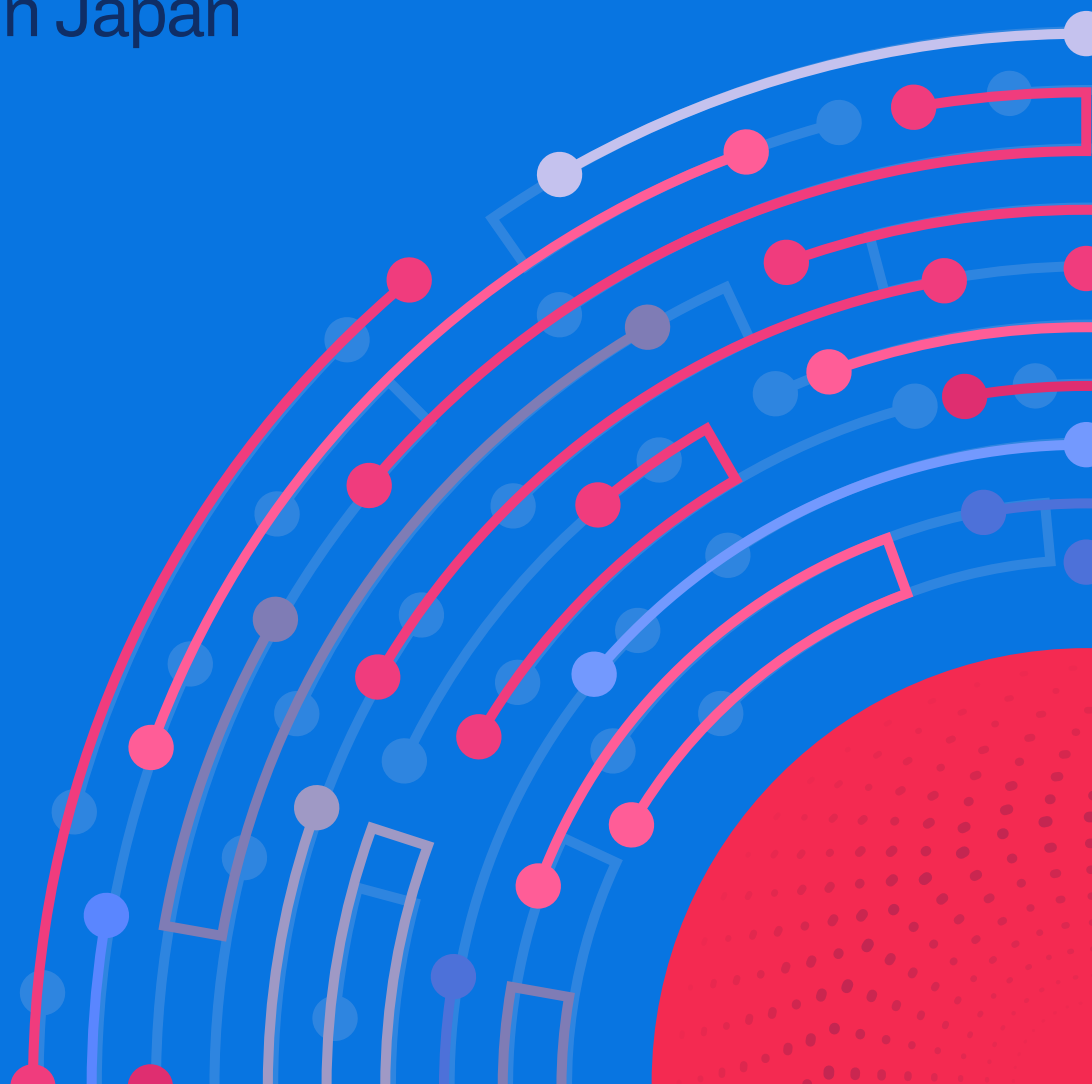
workday.

Access Partnership

Bridging the AI Gap

Advancing Adoption and Governance in Japan



September 2025

Table of Contents

Confidentiality Notice: This document and the information contained herein are strictly private and confidential and are solely for the use of Workday.

Copyright © 2025. The information contained herein is the property of AA Access Partnership Limited and is provided on condition that it will not be reproduced, copied, lent, or disclosed, directly or indirectly, nor used for any purpose other than that for which it was specifically furnished.

AA Access Partnership Limited

Executive summary

1. Charting Japan's AI ambition

Japan is navigating an evolving demographic landscape by leveraging artificial intelligence (AI) to strengthen economic resilience and enhance societal well-being, with the technology estimated to have an economic opportunity of JPY 49.9 trillion (USD 331 billion) by 2030.[1]

To capture this opportunity, the Japanese government is actively developing policies that promote technological innovation while managing its risks, alongside other proactive steps to accelerate AI development and adoption in Japan. However, AI adoption in Japan remains low, lagging behind global trends despite growing awareness and interest among firms.

In light of these concerns, and as Japan prepares to implement the Act on Promotion of Research, Development and Utilization of Artificial Intelligence-Related Technology (the "Act"), Access Partnership was commissioned by Workday to conduct a timely study to assess Japanese business sentiment towards enterprise AI.[2] This report provides valuable insights into the direction Japanese businesses plan to take concerning AI adoption. By highlighting their needs and expectations, this study offers crucial perspectives for policymakers and business leaders aiming to create an AI-friendly ecosystem that balances innovation with governance.

2. The ART of adoption: awareness, readiness, and trust

While AI is widely recognized as necessary, few firms have yet been able to integrate it into their operations fully. Organizations in Japan are mostly pilot testing (19%) or in the partial implementation (26%) stages of AI adoption, with only a minority (8%) having reached full-scale implementation.

To understand this gap, we developed the ART framework as a lens to identify what is holding back broader AI adoption in Japan. While AI's transformative potential is clear, our analysis shows that successful adoption depends on more than just recognizing its benefits.

[1] Access Partnership (2023), Embracing AI and boosting cybersecurity in Japan with Google. Available at: https://accesspartnership.com/embracing-ai-and-boosting-cybersecurity-in-japan-with-google/

[2] Enterprise AI refers to the application of both generative AI and AI technologies within a business or organization to enhance decision-making, improve efficiency, and drive innovation. Some examples include machine learning, natural language processing, computer vision, and other AI capabilities that are integrated into business processes, operations, and products to deliver significant value and competitive advantage. Enterprise AI applications are use-case specific and deployed in more controlled environments, whilst being built to operate on curated data. Alongside this, they are tailored to meet stringent privacy, security, and regulatory requirements, often through contracts which set clear ethical guidelines and contractual obligations with customers. All this helps to ensure high standards and accuracy while preventing bias and its misuse.

The ART framework on broader AI adoption in Japan

Awareness

Awareness is the understanding of AI as a technology, as well as its potential applications, benefits, and risks.

Readiness

Readiness is the preparedness of an organization to integrate AI into its operations. This includes their preparedness across two key dimensions:

- Technical readiness: The presence of infrastructure and technological capabilities that are necessary for AI integration.
- Organizational readiness: The alignment of an organization's culture, structure, processes, and resources with the demands of AI adoption.

Trust

Trust is the confidence that AI systems will function reliably, ethically, and transparently. There are three key areas when it comes to trust in AI systems:

- Providing accurate outputs
- Mitigating unlawful bias
- Protecting user data and maintaining privacy

Each component of ART plays a distinct but interconnected role. Together, they determine whether organizations move from curiosity to commitment.

3. Mapping the roadblocks to AI adoption

This chapter draws on findings from our enterprise survey to unpack where the most significant gaps exist today with respect to awareness, readiness, and trust.

The survey revealed the most practical barriers organizations face when evaluating, piloting, or scaling AI solutions

Awareness

33%

of small organizations consider themselves to be aware of the potential benefits of AI adoption, less than twice as many as the share of large organizations **(74%)**

Readiness

49%

of respondents were confident when it came to technical readiness, but lagged when it came to organizational readiness **(42%)**

Fewer

small and medium organizations considered themselves to be AI-ready compared to large organizations

Trust

High

trust in AI for large organizations as compared to small and medium organizations

35%

of respondents have adopted at least three ethical and responsible AI practices, which could significantly undermine trust.

4. Adopting a pro-innovation approach to AI governance

While this study highlights several challenges, firms remain optimistic about AI's potential. However, realizing the full economic and societal impact of AI would require decisive action to create an enabling environment for AI adoption at scale.

Japan's new AI Act provides a clear and well-communicated first step in doing so by aiming to: i) establish core principles for the research, development, and use of AI, ii) set out the Fundamental Plan for AI and iii) implement basic national policies. The AI Act has also established the Artificial Intelligence Strategy Headquarters to advance AI utilization as a pillar of economic growth.

This report offers robust evidence on the specific expectations and priorities that Japanese businesses have when it comes to AI governance

Businesses want clear yet adaptable governance frameworks

46%

of respondents identified monitoring tools (while **44%** cited compliance benchmarks) as critical needs, reinforcing the importance of flexible, sector-sensitive guidelines that build confidence without overwhelming firms

Businesses want expert guidance on development and implementation of AI policies

45%

businesses have indicated the need for expert guidance on how to develop and implement AI policies tailored to enterprise needs

Training is a top priority for businesses

50%

50% of businesses surveyed have highlighted the importance of training and education programs in supporting AI adoption

47%

of respondents want specialized training programs that focus on governance best practices and ethical considerations related to AI implementation.

