AI-POWERED

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**AI Utilization Strategy
For an AI-Powered Japan**

KEIDANREN
Japan Business Federation

CONTENTS

I. AI-powered

Using AI proactively

- ✓ It is important to use AI to realize Society 5.0 for SDGs.
- ✓ It is necessary to rapidly create an "AI-powered society"—a society in which the merits of AI are enjoyed in all areas.

Using AI will invariably entail addressing the accompanying risks.

Enhancing the ability to develop AI is an essential prerequisite for utilizing AI.

AI-powered society

Addressing the risks

- ✓ It is necessary to pursue a clear objective, which is to follow the philosophy of human-centric AI and develop a society in which everyone can live happily, and no one is left behind.

It is essential to develop AI that contributes to decreasing the various risks.

Enhancing the ability to develop AI

- ✓ It is essential to enhance Japan's ability to develop AI, in order to not only improve Japan's competitiveness, but also ensure an environment for healthy competition.
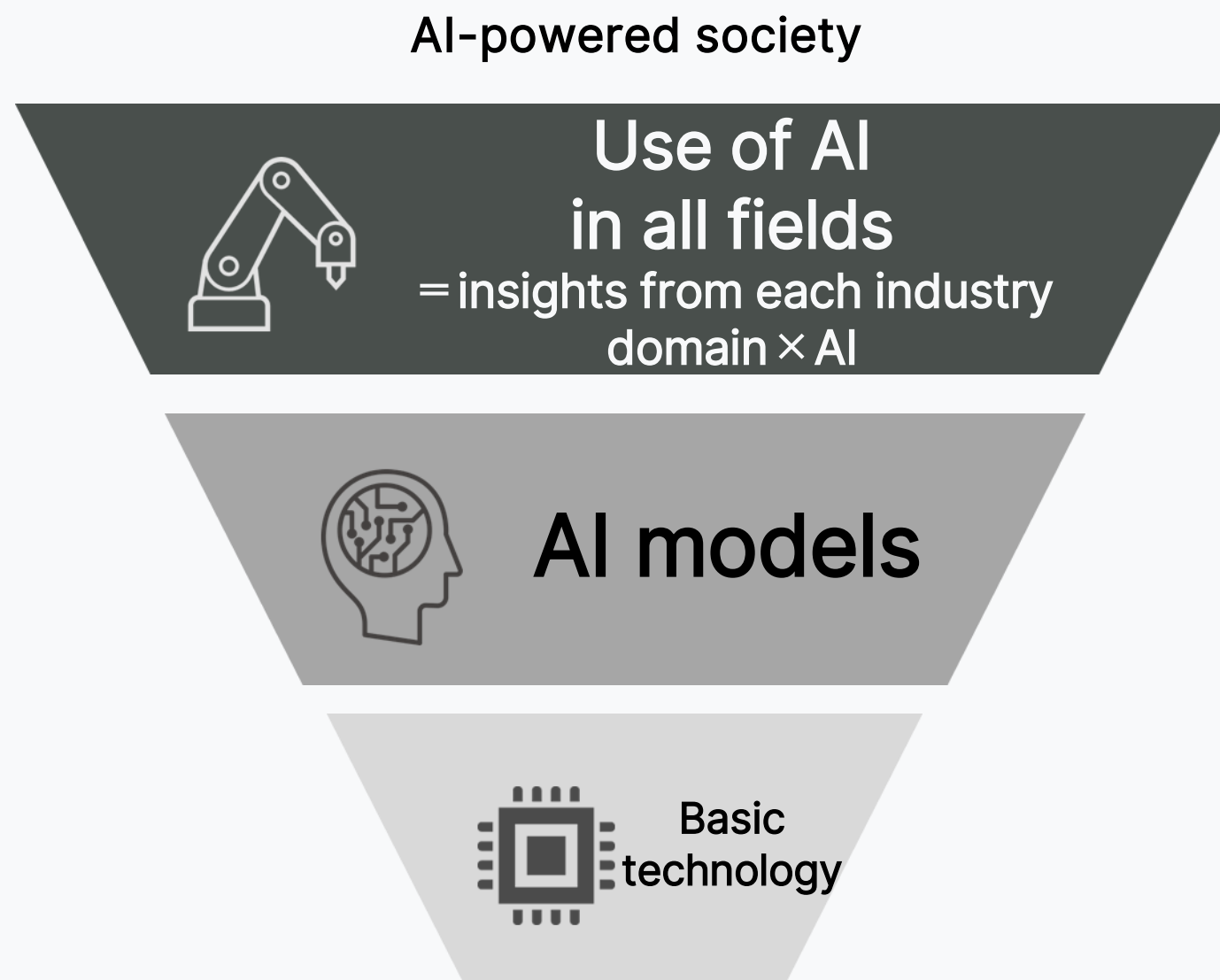
II. Proactive Utilization of AI

1. Formulating a comprehensive strategy

✓ Following the principle of human-centric AI, it is important to proactively utilize AI in a way that harnesses Japan's strengths. <u>Efforts in this early stage of AI's progress are important</u> to allow Japan to actively contribute to the establishment of international rules and approaches.

