

Chapter 2

ICT Policy Initiatives at the Ministry of Internal Affairs and Communications

Section 1 Pursuing a Comprehensive ICT Policy

1. Current status and issues

(1) Low birthrate, aging population, stagnant Japanese economy

The number of births in Japan has continued to decline since 2016, and the problems of Japan's falling birthrate and aging population are becoming increasingly serious. In particular, labor shortages are growing worse with each passing year due to the dwindling working-age population (population aged 15-64), and there are concerns that this will lead to diminishing economic growth rates due especially to the exhaustion and decline of rural areas and future economic and market shrinkage. The Japanese economy has also been in a

prolonged period of stagnation and labor productivity has declined. Digital technology plays a major role in solving these issues. For example, further progress in digital technology, including AI and robotics, and in its penetration and utilization throughout society is expected to help resolve labor shortages and revitalize the economy by improving productivity and competitiveness. In addition, it is expected that the use of telework and satellite offices will expand employment options regardless of locations.

(2) Intensifying disasters and aging social infrastructure

In recent years, Japan has experienced frequent severe weather disasters due to the effects of climate change and other factors, and large-scale earthquakes such as the Nankai Trough Earthquake and the Tokyo Metropolitan Earthquake are said to be imminent. In the event of such a disaster, ICT must be utilized to accurately collect disaster-related information and provide evacuation information, etc., as well as to quickly restore communications and sustain continuous communications services.

There is concern that the infrastructure developed intensively during Japan's period of rapid economic growth will deteriorate rapidly, and this makes strategically maintaining and updating infrastructure an urgent issue. At the same time, it is becoming increasingly difficult to allocate sufficient labor and resources to maintain infrastructure with a declining supply of labor attributable to a falling birthrate and an aging population, and it is therefore important to make thorough use of digital and new technologies in pursuing initiatives.

(3) Increasingly complex international circumstances

The international situation surrounding Japan is becoming increasingly uncertain and opaque, with geopolitical tensions rising as a result of such factors as Russia's invasion of Ukraine, growing uncertainty in the global economy, cross-border cyber attacks on critical infrastructure, and the proliferation of disinformation. Under these circumstances, the Act on the Promotion of Ensuring National Security Through Integrated Implementation of Economic Measures" (Act No. 43 of 2022) enacted in May 2022 lists "telecommunications business," "broadcasting business," and "postal business" as business fields that could be covered by a system de-

signed to ensure the stable provision of specified essential infrastructure services. The government will be making steady efforts to ensure the effective operation of such a system in future. The era of AI and DX requiring large-capacity, high-speed communication networks that support enormous traffic as well as computational resources that can handle massive data processing has made it necessary to pursue initiatives to improve Japan's international competitiveness in the digital sector to address the crucial issue of ensuring Japan's autonomy in the digital sector from the perspective of economic security.

2. Efforts in pursuit of a comprehensive ICT policy

Japan's IT strategy began with the "e-Japan Strategy" formulated in January 2001 that mainly promoted infrastructure development and IT utilization, which underwent repeated reviews. Following the establishment of the Digital Agency in September 2021, a Digital Society Promotion Council chaired by the Prime Minister was established in accordance with the Act on the Establish-

ment of the Digital Agency to promote the implementation of measures needed to form digital societies as well as to coordinate among relevant administrative agencies as necessary on said measures needed to form a digital society. The Council discussed the "Priority Plan for the Advancement of a Digital Society", which specifies measures that the government should implement promptly

and intensively to realize the digital society to which it aspires, and serves as a compass for government ministries and agencies to undertake structural reforms and individual measures, and to communicate and recommend these to the rest of the world; revisions to this were approved by the Cabinet in June 2025. The Plan outlines six goals for the digital society – (1) growth strategies through digitalization, (2) digitalization of quasi-public sectors such as healthcare, education, disaster prevention, and childcare, (3) regional revitalization through digitalization, (4) a digital society in which no one is left behind, (5) development and securing of digital human resources, and (6) international strategies including promotion of DFFT (Data Free Flow with Trust) – and compiles policies to realize these strategies. In line with this plan, the MIC is currently pursuing measures relevant to it.

For citizens and businesses to reap the benefits of digitalization, it is necessary to improve local livelihoods, revitalize industry, realize sustainable societies, and increase happiness by resolving local issues through practical applications of digital technology. Accordingly, Vision of Digital Garden City Nation Realization Conference, chaired by the Prime Minister, was established in November 2021 to give concrete shape to the Vision and advance regional revitalization through practical applications of digital technology by promoting digitalization in rural areas, generating new waves of change, and narrowing the gap between rural and urban areas in order to achieve the world-connecting “Vision for a Digital Garden City Nation”. Based on the Council’s deliberations, the Cabinet in June 2022 approved the “Basic Policy for the Vision for a Digital Garden City Nation” and in December of the same year the “Comprehensive Strategy for the Vision of a Digital Garden City Nation”, which identifies the Vision’s basic medium- to long-term direction for the five-year period FY2023-FY2027. Furthermore, the Cabinet approved the “Comprehensive Strategy for the Vision for a Digital Garden City Nation (2023 Revised Version)” in December 2023 in keeping with digital administrative and fiscal reforms, and compiled the “Report on Digital Administrative and Fiscal Reform 2024” (approved in May 2024 by the Meeting on

Digital Administrative and Fiscal Reform) in June 2024.

