. (2) above)

<Promotion of digital archives>

- Under the “Digital Archive Strategy 2026-2030” formulated by the Digital Archive Japan Promotion Organization, comprehensive efforts will be made to promote digital archives, including the digitalization of content.

(short term and mid term) (Cabinet Office [IP], National Diet Library⁵¹, concerned government ministries and agencies)

To promote digital archives, share and recognize effective practical examples through the “Digital Archive Festival” and “Digital Archive Japan Awards” under the Digital Archive Japan Promotion System.

(short term and mid term) (Cabinet Office [IP], National Diet Library)

- Under the targets outlined in the “Digital Archive Strategy 2026-2030,” expand

⁵¹ Although the National Diet Library is an agency of the legislature, measures related to digital archives must be addressed by the entire country, and because the National Diet Library plays an important role in this effort, for convenience, the library’s projects related to this plan are listed in the column for the responsible agency.

digital archives and facilitate their utilization in each of the areas indicated in the strategy. While taking into consideration the significance of digital archives in each field, make efforts to promote the digitalization and preservation of content, including born-digital content media, and the promotion of openness that enables the free secondary use of such content. Where possible, make further use of digitized content by utilizing it for online distribution and monetizing it through overseas expansion. Promote the digitalization of materials held by the National Diet Library and expand the online transmission of out-of-print materials.

(short term and mid term) (Cabinet Office, Digital Agency, MIC, MEXT, METI, Tourism Agency, National Diet Library)

- Support the digital archiving of cultural heritage and the preservation and utilization of media artworks such as manga, anime, and games, and performing arts. As the "National Center for Media Arts" (tentative name), promote the digital archiving of cultural and artistic works by organizing manga, anime, special effects, and game-related initiatives, as well as intermediate products such as original drawings and related information. Additionally, we will create a venue for content dissemination in collaboration with Japan Search, and promote mutual guidance among users. The center's activities will include: (1) collection, preservation, and digitalization, (2) research and study, (3) human resources development and education, (4) information dissemination in Japan and overseas, (5) exhibition and utilization, (6) promotion and exchange.

(short term and mid term) (MEXT) [reprinted]

- In Japan Search, a platform that allows users to search, view, and utilize information on a wide variety of Japanese content, further expansion of cooperation with archival institutions will be pursued, including the expansion of partnerships, to enable comprehensive navigation of various digital information resources.

(short term and mid term) (Cabinet Office, National Diet Library, concerned government ministries and agencies)

- In cooperation with relevant ministries and agencies, reinforce publicity and awareness of utilization models that utilize Japan Search's collaborative content in various fields and themes, such as education, academia, research, tourism, and regional revitalization, to expand opportunities for utilization while promoting multilingualization and exchanges with overseas archival institutions to strengthen dissemination overseas. To promote the efficient use of digital content held by Japan Search partner archives, the terms and conditions for secondary use of such

content will also be clearly displayed by each institution.

(short term and mid term) (Cabinet Office, National Diet Library, concerned government ministries and agencies)

- Regarding the cross-disciplinary rights information retrieval system for copyright and its collaboration with Japan Search, depending on the progress and achievements of the development and review of the cross-disciplinary rights information retrieval system, the promotion system for digital archives Japan will consider the ideal form of collaboration and take necessary measures.

(short term and mid term) (Cabinet Office, National Diet Library, concerned government ministries and agencies)

- Taking the 100th anniversary of the Showa era as an opportunity, promote the collection and organization of documents, photographs, videos, and other materials related to historical facts of the Showa era, including the discovery of materials held by individuals and companies, and encourage the archiving of these materials using the latest technologies such as ICT and their publication in an easily accessible form.

(short term) (Cabinet Secretariat “Showa 100th Anniversary” Policy Promotion Office, concerned government ministries)