✓ The government urgently needs to formulate a <u>comprehensive strategy</u> that, rather than exclusively tackling AI, <u>adopts an overview of DX as a whole</u>, including the accumulation and use of data, ensuring trust and transparency by pursuing the concepts of web3, and the appropriate protection of both creators' and users' rights with regard to content.

✓ This must be a big-picture strategy that applies a top-down approach to set out the necessary measures under a centralized "command center," as opposed to superficial strategy created from the bottom up by gathering together the short-term and existing initiatives of individual ministries and agencies.

II. Proactive Utilization of AI

2. Ensuring AI-powered companies and society

AI-powered society

**Use of AI
in all fields**
＝insights from each industry
domain×AI

AI models

**Basic
technology**

✓ It is necessary to actually utilize AI in all socio-economic activities and enable people to gain a real sense of <u>the effects that are commensurate with the costs</u>.

✓ It is important to <u>combine the insights companies have gathered in their domains with AI</u> and thereby prompt innovation in businesses and in turn in society as a whole.

✓ Developments regarding "AI for science" are now suddenly picking up pace. It is necessary to lead the improvement of efficiency and quality by working with related technology.

✓ It is necessary to explore the possibilities not only for fostering the skills to use AI, but also for the smooth movement of labor to growth industries and for equipping people to adapt to shifts in industry structure.

1. AI governance

Overall approach

✓ While the use of AI that affects the nature of human life, human rights, our society, or other fundamental matters needs to be appropriately regulated, other uses of AI should not be excessively restricted.

✓ We need to build on the <u>philosophy of human-centric AI</u> to unleash the infinite potential of AI and apply it effectively to solving social issues and other such tasks.

Efforts by the entire AI ecosystem

✓ It is necessary to clarify the nature of the responsibilities of not only the enterprises that develop AI, but also those enterprises that provide AI services and their users, and <u>the entire AI ecosystem must work to improve governance</u>.

Consistency with other countries

✓ It is necessary to <u>properly ensure consistency with other countries</u> to prevent Japan's efforts from evolving in a different direction from the rest of the world. It is necessary to take heed of the possibility that as each country/region individually explores new rules, there may be cases in which the use of AI is excessively restricted and where rules may lack consistency or transparency.

01
Overall approach

02
Efforts by the entire ecosystem

03
Consistency with other countries
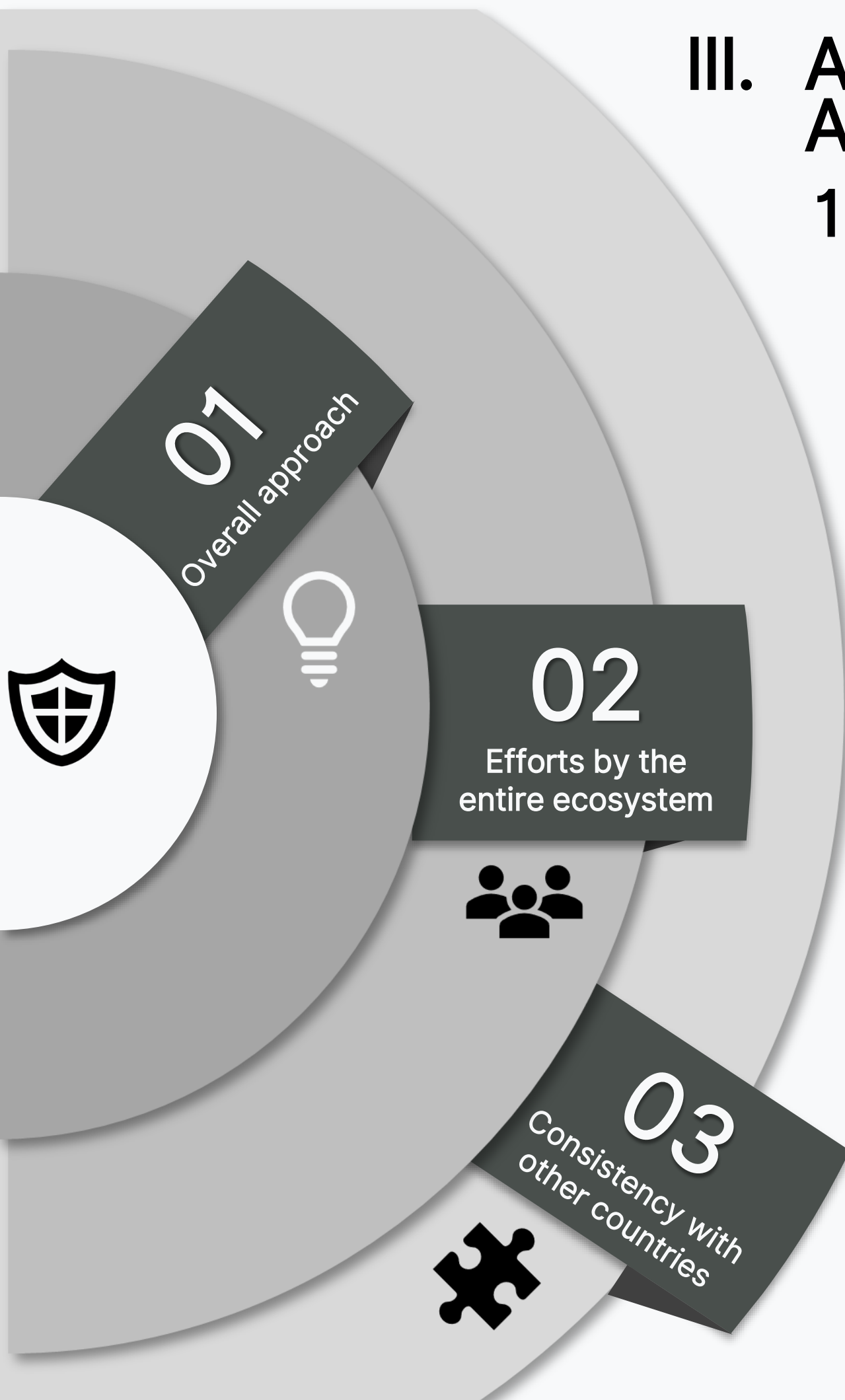
III. Addressing the Risks Accompanying the Use of AI