5. Businesses want AI governance to strike a balance

Above all, Japanese businesses believe that the country's AI governance must strike a balance between enabling innovation and ensuring responsible use. While recent steps taken by the Japanese government, particularly the introduction of the new AI Act, appear to be aligned with this pro-innovation approach, the governance framework must now go further to be responsive to the practical realities firms face on the ground. All these are critical to improving awareness, strengthening readiness, and building trust in AI systems. Only then can Japan ensure that its approach to AI governance not only reflects its innovation ambitions but also empowers businesses to adopt AI in a trusted, inclusive, and sustainable way.

1. Charting Japan's AI ambition

Japan is seeking to navigate an evolving demographic landscape characterized by an aging population and changing workforce dynamics. However, it is turning these challenges into opportunities for innovation by leveraging artificial intelligence (AI) to strengthen economic resilience and enhance societal well-being, with AI estimated to have an economic opportunity of JPY 49.9 trillion (USD 331 billion) by 2030.[3]

AI is also transforming the way organizations work. For instance, agentic AI can help automate routine tasks, enhance creativity, and improve decision-making, allowing employees to focus on more strategic initiatives that drive innovation.[4] As such, the Japanese government recognizes AI's potential to boost productivity, improve quality of life, and strengthen global competitiveness.[5] Sustainability is also a key priority, with responsible AI adoption playing a central role in optimizing resource efficiency, advancing green technologies, and maintaining industrial leadership. Beyond addressing these immediate challenges, the Japanese government views AI as driving a more dynamic, sustainable, and prosperous future across multiple sectors.

1.1 The Japanese government has demonstrated leadership in establishing AI governance frameworks

Japan has been an early mover in AI governance discussions since 2017, actively developing policies that promote technological innovation while managing the risks that might arise from such emerging technologies.[6] While those earlier efforts were focused on predictive forms of AI, Japan has, in more recent publications, also recommended regulations for other, general-purpose and frontier forms of AI, such as large-scale foundational models.[7]

The government views AI as both an economic driver and a means to safeguard social stability while reinforcing Japan's leadership in innovation. Policymakers have emphasized a human-centric AI vision that upholds human dignity, diversity, inclusion, and sustainability while ensuring widespread adoption across businesses and public services.[8] The objective is not to limit AI's use to protect these principles, but to realize them through AI.

Japan has developed a wide range of governmental policies and initiatives designed to enhance AI adoption across Japanese businesses, from high-level principles and strategies to practical guidelines and checklists (Box 1).

[3] Access Partnership (2023), Embracing AI and boosting cybersecurity in Japan with Google. Available at: https://accesspartnership.com/embracing-ai-and-boosting-cybersecurity-in-japan-with-google/

[4] Access Partnership (2025), Generative AI Trends: What Global Leaders Are Prioritising in 2025. Available at: https://accesspartnership.com/generative-ai-trends-what-global-leaders-are-prioritising-in-2025/

[5] Cabinet Secretariat, Japan (2022), AI Strategy 2022. Available at: https://www8.cao.go.jp/cstp/ai/aistratagy2022en_ov.pdf

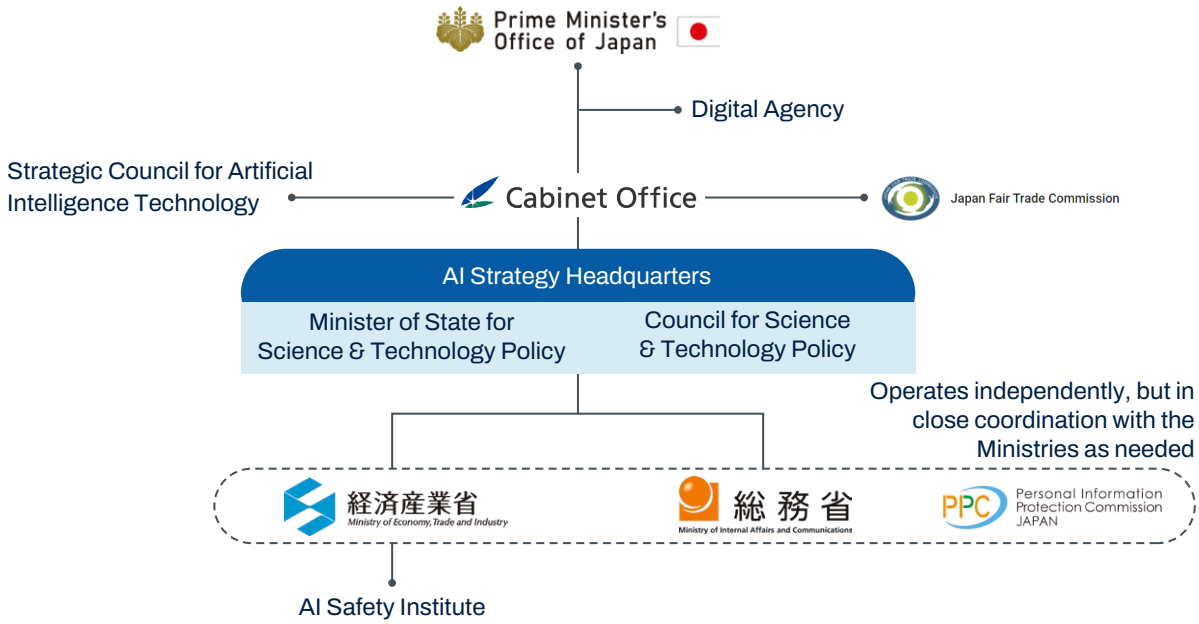
[6] Strategic Council for AI Technology (2017), Artificial Intelligence Technology Strategy. Available at: https://www.ai-japan.go.jp/menu/learn/ai-strategy-1/Artificial%20Intelligence%20Technology%20Strategy%28March%2C2017%29.pdf

[7] Center for Strategic & International Studies (2025), New Government Policy Shows Japan Favors a Light Touch for AI Regulation. Available at: https://www.csis.org/analysis/new-government-policy-shows-japan-favors-light-touch-ai-regulation

[8] Cabinet Secretariat, Japan (2019), Social Principles of Human-Centric AI. Available at: https://www.cas.go.jp/jp/seisaku/jinkouchinou/pdf/humancentricai.pdf

Box 1

Key governmental bodies and their roles in shaping AI governance in Japan



Key AI Governance Initiatives

Principles

- Social Principles of Human-Centric AI (2019). This document outlines the three principles of human-centric AI – one that upholds human dignity, diversity, inclusion, and sustainability while ensuring widespread adoption across businesses and public services.
- Governance Guidelines for Implementation for AI Principles (2022). This document provides an overview of AI principles and rule-making trends in Japan, and outlines its approach to AI governance, including the development of interim guidelines for applying the Social Principles of Human-Centric AI.
- The Guideline for Japanese Governments' Procurements and Utilizations of Generative AI for the sake of Evolution and Innovation of Public Administration (2025). This guideline aims to enhance the use and secure risk management of generative AI in the Government by outlining proactive measures and guidelines for the governance, procurement, and utilization of generative AI.

Policies

- AI Strategy (2019). An integrated policy package for AI focused on educational reform, research and development (R&D), and practical implementation to address challenges, enhance global contributions, and strengthen its industrial competitiveness. This approach was further expanded in the updated AI Strategy (2022), which aims to tackle global issues through the realization of Society 5.0, while also providing a comprehensive framework to address domestic social challenges and drive industrial growth.

- Guidelines for AI in Contract Drafting (2023). These guidelines address the increasing demand for employing AI in contract drafting while also addressing concerns about potential legal violations.
- Updated Agreement for Use of Generative AI in Government Agencies (2023). This agreement governs the utilization of generative AI technology across various government agencies.
- Guideline for Generative AI in Education (2023). This document provides guidance for the use of generative AI in elementary and middle schools.
- AI Guidelines for Business (2024). These guidelines offer a comprehensive framework for the development, provision, and use of AI in business settings.
- Interim Report (2025). This report from Japan's AI Strategy Council recommends establishing a legal framework to balance AI innovation with risk management.
- Checklist of Contracts Concerning the Use and Development of AI (2025). This checklist assists businesses in effectively utilizing and developing AI through comprehensive contractual agreements.
- Act on the Promotion of Research and Development and Application of Artificial Intelligence-Related Technologies (2025). The Act aims to balance AI development with safety considerations by mandating the creation of an AI Strategy Headquarters, the development of an AI Basic Plan, and the implementation of fundamental measures. The Act entered into force on 4 June 2025, with the exception of the provisions of Chapter 3, Chapter 4, and Supplementary Provisions Article 3, and Article 4.

