

Japan: Latest Basic Policy on Ideal Data Utilization Systems – Compared with EU data-related legislation –

Data Protection & IP Newsletter

July 3, 2025

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On June 13, 2025, the Meeting on Digital Administrative and Fiscal Reform decided on the “Basic Policy on Ideal Data Utilization Systems” (“Basic Policy”), which aims to submit a bill to the ordinary Diet session in 2026 after conducting necessary studies on amendment of the Basic Act on the Advancement of Public and Private Sector Data Utilization (Act No. 103 of 2016) or a new law with regard to data utilization. This newsletter summarizes the matters described in the Basic Policy, with a focus on those that may have an impact on a large number of companies, and compares them with EU data legislation.¹

1. Development of an Environment for Data Utilization and Cross-Sectoral Reform

After confirming the current situation surrounding data use in Japan, the Basic Policy presents the basic viewpoints for considering the creation of new value through data utilization, the realization of a society strengthened by AI and the response to risks, and the assurance of transparency and reliability, and then presents development of an environment for data utilization and cross-sectoral reforms at the current time. Specifically, the Basic Policy states that necessary efforts will be promoted from the following three perspectives.

A	Development of “forms” and “paths” to ensure smooth linkage and utilization of data (e.g., development of infrastructure for data linkage and utilization and promotion of standardization)
B	Provision of “gradients” (incentives) to encourage/promote data linkage and utilization (securing/ensuring incentives for data collection and the provision of data by data holders)
C	Creation of a “place” for secure data use (strengthening data governance)


The following is a summary of the approaches being considered for each of these perspectives.

(1) Development of data linkage infrastructure and promotion of data standardization

The Basic Policy includes a policy to promote the development of a “trust infrastructure,” which is a framework that systematically organizes the concept and ideal form of trust required for data linkage (**development of a trust infrastructure**), to be implemented by the summer of 2026. The Basic Policy also intends for the trust infrastructure to promote international data linkage and utilization by designing and implementing it in accordance with international standards.

In addition, for fields that are viewed as being of a somewhat public nature, the concept of developing a common

¹ Decision by the Meeting on Digital Administrative and Fiscal Reform, “Basic Policy on Ideal Data Utilization Systems” (June 13, 2025), https://www.cas.go.jp/jp/seisaku/digital_gyozaiikaikaku/pdf/data_houshin_honbun.pdf. (only available in Japanese)



infrastructure for data linkage that can be used across fields as a “digital public infrastructure” is being considered (**development of a data linkage infrastructure**). Considering that the common infrastructure required in each field varies, the development of a system that can be used smoothly by actors and entities in multiple fields will be considered based on actual use and public interest. Similarly, the EU has established a European Common Data Space in 14 fields to address sector-specific issues.²

The Basic Policy indicates that efforts to facilitate smooth data standardization will be accelerated, based on specific use (**data standardization**). In particular, in the fields of mobility, agriculture, and public works, specific measures, including institutional aspects, will be considered in FY 2025. In some areas, the specific measures to be considered in 2025 will relate to recognized issues relating to vendors’ de facto standards and vendor lock-ins, which make it difficult for vendors to respond to customers. It is said that data standardization will be promoted with the intent of ensuring international acceptance, through proposals to international organizations responsible for standardization and the promotion of frameworks for mutual recognition with other countries.

(2) Ensuring data collection and incentives for the provision of data by data holders

The Basic Policy states that, in order to promote the provision of data by data holders, comprehensive incentives for data holders to provide data will be secured by selecting from a variety of options, depending on the situation, such as obligatory approaches to the generation and provision of data, providing support for compliance with overseas legislation, requiring that data be provided in accordance with certain standards as a condition for the granting of subsidies, the development of digital public goods to avoid duplicate investments, or an approach that provides compensation as necessary.

The Basic Policy also states that, as part of these efforts, the government will take the lead in promoting the steady standardization, structuring, and development of high-quality open data as a digital public good in fields that are highly public in nature and have great socioeconomic importance. In particular, specific targets will be identified for the development of digital infrastructure, such as electricity and communications, infrastructure used in daily life, such as water and gas, land and buildings that contribute to national land conservation and disaster responses, as well as agriculture, public works, and mobility, and specific studies will be promoted.


