EU-Japan Digital Partnership

Towards a Robust Alliance for an Uncertain Geopolitical Era

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Abstract

The European Union-Japan Digital Partnership encompasses a broad array of high-tech sectors essential to economic security and cutting-edge innovation. It commits to deeper collaboration in areas such as next-generation networks, Artificial Intelligence (AI), quantum computing, semiconductors, cybersecurity and undersea cables. Yet, challenges remain. Different regulatory approaches create a fragmented landscape, and both the EU and Japan need to prioritise the maintenance of interoperability, with deeper efforts at regulatory alignment. While full harmonisation may be unrealistic, greater convergence in principles and standards would help reduce fragmentation, ease market access and foster innovation and investment, while also embedding shared democratic values into the digital domain. While economic security and industrial competitiveness remain the main drivers of EU-Japan collaboration in the digital domain, both sides also view this competitiveness as inherently linked to shared democratic values. Human-centric and values-based alignment does not replace economic aims but supports them, ensuring that competitiveness is founded on trusted, transparent and rights-respecting principles. Thus, this model sets EU-Japan cooperation apart from authoritarian or solely profit-driven alternatives.

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Contents

Introduction

In May 2022, the European Union (EU) launched its first-ever Digital Partnership with Japan,[1] establishing a bilateral vision for cooperation in cutting-edge technology sectors, including Artificial Intelligence (AI) and quantum technologies. Japan is recognised as a key strategic research and innovation partner for the EU. Bilateral cooperation expanded substantially over the past two decades, anchored by the 2011 Agreement on Cooperation in Science and Technology.[2] This foundation was strengthened by a Joint Vision Statement[3] in 2015 and a Letter of Intent in 2020[4] on Strengthening Cooperation in Science, Technology and Innovation, which outlined shared priorities and mechanisms for addressing global challenges.

The 2022 EU-Japan Digital Partnership, by focusing on strategic technology and digital sectors, explicitly targets the very technologies poised to shape economic security, global challenges and the future balance of geopolitical power. Indeed, this bilateral initiative arose amid escalating geostrategic tensions between the United States (US) and China, highlighting the necessity for the EU and Japan to lower their dependence on a single foreign partner when it comes to strategic Emerging and Disruptive Technologies (EDTs) and critical infrastructure.

In this context, both sides have acknowledged the need for coordinated efforts to implement joint initiatives on innovation, address supply chain vulnerabilities, counter cyber threats and close key EDT gaps. Simultaneously, US-Japan policies strongly influence the EU-Japan agenda. On issues like semiconductor export controls, AI standards, quantum

[1] European Commission, "Digital Partnerships", 2025. See: https://digital-strategy.ec.europa.eu/en/policies/partnerships#:~:text=This%20partnership%20focused%20on%20safety,security%20in%20the%20following%20areas.
[2] European Commission, "Scientific and technological cooperation between the EU and Japan", last updated 12 September 2019. See: https://eur-lex.europa.eu/EN/legal-content/summary/scientific-and-technological-cooperation-between-the-eu-and-japan.html?fromSummary=27.
[3] Ministry of Foreign Affairs of Japan, "U.S.-Japan Joint Vision Statement", 28 April 2015. See: https://www.mofa.go.jp/na/na1/us/page3e_000332.html.
[4] European Commission & Government of Japan, "*Letter of Intent on Strengthening Cooperation in Science, Technology and Innovation between the European Commission and the Cabinet Office of the Government of Japan"*, 26 May 2020. See: https://research-and-innovation.ec.europa.eu/document/download/6dc435b3-62ae-49df-906f-9b827407acbc_en?filename=ec_rtd_loi-eu-jp.pdf.

systems[5] and defence-related technologies, the close alignment between Washington and Tokyo can both strengthen EU-Japan cooperation and, at times, limit its scope. Brussels and Tokyo have also become cautious of an unpredictable US, as recent experiences of unilateralism and concerns over an isolationist shift under the second Trump Administration have encouraged them to pursue greater self-reliance and seek new partnerships. The EU-Japan Digital Partnership, therefore, exists within a triangular context where US priorities shape, complement, but sometimes complicate bilateral initiatives, making it a timely alliance of two liberal democracies combining their strengths to influence the rules of the digital landscape.