Japan's role in shaping international AI governance

Beyond domestic policy, Japan has emerged as a key player in shaping international AI governance, leveraging its diplomatic and technological strengths to promote responsible AI development. One of its most notable initiatives is the Hiroshima AI Process, launched during Japan's G7 presidency in 2023. This initiative aimed to develop international governance of advanced AI systems, focusing on safety, transparency, and accountability while fostering innovation. Under this framework, Japan facilitated discussions among G7 nations to develop guiding principles and a code of conduct for AI developers, ensuring responsible AI deployment across borders. In May 2024, the Hiroshima AI Process Friends Group was launched as a voluntary framework of countries supporting the spirit of the Hiroshima AI Process. The group held its first face-to-face meeting in February 2025 in Tokyo. Through these efforts, Japan has played a leading role in international AI governance efforts, guided by its vision of AI as a force for social and economic progress globally.

1.2 Japan has implemented initiatives to enhance business adoption of AI

In recognition of existing policy gaps and opportunities around AI adoption, the government has also taken proactive steps to accelerate AI development and adoption in Japan through strategic funding, industry collaboration, and policy initiatives.

Japan's Ministry of Economy, Trade, and Industry (METI) has launched the Generative AI Accelerator Challenge (GENIAC), a flagship initiative designed to enhance the country's capabilities in AI model development.[9] This program provides extensive support, including access to high-performance computational resources, facilitating partnerships between companies and data providers, and fostering collaboration with global technology firms. By doing so, METI aims to cultivate a competitive AI ecosystem, empowering Japanese businesses and developers to create advanced AI solutions with domestic and international applications.

Beyond accelerator programs, the government has committed to a historic JPY 50 trillion investment over multiple years to strengthen Japan's AI and semiconductor industries.[10] This funding, distributed through subsidies, research grants, government commissions, and legislative incentives, is designed to fortify Japan's position as a leader in AI-driven innovation. These efforts align with the country's broader strategy to enhance digital infrastructure, attract private-sector investment, and ensure Japan remains at the forefront of the global AI race.

With these measures, Japan is fostering innovation and reinforcing its domestic capabilities, ensuring that Japanese companies have the resources and support needed to compete on the world stage.

1.3 AI adoption in Japan has room to grow further

The above initiatives are timely. Similar to other nations around the world, Japanese businesses are early in the AI adoption process, though somewhat lagging behind global trends. For example, only 27% of people surveyed in Japan are using generative AI or have used it in the past, compared to 69% in the United States, and 81% in China.[11] While these adoption rates might seem modest, it has nearly tripled when compared to the previous year (9%).[12] This increase in willingness to adopt and experiment with generative AI highlights both the opportunities and challenges of integrating new technologies. This early experience with generative AI highlights both the opportunities and challenges of integrating new technologies into business operations. At the same time, it points to the need for a broader perspective on enterprise AI adoption so as to drive structural gains in productivity and competitiveness across industries.

[9] METI (2024). About GENIAC. Available at: https://www.meti.go.jp/english/policy/mono_info_service/geniac/index.html

[10] Cabinet Office, Government of Japan (2024). Comprehensive Economic Measures to Foster Citizen's Safety and Security and Sustained Economic Growth, Available at: https://www5.cao.go.jp/keizai1/keizaitaisaku/2024/1122_economic_measures_all.pdf

[11] Ministry of Internal Affairs and Communications (2025). Information and Communications in Japan Whitepaper 2025. Available at: https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r07/pdf/00zentai.pdf

[12] Ibid.

In light of these questions, and as Japan prepares to implement its AI Act, Access Partnership was commissioned by Workday to conduct a timely study to assess Japanese business sentiment towards enterprise AI.[13] It examines the state of enterprise AI adoption across four key sectors: automotive, manufacturing, financial services, and retail, and explores opportunities in raising the level of AI awareness, readiness, and trust, as well as policy steps that can be taken to support innovation and integrate enterprise AI effectively.[14]

This report provides valuable insights into the direction Japanese businesses plan to take concerning AI adoption. By highlighting their needs and expectations, this study offers crucial perspectives for policymakers and business leaders aiming to create an AI-friendly ecosystem that balances innovation with governance.

[13] Enterprise AI refers to the application of both generative AI and AI technologies within a business or organization to enhance decision-making, improve efficiency, and drive innovation. Some examples include machine learning, natural language processing, computer vision, and other AI capabilities that are integrated into business processes, operations, and products to deliver significant value and competitive advantage. Enterprise AI applications are use-case specific and deployed in more controlled environments, whilst being built to operate on curated data. Alongside this, they are tailored to meet stringent privacy, security, and regulatory requirements, often through contracts which set clear ethical guidelines and contractual obligations with customers. All this helps to ensure high standards and accuracy while preventing bias and its misuse.

[14] A total of 210 senior business leaders in Japan from a mix of organization sizes and sectors were surveyed in February 2025.

2. The ART of adoption: awareness, readiness, and trust

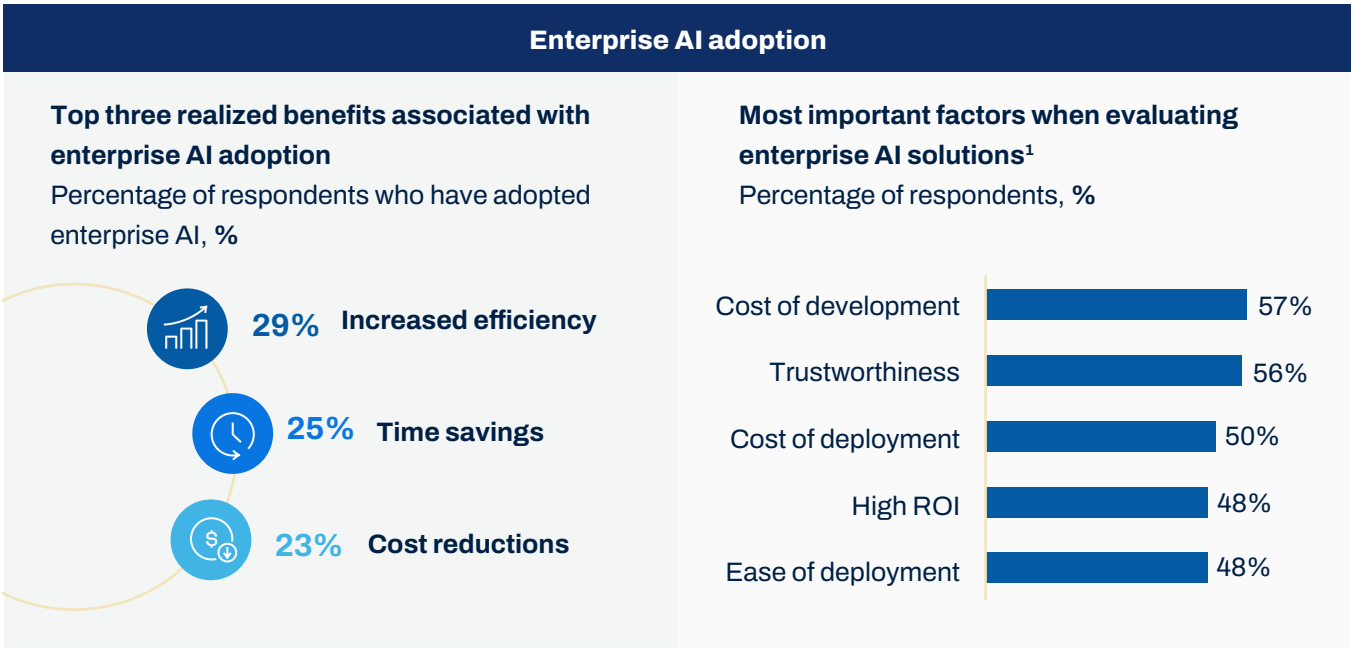
AI adoption in Japan shows strong potential, with 93% of surveyed organizations reporting that they at least have a general understanding of AI technologies. This suggests that companies are broadly interested in AI's potential and willing to experiment with and implement AI technologies.

For those who have already adopted AI, the top three realized benefits are increased efficiency, time savings, and cost reductions (Figure 1). These advantages make a strong case for further AI investment.

However, despite this enthusiasm, organizations in Japan are early in their AI maturity cycle and mostly pilot testing (19%) or in the partial implementation (26%) stages of AI adoption, with only a minority (8%) having reached full-scale implementation (Figure 2). These figures suggest that while companies recognize AI's potential, many are still navigating the complexities of integration, scaling, and optimization. This signals a critical opportunity to drive competitiveness: while AI is widely recognized as necessary, firms are still weighing on how to integrate it into their operations.