Data and its use also carry a risk of market distortions due to monopolization and oligopolization by data holders; in particular, access to data by small and medium-sized enterprises may be unduly restricted due to disparities in bargaining power. Therefore, the government will examine ideal data systems, including from the perspective of competition policy and consumer protection policy, in FY2025. Unfair contract terms, as mentioned in the EU Data Act (Chapter IV, Article 13) also are referenced in the Basic Policy.

(3) Establishing a highly reliable digital space

The Basic Policy mentions four goals in connection with the establishment of a highly reliable digital space: (i) ensuring data governance throughout society, (ii) ensuring data security, (iii) developing data linkage platforms, and (iv) ensuring proper processing of personal information as a prerequisite for data use.

It is noteworthy that, in FY 2025, as part of ensuring data security, the government will consider how to combine systems, technologies, and operations to deal with international government access to data holders or data linkage platforms under foreign laws and regulations. By way of comparison, in the EU, Article 48 of the GDPR (for personal data), Article 31 of the Data Governance Act (for non-personal data), Article 32 of the Data Act,

² European Commission, *Common European Data Spaces*, available at <https://digital-strategy.ec.europa.eu/en/policies/data-spaces>.



and Article 89 of European Health Data Space Act have provisions to prevent unlawful government access to and transfers of data.

Necessary studies also will be performed in FY 2025 in connection with the development of data linkage platforms, including the development of legal regulations, in order to develop reliable data linkage platforms; a parallel to this idea can be found in the regulations governing data intermediation services in Chapter III of the EU Data Governance Act.

In order to ensure the proper processing of personal information, where the processing of personal information is deemed to have no direct impact on the rights and interests of individuals, such as compiling statistics including the development of AI, specific studies will be performed on the ideal form of individuals' involvement other than consent and necessary governance depending on the risk. Furthermore, there is an intent to reach a prompt conclusion and submit a draft amendment to the Act on the Protection of Personal Information ("APPI") in a unified and balanced manner, without eliminating surcharges in a manner that is not addressed in the existing APPI.

2. Use of Data Held by Government

The promotion of data use within the government, which is required by an AI-ready society, and the promotion of data linkages between fields also will be addressed, in the context of government data use. It is noteworthy that a specific legal framework will be developed to allow business operators to provide data to the government smoothly and on a voluntary basis in the event of disasters, and systems that would require private business operators to provide data to the government in certain emergency situations will be considered. Conceptually, this calls to mind the B2G data sharing regulations in Chapter V of the EU Data Act.

3. Reforms to Existing Individual Fields (e.g., Development of Data Space in Priority Areas)

Among the fields in which data linkages are expected to create new value, the Basic Policy categorizes five highly public fields: medical care, finance, education, mobility, and industry, as "priority areas," in which the development of data spaces will be promoted.

In particular, the Basic Policy indicates that effective measures will be considered in the field of medical care, including the enactment of a special law to balance the protection of the rights and interests of individuals with the use of medical data. An interim report will be prepared by the end of 2025 on the extent of medical data that will be subject to these measures, and the ideal data linkage platform, and the discussions will be finalized by the summer of 2026. The government's goal is to enable sharing of necessary patient information among almost all medical institutions by 2030 at the latest, and it will finalize the specific measures and the division of roles among the relevant ministries and agencies, taking into account the status of related measures, such as efforts to spread standardized electronic medical records. If the necessary measures require amendments to existing law, the goal is to submit a bill to the ordinary Diet session in 2027.

4. Development of Digital Public Goods

The challenge here is to promote the public development of highly versatile data as "digital public goods," in a manner that transforms public data into open data. Specific studies will be conducted in 2025 to determine the ideal digital public goods, including desirable methods to facilitate joint use of data.

5. Future Actions

The government intends to amend the Basic Act on the Advancement of Public and Private Sector Data Utilization and to engage in necessary deliberations (such as discussions of new laws), and to submit a bill to the ordinary Diet session in 2026. Since the APPI is a cornerstone for the promotion of data use, and given that it is necessary to update the APPI at the same time new measures are implemented, it is likely that an amendment to the APPI will be submitted in 2026 also.

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