2. Intellectual property-related challenges

The legal task of improving foreseeability

✓ It is important to not only protect intellectual property rights, but also develop an environment in which AI enterprises and users do not bear the risk of infringing upon rights.

✓ In order to improve foreseeability, we need to work toward clarifying the applicability of the provisions of Article 30-4 of the Copyright Act and providing more related examples and precedents.

Protection/use of intellectual property

The development of an intellectual property ecosystem

✓ It is necessary to create an environment in which data providers, developers, AI service providers, and users can appropriately enjoy their respective interests.

✓ It is necessary to examine, while considering the technological limitations, the development of a system that both minimizes the risks of users becoming the target of criticism and returns the appropriate profits to the rights holder.

III. Addressing the Risks Accompanying the Use of AI

3. Human ability-related challenges

✓ In seeking to achieve an AI-powered society, it is important to foster the ability to use AI proficiently in educational and human resource development settings.

✓ On the other hand, there are also concerns that the use of AI may lead to decline in our thinking skills and weakening of our sensibility.

✓ It is necessary to investigate the <u>impacts that AI can inadvertently have on our day-to-day lives</u>.

✓ We need to explore what it means to <u>"use AI correctly,"</u> rather than "avoiding relying on AI," by making our own judgments regarding the accuracy and authenticity of information it generates, and in turn consider the best form of the comprehensive education and human resources development required to understand and implement such an approach.

✓ In elementary and secondary education, it is crucial to develop an appropriate environment for AI natives, while taking into consideration factors such as children's abilities and literacy, and the settings in which they use AI.

IV. Enhancing Japan's Ability to Develop AI

1. Improving the environment
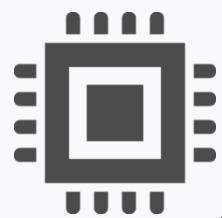
Supporting research and development

✓ The tasks that must be addressed include not only supporting the acquisition of GPUs, but also securing a stable supply chain for relevant key commodities.

✓ It is necessary to provide support for research and development through public funding, including the enhancement of large-scale computing resources, and to train and acquire human resources.

Accumulation of data

✓ In order to bolster Japan's competitiveness, it is important for the public and private sectors to cooperate to accumulate and link data.

✓ The public and private sectors need to cooperate to develop a high-quality database to ensure that Japan's AI can use modes of expression unique to the Japanese language.

IV. Enhancing Japan's Ability to Develop AI

2. AI development that harnesses Japan's strengths

- ✓ We need to push forward with the development of trusted quality AI that Keidanren has been advocating for some time, while focusing attention on intellectual property protection and other areas of governance and keeping next-generation technology in mind.

- ✓ It is necessary to adopt a well-balanced approach to investing resources in not only the development and use of the currently ever more widespread generative AI, but also in the promotion of basic research in AI as a whole and the development of the peripheral technology.