> By pursuing routes through the Arctic Ocean, the EU and Japan aim to circumvent choke points like the Suez Canal, enhance redundancy in data routes and reduce latency between Europe and Asia

Yet, while the Digital Partnership sets ambitious goals, more can be done jointly to protect an open, value-driven digital order in the Indo-Pacific and beyond. This ambition must be viewed in the context of the raw power struggle led by the US and countered by China, which dictates the broader limits of regional technology politics. In this context, the EU-Japan partnership enhances credibility by combining shared values with tangible outcomes. Its non-binding nature means success will rely on turning intentions into visible deliverables. Practical investments might involve establishing a joint EU-Japan compute fund for AI research and widening joint cyber crisis exercises. Such initiatives push the partnership beyond high-level discussions and show that values-based cooperation can produce measurable economic, security and societal benefits for citizens and industries alike.

[5] Guedes Ferreira, V., "EU-Japan: Shaping the Future of AI and Quantum Technologies", *EPRS (European Parliament)*, 11 April 2025. See: https://epthinktank.eu/2025/04/11/eu-japan-shaping-the-future-of-ai-and-quantum-technologies/.

To turn plans into reality, the EU and Japan are utilising existing tools and cooperation frameworks. Progress was reflected during the third meeting of the EU-Japan Digital Partnership Council,[6] held in Tokyo on 12 May 2025, providing insight into the growing digital alignment between the two partners. Co-chaired by Henna Virkkunen, the European Commission's Executive Vice-President for Tech Sovereignty, Security and Democracy, alongside Japan's leading digital policymakers, including the Japanese Minister for Digital Transformation, Taira Masaaki, the Japanese State Minister of Internal Affairs and Communications, Adachi Masashi, and the Japanese Parliamentary Vice-Minister of Economy, Trade and Industry, Takeuchi Shinji, the gathering put forward a strategic assessment of the bilateral digital compact.

New commitments were announced to enhance cooperation in pioneering areas, including AI, 5G/6G, and semiconductors, as well as quantum computing and high-performance computing. The agenda also delved deeper, addressing submarine cable infrastructure and Arctic connectivity. The EU and Japan are also advancing negotiations for Japan's association with Horizon Europe,[7] the EU's flagship research and innovation framework. The negotiations concern association with Pillar II of Horizon Europe, which tackles Global Challenges and EU Competitiveness through multinational collaborative projects. If successful, this would be the first time Japan would join the closest form of cooperation in the fields of research and innovation that the EU can propose.

A significant takeaway from recent joint work is their shared commitment to Arctic submarine cables,[8] a previously overlooked frontier of connectivity. By pursuing routes through the Arctic Ocean, the EU and Japan aim to circumvent choke points like the Suez Canal, enhance redundancy in data routes and reduce latency between Europe and Asia. This signifies a shift from market-driven to geopolitically aware critical infrastructure planning, thus aligning economic resilience with national security concerns. Data governance, semiconductors, cybersecurity, digital identity and online platform regulation were also flagged as further pillars of future collaboration. Therefore, against the backdrop of mounting geopolitical

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[6] European Commission, "Joint Statement of the third meeting of the European Union – Japan Digital Partnership Council", 12 May 2025. See: https://digital-strategy.ec.europa.eu/en/library/joint-statement-third-meeting-european-union-japan-digital-partnership-council.

[7] European Commission, "EU and Japan launch formal talks on association to Horizon Europe", 29 November 2024. See: https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/eu-and-japan-launch-formal-talks-association-horizon-europe-2024-11-29_en.

[8] Saunavaara, J.. "Study on the Benefits and Opportunities of Arctic Connectivity: Submarine Cables for Secure, Resilient and Sustainable Global Connectivity", EPRD Office for Economic Policy and Regional Development Ltd., January 2025. See: https://eprd.pl/wp-content/uploads/2025/02/DPA_Final-Report-on-Arctic-Connectivity-Study-.pdf.

tensions, both sides reaffirmed the growing strategic significance of their digital alliance,[9] emphasising its potential to lead the development of global technological governance standards and innovation, fostering a human-centric and value-based approach.

To operationalise this ambition, in 2025, the EU and Japan committed to establishing a Joint Working Group on submarine cable connectivity,[10] including Arctic routes. The group is to convene policymakers, technical experts and industry actors to coordinate on the security, resilience, regulatory coherence and financing of trans-Arctic cable networks. Its mandate includes developing shared approaches to incident detection, standards alignment, administrative streamlining and exploring co-funding or demand aggregation models. The Working Group is expected to report progress at the 2026 Digital Partnership Council,[11] embedding submarine connectivity as a strategic pillar in EU-Japan digital collaboration.