Figure 1

Increased efficiency is the top realized benefit of AI adoption, while firms prioritize low cost of development and trustworthiness

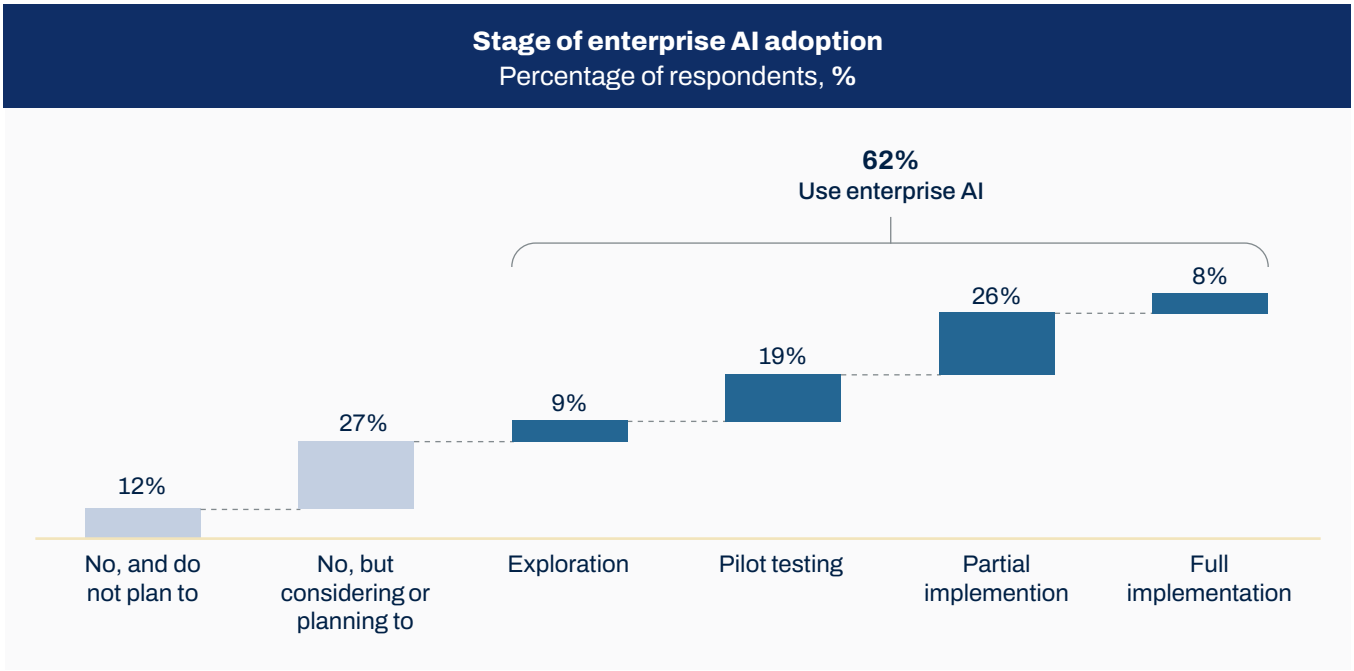


[1] Each respondent was asked to rank 8 factors in order of importance. The number features the share of respondents who have ranked that specific factor in their top 3.

Source: Access Partnership's survey of 210 senior executives in Japan.

Figure 2

Enterprise AI will shape the industry landscape in Japan



Note: Numbers may not sum to 100% due to rounding.

Source: Access Partnership's survey of 210 senior executives in Japan.

2.1 Why ART matters for adoption

To understand this gap, Access Partnership has developed the ART framework (Awareness, Readiness, and Trust) as a lens to identify what is holding back broader AI adoption in Japan. While AI's transformative potential is clear, our analysis shows that successful adoption depends on more than just recognizing its benefits. Organizations need:

- **Awareness:** Understanding of AI as a technology, as well as its potential applications, benefits, and risks
- **Readiness:** Preparedness of an organization to integrate AI into its operations
- **Trust:** Confidence that AI systems will function reliably, responsibly, and transparently, while ensuring accuracy, fairness, and the protection of user data

Each component of ART plays a distinct but interconnected role:

- Awareness is necessary to spark interest, but it is not sufficient on its own. While most organizations in Japan are aware of AI, many are early in developing a deep understanding of how it can be meaningfully leveraged to their specific context.

- Readiness is the technical and organizational capabilities required to act on that awareness. This includes digital infrastructure, leadership buy-in, culture, and workforce skills, areas where many Japanese firms are still building capacity.
- Trust is essential for adoption at scale. Embracing AI is facilitated with confidence in data protection, model transparency, and the responsible management of AI systems.

Together, these three pillars determine whether organizations move from curiosity to commitment (Figure 3).

Figure 3

The ART framework on broader AI adoption in Japan

Awareness

Awareness is the understanding of AI as a technology, as well as its potential applications, benefits, and risks.

Readiness

Readiness is the preparedness of an organization to integrate AI into its operations. This includes their preparedness across two key dimensions:

- Technical readiness: The presence of infrastructure and technological capabilities that are necessary for AI integration.
- Organizational readiness: The alignment of an organization's culture, structure, processes, and resources with the demands of AI adoption.

Trust

Trust is the confidence that AI systems will function reliably, ethically, and transparently. There are three key areas when it comes to trust in AI systems:

- Providing accurate outputs
- Mitigating unlawful bias
- Protecting user data and maintaining privacy

Source: Access Partnership analysis.

Box 2

Figure 4

Improved customer experience is the top realized benefit of enterprise AI adoption in the retail sector

Top three realized benefits associated with enterprise AI adoption

	Automotive	Financial services	Manufacturing	Retail
1	Time savings	Increased efficiency	Increased efficiency	Improved customer experience
2	Improved customer experience	Time savings	Increased innovation	Enhanced decision making
3	Increased efficiency	Enhanced decision making	Time savings	Increased efficiency

Source: Access Partnership's survey of 210 senior executives in Japan.

Improved customer experience is the top realized benefit of enterprise AI adoption in the retail sector (Figure 4). Retail businesses can leverage chatbots and personalized recommendation engines to enhance efficiency while maintaining a human touch, ensuring faster responses, tailored experiences, and seamless interactions that drive customer satisfaction. For example, Japanese convenience store operator 7-Eleven is planning to use AI to support product planning processes. This could reduce the time required by up to 90 percent, and help the company better cater to consumer needs and emerging trends.[15]

In the manufacturing sector, the benefits of AI adoption also include increased innovation. This is especially crucial for the manufacturing sector, which has faced challenges in adopting new technologies due to established practices, concerns over workforce transitions, and the complexities of integrating new technologies with existing infrastructure. ARUMCODE, an AI-based software developed by the Japanese company ARUM Inc., automates the creation of complex machining programs, significantly reducing programming time and costs. This addresses the shortage of skilled technicians and enhances precision component processing. The technology has been adopted by over 150 companies in Japan and is a demonstration of how AI can augment human expertise even in traditional sectors like manufacturing.[16]

[15] Retail Optimiser (2023), 7-Eleven Japan optimises product planning with generative AI. Available at: https://retail-optimiser.de/en/7-eleven-japan-optimises-product-planning-with-generative-ai/

[16] JapanGov (2025). AI in manufacturing: New Japanese software takes on skilled work with high efficiency. Available at: https://www.japan.go.jp/kizuna/2025/01/ai_in_manufacturing.html

3. Mapping the roadblocks to AI adoption

To understand why a majority of firms in Japan are aware of AI's potential but remain in the early stages of adoption, Access Partnership conducted an enterprise survey, which gathered insights from a diverse cross-section of firms across sectors and sizes.[17] The survey aimed to identify the practical barriers that organizations face when evaluating, piloting, or scaling AI solutions. This chapter takes a closer look at each of these barriers, drawing on quantitative findings to unpack where the most significant gaps exist today with respects to awareness, readiness, and trust.

3.1 Awareness

Awareness is a fundamental precursor to adopting any new technology. In the context of AI, awareness goes beyond familiarity and encompasses understanding the technology itself, its potential applications, and its benefits and risks. Higher awareness levels are often correlated with greater confidence in AI adoption, as organizations with more knowledge about AI's impact are more likely to integrate it into their operations.[18]

Survey respondents were asked about their awareness of AI's benefits and the initiatives and policies implemented by the Japanese government to encourage AI adoption. These insights help gauge organizations' readiness to embrace AI and highlight the role of public policy in shaping awareness and driving adoption.

3.1.1. Smaller organizations are less aware of the benefits of AI adoption, and initiatives and policies to support AI adoption

Survey results reveal a significant awareness gap between small and large organizations. Only 33% of small organizations consider themselves to be very aware of the potential benefits of enterprise AI adoption, while large organizations indicated a much higher level of awareness (74%) (Figure 5). This suggests an opportunity to provide smaller enterprises with the information, resources, and expertise needed to evaluate AI's potential impact effectively. This is particularly important given that medium-sized businesses in other countries, as highlighted in another study conducted by Access Partnership, are demonstrating higher levels of AI adoption and readiness, suggesting room to grow in Japan to reach parity with global peers.[19]

A similar trend is observed when it comes to awareness of the AI initiatives and policies implemented by the government to encourage adoption. Large organizations, often equipped with dedicated technology teams and stronger industry networks, are more likely to stay informed about government incentives, funding opportunities, and regulatory developments. In contrast, small and medium-sized enterprises would benefit from additional support in participating in these initiatives or risk missing out on valuable efforts to facilitate their AI adoption journey.