Based on the idea that local communities are the main drivers of growth, the Headquarters for Creating New Regional Economies and Living Environments, headed by the Prime Minister, was established in October 2024 to transition from the Vision of Digital Garden City Nation Realization Conference in order to take large-scale regional development measures as catalysts for economic growth in Japan and thereby enable communities to achieve development in line with their own characteristics. Based on the discussions held by the Headquarters, the “Basic Concept” for Regional Revitalization 2.0 was finalized in December of the same year and, in June 2025, the Cabinet approved the “Basic Concept” for Regional Revitalization 2.0, which will be intensively implemented over the next ten years.

Given that the thorough utilization of digital and new technologies is one of the pillars of this “Basic Concept”, MIC – via the Information and Communications Policy Subcommittee under the Information and Communications Council – has been deliberating since February 2025 on the best approaches to information and communications policy for promoting the digital transformation (DX) of local communities in light of their socioeconomic circumstances and the latest trends in AI and other digital technologies; a report is expected in the summer of that same year.

The key factor in leveraging AI and advancing DX in rural areas to achieve Regional Revitalization 2.0 will be the development of new digital infrastructure centered on “all-optical networks” that utilize the expected game-changer of photonics-electronics convergence technology. A growing digital dependence on foreign countries in recent years requires from a security perspective as well that the technologies and systems that form the core of this digital infrastructure be made more competitive and be extended overseas.

To this end, MIC published its “DX and Innovation Acceleration Plan 2030” in May 2025 ¹(**Figure 2-2-1-1**). Going forward, MIC will make committed efforts to accelerate DX and innovation in line with the “Digital Infrastructure Development Plan 2030” and the “Comprehensive Strategy for Digital Overseas Promotion 2030”.

¹ Publication of “DX and Innovation Acceleration Plan 2030” (May 23, 2025)
https://www.soumu.go.jp/menu_news/s-news/01tsushin01_02000340.html

Figure 2-2-1-1 DX and Innovation Acceleration Plan 2030

DX and Innovation Acceleration Plan 2030

- Utilizing AI and otherwise accelerating social DX is essential for generating innovation and achieving economic growth in a society with a declining population.
- In particular, realizing a new digital infrastructure centered on an all-photonics network utilizing the likely game-changing optoelectronic convergence technology is key to pursuing DX in local communities to bring about “Regional Revitalization 2.0”.
- Japan’s increasing dependence on other countries in the digital field in recent years makes it necessary from a security perspective to make the technologies and systems that form the core of its digital infrastructure more competitive and to promote their deployment overseas.
- To this end, robust efforts will be made to accelerate DX and innovation in accordance with the “Digital Infrastructure Development Plan 2030” and the “Comprehensive Strategy for Digital Overseas Promotion 2030”

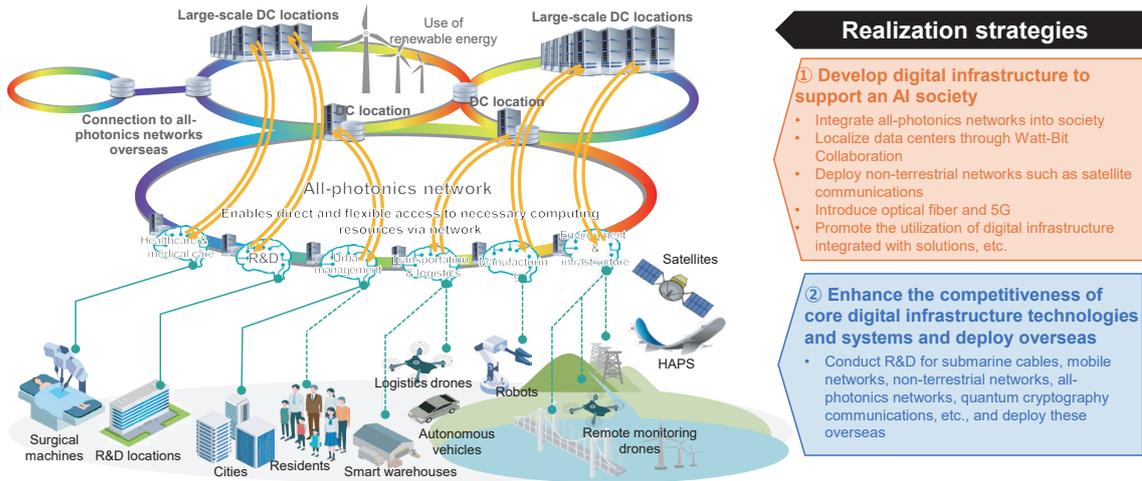


Figure (related data): Vision of Digital Garden City Nation Realization Conference
 URL: https://www.cas.go.jp/jp/seisaku/digital_denen/index.html



Figure (related data): Headquarters for Creating New Regional Economies and Living Environments
 URL: https://www.cas.go.jp/jp/seisaku/atarashii_chihouseusei/index.html