- ✓ In the development of AI that generates images, videos and other such content, we need to develop "AI with earning potential" by fully utilizing Japan's capacity for creating content while coordinating with rulemaking efforts.

- ✓ It is important to lead collaboration with Global South and other countries/regions and international organizations, with a view to ensuring the widespread use of developed AI.

Widespread technology

Peripheral technology

Trusted quality AI

Next-generation technology

Basic research
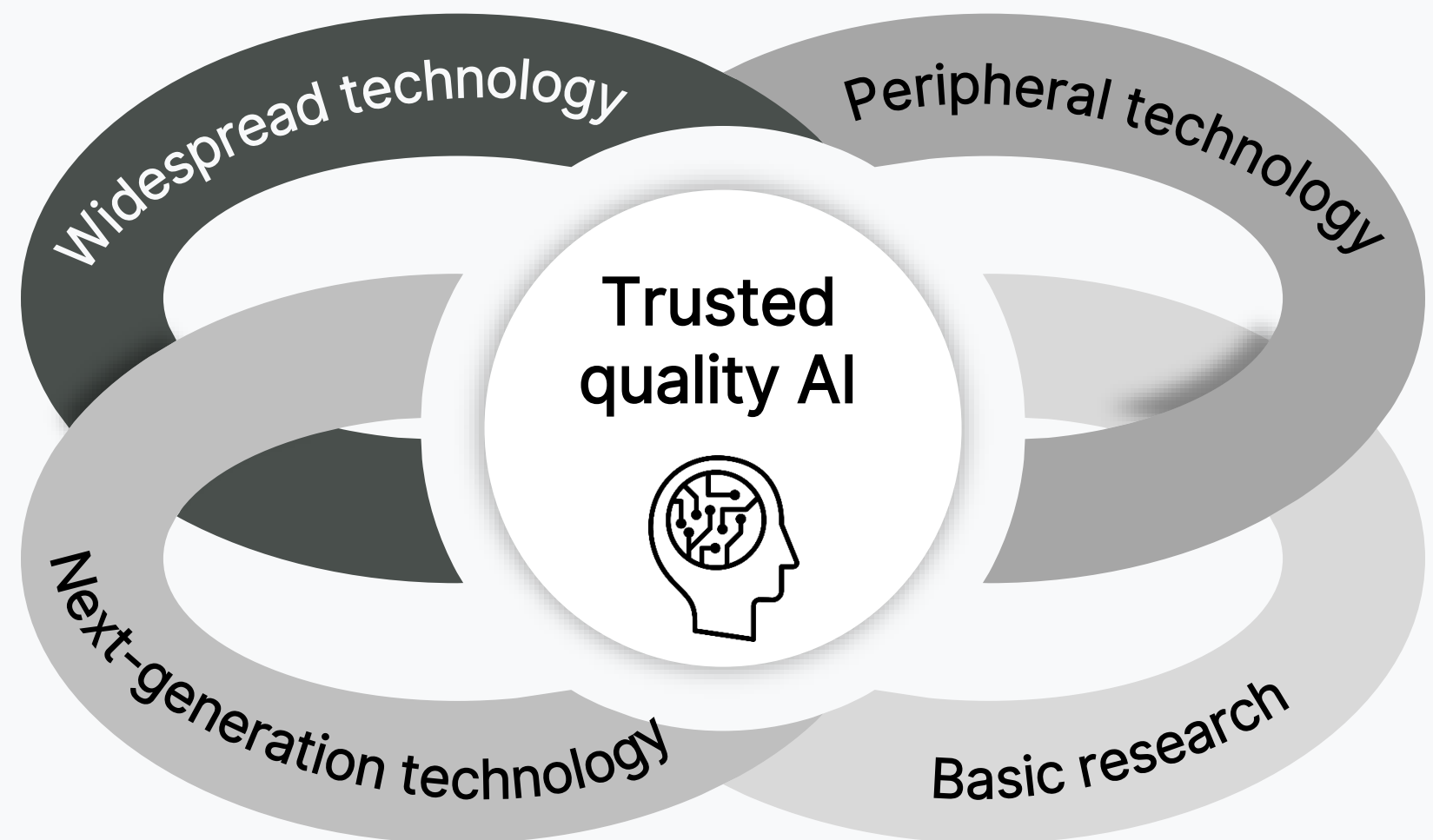
V. Our Approach for the Future

- ✓ With the ever-progressing technological advances in AI, action needs to be taken promptly in an environment that changes drastically. Based on this proposal, Keidanren will continue to actively engage in efforts to facilitate the development and use of AI and address the accompanying risks.
- ✓ We will support companies and society in going beyond AI-readiness and becoming AI-powered by keeping up discussions and communicating our standpoints as and when appropriate.