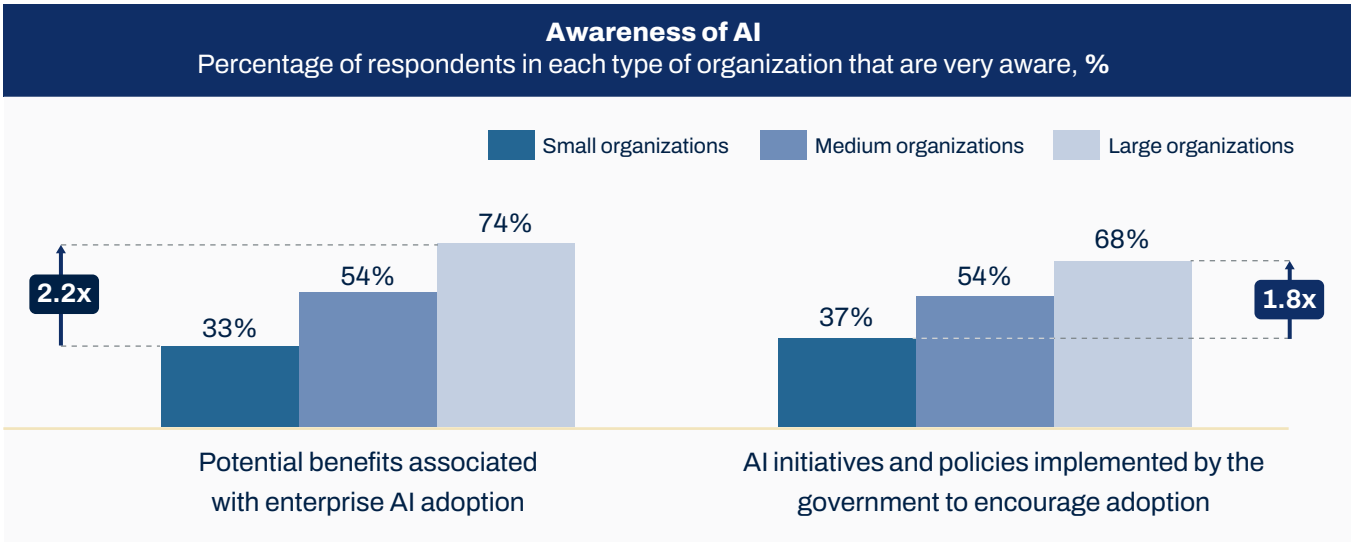
[17] A total of 210 senior business leaders in Japan from a mix of organization sizes and sectors were surveyed in February 2025.

[18] Kelly, S., Kaye, S., & Oviedo Trespalacios, O., (2023) What factors contribute to the acceptance of artificial intelligence? A systematic review. Available at: https://www.sciencedirect.com/science/article/pii/S0736585322001587

[19] Access Partnership (2025). Unlocking Generative AI's Potential: Small and medium sized businesses (SMBs) as a catalyst for growth and workforce transformation. Available at: https://accesspartnership.com/unlocking-generative-ais-potential/

Figure 5

Small and medium organizations are less aware of the potential benefits of enterprise AI and the relevant initiatives and policies to encourage adoption



Note: Respondents were asked to rate their awareness of the potential benefits of enterprise AI adoption and AI initiatives and policies implemented by the government to encourage adoption, on a scale from 1 to 5 (where 5 represents very aware). Not aware includes ratings of 1 or 2, aware ratings of 3, and very aware ratings of 4 or 5.

Source: Access Partnership's survey of 210 senior executives in Japan.

The benefits of driving greater awareness are potentially significant. Driving a clear understanding of how AI can support efficiency, innovation, and competitiveness within SMEs can help drive invest in enterprise AI and spur broader AI adoption across industries. Moreover, additional awareness of government policies and incentives could drive organizations in leveraging financial aid, tax breaks, or technical assistance designed to lower AI adoption barriers.

Increasing awareness for these organizations through targeted outreach, industry collaboration, and knowledge-sharing can help bridge this gap, enabling more businesses to recognize AI's value and take steps toward adoption.

Box 3

The retail sector indicated a low awareness of AI. Only 42% considered themselves to be very aware of the potential benefits and applications of AI, significantly less than in other sectors, where awareness rates exceeded 60%.

This could be because while AI applications in the retail sector (as shared in Box 2, like chatbots and personalized recommendation engines) offer significant benefits, they may not be as tangible or visible as examples from the automotive or manufacturing sector, such as autonomous vehicles or the use of automated technologies in manufacturing lines. Raising awareness of the benefits of AI applications in the retail sector is a key opportunity, with potential benefits in providing success stories or use cases that span the diverse range of sectors in Japan's economy when designing initiatives to support broader AI adoption.

3.2 Readiness

AI readiness is critical for organizations leveraging artificial intelligence to improve operational efficiency and drive innovation. Readiness in this context refers to the availability of technical capabilities and the broader organizational foundations that support successful adoption.

To better understand the state of AI readiness, survey respondents were asked to assess their preparedness across two key dimensions: technical and organizational readiness.

- Technical readiness refers to the presence of infrastructure and technological capabilities that are necessary for AI integration.
- Organizational readiness refers to the alignment of an organization's culture, structure, processes, and resources with the demands of AI adoption.

Both of these dimensions are vital in determining whether AI can be effectively and sustainably integrated into business operations. A holistic approach to readiness can help drive the implementation of AI tools toward success and deliver meaningful impact.

3.2.1. Organizations differ in terms of the two dimensions of readiness

Japanese businesses exhibit differing levels of readiness across the technical and organizational dimensions required for effective AI adoption. These variations are influenced by factors such as industry type, digital maturity, resource availability, leadership priorities, and previous experience with digital transformation initiatives. Understanding these differences is essential for tailoring policy interventions and support mechanisms that address specific opportunities for spurring AI maturity. A nuanced view of readiness allows for more targeted capacity-building efforts and accelerates meaningful AI integration across diverse organizational contexts.

Survey respondents were most confident (49%) when it came to technical readiness (Figure 6). These technological capabilities, such as IT infrastructure, computational resources, and data storage and management systems, are relatively tangible and accessible.

In contrast to technical readiness, organizational readiness has to be built through fundamental cultural shifts, reskilling of employees, and securing leadership and employee buy-in for AI initiatives. Cultural shifts, in particular, demand a deliberate effort to overcome resistance to change and foster a workplace environment where AI is seen as an enabler. In fact, cultural values and norms strongly shape perceptions of AI in Japan and can influence the pace at which it is embraced.[20] For example, our survey findings show more than half of respondents have concerns around the predictability of the societal impacts of AI, and 50% are concerned about potential disruptions in the workforce. Respondents to another survey conducted by Workday also identified cultural sensitivity and adaptation (21%), as well as the ability to adjust to change (20%), as the two most impactful gaps to address in spurring AI adoption within their departments.[21] This finding reaffirms the observation that organizational readiness (42%) lags that of technical readiness. A holistic approach to AI integration that addresses not only technology but also the people and processes that support the adoption of AI responsibly will be critical to bolstering readiness across both dimensions.

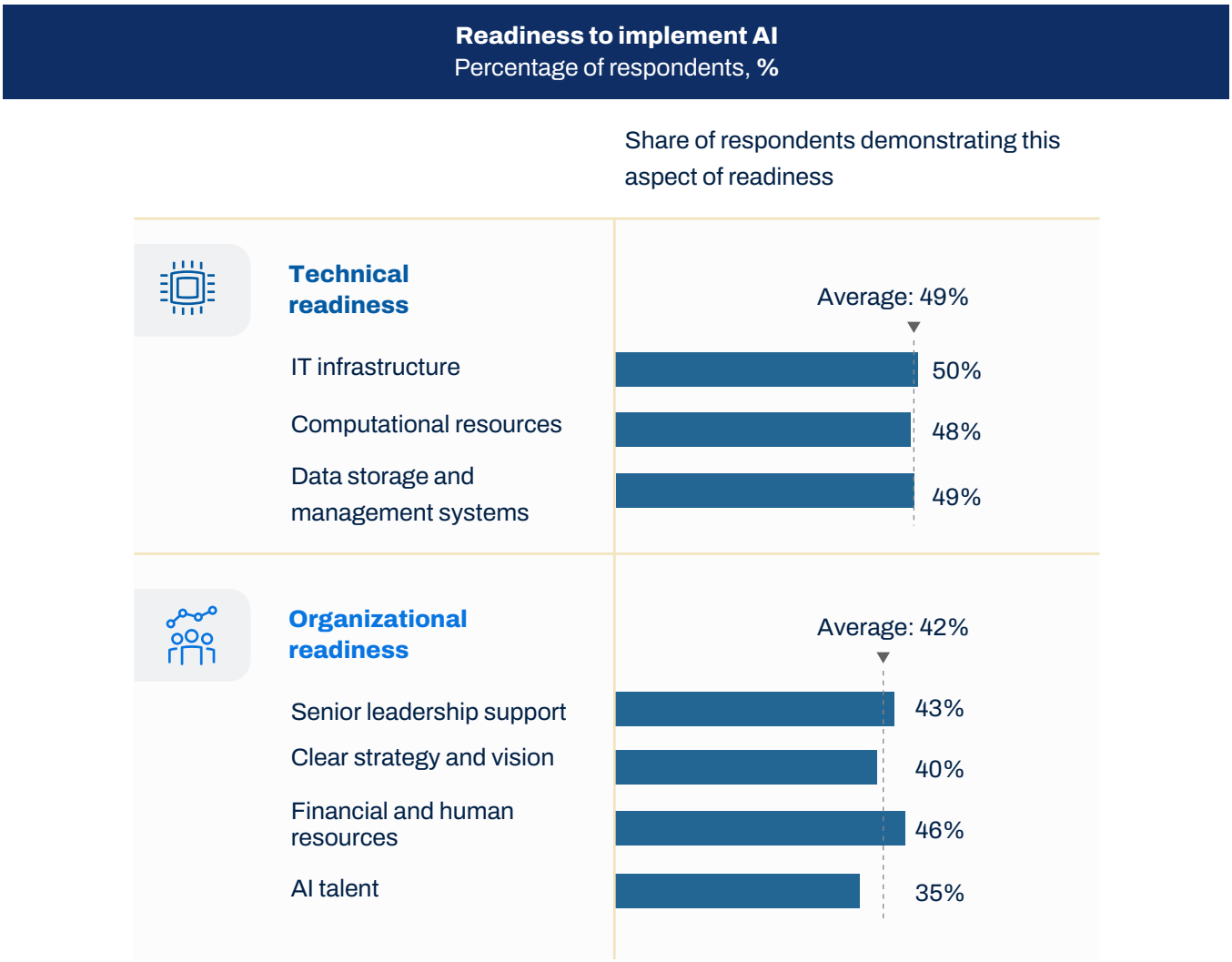
Box 4

The relatively higher degree of technical readiness could be due to Japan's strong engineering and R&D capabilities. This is particularly so in the automotive sector, where 55% of respondents have indicated their technical readiness to deploy AI, as compared to 49% for respondents across all sectors. Toyota has already deployed AI-powered features to enhance the safety, quality, and customer experience with its products, and has even built an entire city dedicated to pushing the boundaries of the future of smart mobility.[22]

[20] World Economic Forum (2024). Reconciling tradition and innovation: Japan's path to global AI leadership. Available at: https://www.weforum.org/stories/2024/12/japan-ai-leadership-risk-ethics/
[21] Workday (2025), Elevating Human Potential: The AI Skills Revolution. Available at: https://forms.workday.com/en-us/reports/elevating-human-potential/form.html?step=step1_default
[22] AP News (2025), Rich in cash, Japan automaker Toyota builds a city to test futuristic mobility. Available at: https://apnews.com/article/toyota-city-japan-ai-robotics-eeedfead1830a40688859627829f82e3

Figure 6

Technical readiness is higher than organizational readiness



Note: Respondents were shown several statements describing specific readiness factors, and were then asked if their organization possessed these specific readiness factors. The average score shown represents an average of the percentage that responded "Yes" to each statement for each dimension of readiness.

Source: Access Partnership's survey of 210 senior executives in Japan.

3.3 Trust

Trust in AI refers to the confidence that AI systems will function reliably, responsibly, and transparently, while ensuring accuracy, fairness, and the protection of user data.

Survey respondents were asked about their trust in AI systems regarding three aspects: providing accurate outputs, mitigating unlawful bias, and protecting user data and maintaining privacy. They were also asked about their organization's implementation of ethical and responsible AI practices, as well as the factors and cultural perceptions that would influence their trust in AI systems.

3.3.1. Large organizations lead in trust in AI

Survey results indicated that more than half of large organizations trust AI completely to deliver accurate results, and an overwhelming percentage, nearly two-thirds, trust AI in protecting user data and maintaining privacy. While early in the AI maturity process, large enterprises are increasingly leveraging dedicated AI teams and implementing AI governance structures (Figure 7). For more details on ethical AI principles implementation, see below. In contrast, survey results indicate that small and medium organizations are currently more cautious, indicating an economic segment deserving of attention.

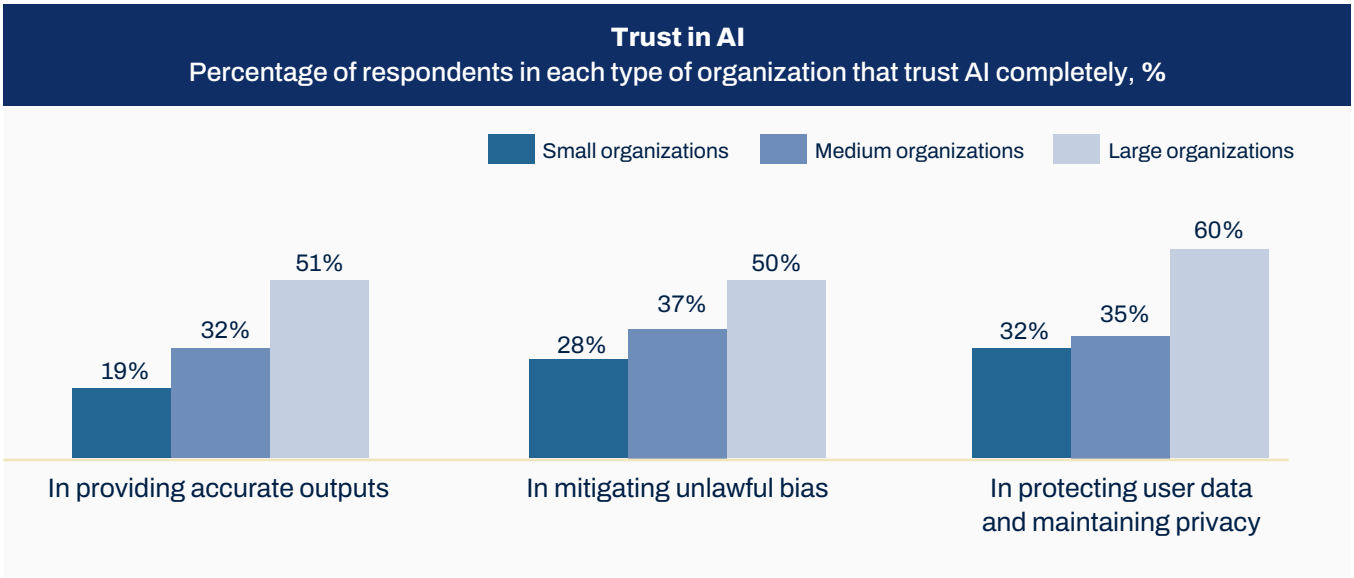
In looking toward ways of growing trust in the SME sector, a key contributor to building trust is likely visibility into how AI systems are developed and trained, especially with regard to the quality of the data used. Notably, our survey found that the quality and trustworthiness of data (70%) was the third most important factor in influencing trust in AI for small organizations, highlighting the importance of improving transparency and accountability across the AI supply chain. For example, Workday prioritizes explainability as a core principle of its responsible AI approach, providing its enterprise customers with fact sheets and other information that equip customers with knowledge of how the tool was designed and trained.[23]

In addition, SMEs typically face tighter budgets, fiscal tradeoffs, and more acute investment risk when assessing new AI solutions. They often rely on external signals to gauge the reliability and value of AI. Unsurprisingly, our survey found that SMEs place high importance on successful AI adoption stories from other organizations – it is the most important trust factor for small businesses, and the third most important for medium-sized firms. These success stories provide crucial proof and reduce the perceived risk of adoption.

Clear and well-communicated AI governance frameworks such as the US NIST AI Risk Management Framework and METI's AI Guidelines for Businesses help to build trust by reducing uncertainty, clarifying accountability and demonstrating a commitment to ethical and responsible AI use.[24] By reducing uncertainty and demonstrating that risks are being proactively managed, governance frameworks play a key role in fostering trust economy-wide and are helpful in accelerating AI adoption across the SME sector.

[23] Workday (n.d.), Responsible AI: Ensuring Trust and Leadership in Innovation. Available at: https://www.workday.com/en-us/artificial-intelligence/responsible-ai.html
[24] National Institute of Standards and Technology (2023) Artificial Intelligence Risk Management Framework (AI RMF 1.0). Available at: https://nvlpubs.nist.gov/nistpubs/ai/nist.ai.100-1.pdf

Figure 7



Source: Access Partnership's survey of 210 senior executives in Japan.

Box 5

Respondents from the manufacturing sector had the highest level of trust in AI when it comes to making accurate decisions. Around 43% of respondents completely trusted AI to do so, compared to the 37% of all respondents on average.

This higher level of trust appears linked to manufacturing firms' longer history of integrating automation and data-driven processes into their operations.[25] Many manufacturers have already implemented AI-powered solutions for predictive maintenance, quality control, and production optimization, which allows employees to observe tangible results and build confidence in AI's reliability.[26]

The findings highlight the importance of showcasing practical, high-impact use cases in building trust. Success stories, such as AI-driven predictive maintenance systems that reduce downtime or optimize production schedules, provide visible proof of AI's effectiveness and help accelerate adoption across teams. By emphasizing clear outcomes and operational benefits, manufacturers can continue to strengthen workforce confidence in AI while scaling its use across operations.

[25] World Economic Forum (2022). The data-driven journey towards manufacturing excellence. Available at: https://www3.weforum.org/docs/WEF_The_Data-Driven_Journey_Towards_Manufacturing_Excellence_2022.pdf

[26] World Economic Forum (2025). How AI is transforming the factory floor. Available at: https://www.weforum.org/stories/2024/10/ai-transforming-factory-floor-artificial-intelligence/

3.3.2. More than a third of organizations are implementing AI governance measures

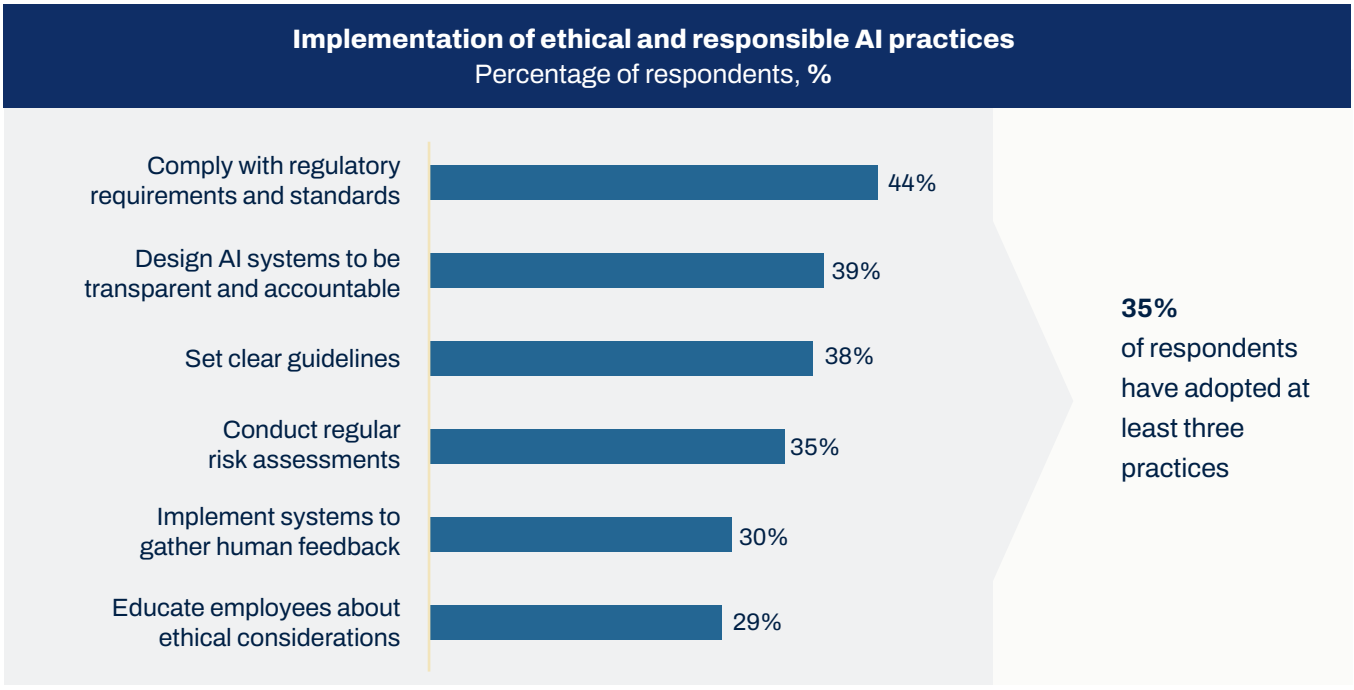
More than a third (35%) of respondents have adopted at least three ethical and responsible AI practices, including compliance with regulatory requirements (44%), transparency and accountability measures (39%), and risk assessments to identify and mitigate potential issues. (Figure 8). The most widely adopted practice, compliance with existing regulatory requirements (44%), underscores the key role that policy can take in building trust in AI. This is closely followed by a focus on transparency and accountability, with 39% of organizations implementing AI practices that support those goals. More than a third of organizations are similarly conducting risk assessments, a known accountability tool for identifying and mitigating potential issues with technology implementation.

Implementation of ethical AI principles and practices can significantly enhance trust; clear accountability and safeguards can further drive confidence in AI adoption among users and stakeholders.

Taken collectively, these results provide a signal that governmental policies can help drive the implementation of AI governance mechanisms that foster trust in AI and highlight the growing importance of accountability tools such as risk assessments. As the conversation surrounding details associated with AI safeguards continues, it is helpful to look at emerging alignment with industry practices.

Figure 8

More than a third of respondents have adopted at least three ethical and responsible AI practices, with the most commonly adopted being regulatory compliance



Source: Access Partnership's survey of 210 senior executives in Japan.

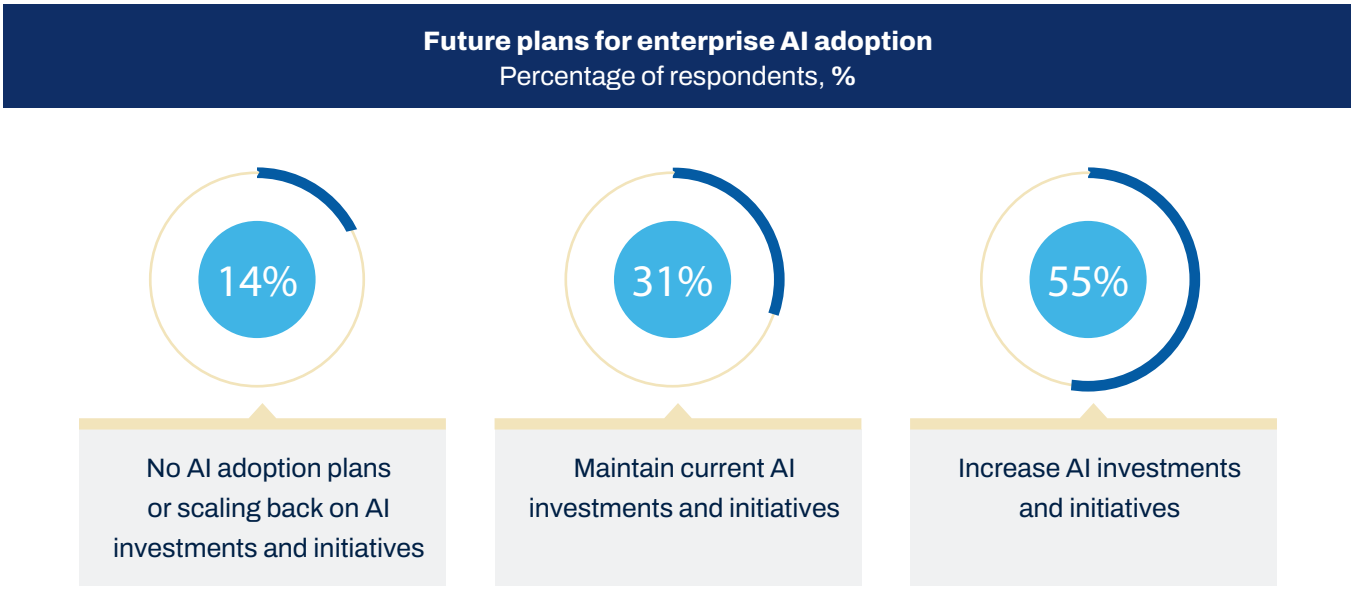
4. Adopting a pro-innovation approach to AI governance

Our study highlights several challenges, such as limited awareness, readiness, and trust in AI technologies. These barriers are interconnected and reinforce one another, slowing progress and limiting the full realization of AI's potential in driving innovation and productivity.

However, firms remain optimistic about the potential of AI, with the majority of organizations intending to either maintain or increase AI investments and initiatives (Figure 9). Realizing the full economic and societal impact of AI would require decisive action to create an enabling environment for AI adoption at scale.

Figure 9

Majority of organizations intend to either maintain or increase AI investments and initiatives



Source: Access Partnership's survey of 210 senior executives in Japan.

4.1 Japan needs to create an enabling policy environment for AI adoption at scale

Japan stands at a pivotal moment in its enterprise AI journey. While enterprise AI adoption is at the cusp of accelerating, fully harnessing its transformative potential will require a pro-innovation approach to AI governance. Japanese policymakers have laid a critical foundation for AI adoption, and Japan's new AI Act provides a clear and well-communicated next step in doing so. The following section provides policy-focused recommendations grounded in robust evidence. It reflects the specific expectations and priorities that Japanese businesses have

when it comes to AI governance. Recognizing these expectations, Japan has an opportunity to build on its foundations, strengthen existing legal frameworks, and advance with the creation of the AI Strategy Headquarters, a Basic AI Plan, and guidelines.

4.1.1. Businesses want clear yet adaptable governance frameworks

As outlined in the previous chapter, many firms are still in the early stages of understanding how AI can be applied effectively in their operations. In this context, businesses are calling for AI governance frameworks that are clear in their objectives yet adaptable to the diverse realities of different sectors. Indeed, the AI Guidelines for Businesses, which were jointly released by METI and the Ministry of Internal Affairs and Communications in April 2024 already offer a strong foundation for further work to be done around AI governance. As policymakers look to develop cross-government strategies, plans, and sector-specific guidelines, the following concepts are hallmarks of approaches that lead to both building trust and supporting innovation, including:

- **Consistency:** The government needs to ensure a strong level of consistency across sectors and coordination by a central body. Unnecessarily duplicative, fragmented, and contradictory rules leveraged by different departments for different sectors would undermine the core adoption and competitiveness objectives at the heart of Japan's AI policy.
- **Workability:** As noted earlier, there are emerging industry practices associated with transparency and risk assessments that can and should help inform the contours of future guidelines for AI governance. In addition, it is critical to engage with stakeholders across the spectrum of interested parties to ensure AI governance approaches meet the goal of balancing risk and innovation without being needlessly overburdensome.
- **Risk-Based:** A key concept in ensuring the focus is appropriately placed on those AI use cases that could have the most impact is adopting risk-based AI governance practices. Any workable risk-based approach needs to have a realistic assessment of the scope of risk to be addressed while also providing a guide for the level of AI involvement sufficient to trigger scrutiny and additional governance requirements.
- **Clear Responsibilities:** The AI value chain continues to grow in complexity with varying responsibilities associated with large language model creators, downstream AI developers, AI deployers, and end users. Ensuring that the AI governance approaches clearly articulate the roles and responsibilities is essential for success.
- **Interoperability:** Japan has done an admirable job in driving international consensus on key aspects of AI policy. In considering forthcoming guidelines and as the regulatory environment continues to unfold around the world, continuing the focus on interoperability will be key.

Workable, flexible, consistent sector-specific guidelines could help build confidence and offer much-needed direction without overwhelming firms that are still building their foundational AI capabilities. This is reinforced by survey findings, where respondents identified monitoring tools (46%) and compliance benchmarks (44%) as critical needs. These tools are essential in helping businesses interpret and implement governance frameworks in a practical, measurable way – especially for those early in their AI adoption journey.

4.1.2. Businesses want expert guidance on the development and implementation of AI policies

In particular, 45% of businesses have indicated the need for expert guidance on how to develop and implement AI policies tailored to enterprise needs. The demand for expert guidance is closely tied to both awareness and readiness gaps. This signals a strong appetite for formal guidance or recommendations that demystify responsible AI adoption. Many firms remain uncertain about what constitutes appropriate governance, especially when balancing innovation with ethical risk. Japan's AI Safety Institute (AISI) will be a key player in creating guidelines and guidance for AI safety tools that will provide technical expertise and practical knowledge necessary to support responsible AI adoption. Policymakers also should consider leveraging public-private partnerships to land targeted guidance from trusted experts, which could help bridge this knowledge gap, enabling businesses to move forward with greater clarity and assurance.

4.1.3. Training is a top priority for businesses

Half of the survey respondents indicated some concerns around the impacts of AI on the future of work. While it is likely that AI will cause disruptions in the workplace, the impact will likely be complex. Some roles may change, while AI can also automate routine tasks, helping to maintain or even grow economic output by augmenting human labor and streamlining operations across industries. For example, AI-driven sensors are already being deployed in Japan's healthcare sector to support elderly care, mitigating labor shortages while improving patient outcomes.[27] And it is likely new roles will be created.

Half of the businesses surveyed have highlighted the importance of training and education programs in supporting AI adoption. In addition, 47% of businesses want specialized training programs that focus on governance best practices and ethical considerations related to AI implementation. This dual demand reflects the two-fold challenge firms face: equipping their workforce with the technical skills to implement AI and developing a deeper understanding of the ethical and regulatory implications. In addition, there is the challenge of equipping the workforce with skills for roles that are newly emerging or have yet to be created.

Increasingly, policymakers are focusing on AI impacts on the future of work and focusing on the need to reskill workers. As policymakers develop strategies for workforce development, thought must be given to how employers, workers, trainers, and education providers, etc., will identify and be able to act on local and regional trends in emerging and in-demand skills. There is a governmental role in ensuring labor market data can be collected as close to real-time and on an economy-wide basis as possible.

[27] CNBC (2025), Japan lacks workers to care for the elderly. This company is using AI to help. Available at: https://www.cnbc.com/2025/03/18/how-ai-can-help-care-for-elderly-people-a-company-in-japan-explains.html?_bhlid=35725af842e45f922c2a60fffbada051d7a11ef2&msockid=25508c1d64e56d3e19759923

5. Businesses want AI governance to strike a balance

There is consensus among Japanese businesses that the country's AI governance must strike a balance between enabling innovation and ensuring responsible use. Encouragingly, the recent steps taken by the Japanese government, particularly the introduction of the new AI law, appear to be aligned with this pro-innovation approach. Businesses will view this as a positive signal that regulation will unnecessarily constrain AI experimentation and deployment while providing the tools and frameworks to deploy AI with confidence.

To be truly effective, the governance framework must now go further: it must be responsive to the practical realities firms face on the ground. This means embedding mechanisms for continued industry engagement, supporting workable guidance that is both sector-specific and consistent, as well as investing in the foundational elements businesses say they need, such as trends in the future of work and effective training, and expert support, all of which are critical to improving awareness, strengthening readiness, and building trust in AI systems. Only then can Japan ensure that its approach to AI governance not only reflects its innovation ambitions but also empowers businesses to adopt AI in a trusted and responsible way. Policymakers will continue to grow Japan's foundation of AI policy and can take meaningful future steps to ensure this outcome.

6. Appendix

6.1 Survey methodology

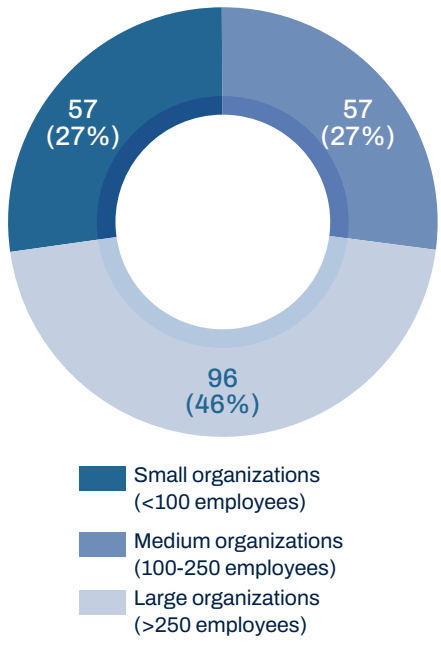
This survey was conducted online in Japan in February 2025, with a total of 210 individuals from a mix of organization sizes and sectors participating. Figure 10 contains detailed statistics on the survey respondents' profiles. Respondents to these surveys were senior executives who play a significant role in the decision-making processes of their organization's technology-related functions.

The survey asked respondents for their views on the following: (1) Enterprise AI adoption; (2) Challenges in AI adoption (specifically relating to awareness, readiness, and trust); (3) Support needed; and (4) Outlook on AI adoption.

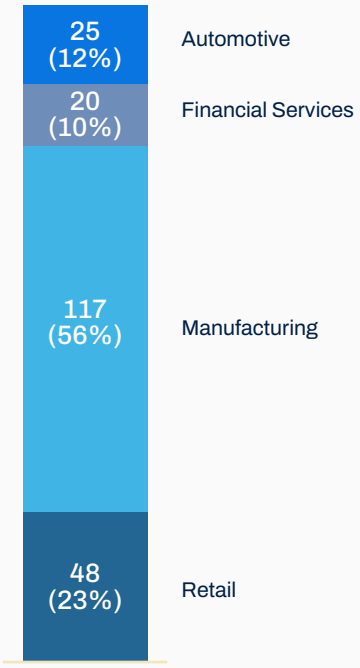
Figure 10

Respondent profiles
Number of Respondents (210)

Organization Size



Sectoral Mix



Access Partnership

accesspartnership.com

Follow us

Our offices

Europe

London

The Tower, Buckingham Green
Buckingham Gate
London, SW1E 6AS
United Kingdom

+44 20 3143 4900
london@accesspartnership.com

Brussels

8th Floor, Silversquare Europe
Square de Meeûs 35
Bruxelles, 1000
Belgium

brussels@accesspartnership.com

North America

Washington DC

1300 Connecticut Avenue NW
Suite 250
Washington, DC 20036
USA

+1 202 503 1570
washingtondc@accesspartnership.com

Asia

Singapore

Asia Square, Tower 2
#11-20
12 Marina View
Singapore 018961

+65 8323 7855
singapore@accesspartnership.com

Jakarta

Revenue Tower 21st Floor
Unit 104 SCBD Lot 13,
Jl. Jend. Sudirman Kav. 52-53
Provinsi DKI Jakarta, 12190
Jakarta, Indonesia

+62 21 5020 0949

Kuala Lumpur

Common Ground Q Sentral
Level 39, Unit 39-02 (East Wing), 2A,
Jalan Stesen Sentral 2, Kuala Lumpur
Sentral, 50470
Kuala Lumpur, Malaysia

Bangkok

188 Spring Tower
11th Floor, Unit 106, Phayathai
Road, Thung Phayathai,
Ratchathewi, 10400
Bangkok, Thailand

+ 66 (2)-8216148

Hanoi

19th floor, Tower 1
Capital Place Building
No 29 Lieu Giai Street
Ngoc Khanh Ward, Ba Dinh Diítrict
Hanoi, Vietnam

Manila

28F & Penthouse
World Plaza
5th Ave
Bonifacio Global City
Manila, 1634
Philippines

Middle East and Africa

Abu Dhabi

Al Wahda City Tower, 20th Floor
Hazaa Bin Zayed The First Street
PO Box 127432
Abu Dhabi, UAE

abudhabi@accesspartnership.com

Johannesburg

119 Witch-Hazel Avenue
Highveld Technopark
Johannesburg
Gauteng, South Africa