Overall, the EU-Japan digital pact should be read as a much-needed vehicle for human-centric innovation and a rules-based approach to technology governance. For the EU, it advances a broader strategy of digital diplomacy, strengthening ties in a region that is pivotal to global semiconductor production, cybersecurity, quantum computing, connectivity, data flows and the development of cutting-edge AI systems. The Partnership thus operationalises broader strategic objectives set out in the European Commission's latest International Digital Strategy[12] from 5 June 2025, which aims to strengthen existing partnerships and establish new ones, create a network of trusted connectivity agreements across key strategic corridors and ultimately act as a counterbalance to the US and China already possessing significant technological potential and an innovation head start in EDTs.

For Japan, the Partnership promises to diversify strategic relations beyond its traditional focus on the US by enhancing cooperation with European partners who share its democratic values and human-centric ethos, including privacy-by-design, red lines on biometric mass surveillance and collaboration against AI-driven disinformation in elections, among others. Both parties

[9] Digital Agency (Japan), "Third Meeting of the Japan-EU Digital Partnership Council Held", 15 May 2025. See: https://www.digital.go.jp/en/news/9b948ac0-10fb-47d0-aff8-7534d9bb042b.
[10] European Commission, "The EU and Japan launch Competitiveness Alliance at bilateral summit in Tokyo", 24 July 2025. See: https://ec.europa.eu/commission/presscorner/detail/en/ac_25_1908.
[11] CADE Project, "EU and Japan deepen strategic digital, cybersecurity, and AI cooperation at 2025 Summit", 24 July 2025. See: https://cadeproject.org/updates/eu-and-japan-deepen-strategic-digital-cybersecurity-and-ai-cooperation-at-2025-summit/.
[12] European Commission, "Joint Communication on an International Digital Strategy for the EU", 5 June 2025. See: https://digital-strategy.ec.europa.eu/en/library/joint-communication-international-digital-strategy-eu.

view this collaboration as a means to enhance their respective economic security and digital sovereignty, the ability to control their digital destinies, particularly at a time when Chinese state-led authoritarian tech models and US Big Tech dominance pose twin challenges.

In short, the EU-Japan Digital Partnership is not merely about technology as it concerns geopolitics and the conviction that together, both Europe and Japan can better navigate a complex digital landscape fraught with new geopolitical risks, technological challenges, and growing regional rivalries. As the bilateral vision has taken shape, it has also quickly translated into concrete deliverables. This CSDS In-Depth Paper aims to catalogue those early wins, illustrating how the Digital Partnership is not merely declaratory but already shaping supply chains, research agendas and infrastructure projects across the two partners. The In-Depth Paper also concludes with specific policy recommendations to further advance the EU-Japan Digital Partnership.

Chapter One
Achievements to date: from data and chips to undersea cables

In its first year, the EU-Japan Digital Partnership has indeed moved from abstract aspiration to joint action in several frontier technology areas. First, both the EU and Japan took critical steps in laying the foundations for critical technologies. In this regard, a cornerstone has been cooperation on semiconductors, the very silicon backbone of the digital economy. On 4 July 2023, the former EU's Internal Market Commissioner Thierry Breton and Japan's Minister of Economy, Trade and Industry (METI) Nishimura Yasutoshi signed a semiconductor Memorandum of Cooperation (MoC),[13] committing to work together on next-generation chips, including via the established joint mechanisms, as well as in the G7 semiconductors Point of Contact group for instance by tackling risks posed by non-market policies and practices.

Since the 2023 semiconductor Memorandum, the Digital Partnership has moved from a vision to organised cooperation. In January 2024, the EU-Japan Workshop on Semiconductors[14] brought together stakeholders to examine joint R&D in sustainable manufacturing, advanced packaging, heterogeneous integration, and skills development. Building on that, in May 2024, both parties signed an Administrative Arrangement (AA) on a Semiconductor Public Support Transparency Mechanism,[15] aimed at enabling the structured exchange of information about subsidies and public support in the sector. At the 2025 Digital Partnership Council,[16] Brussels and Tokyo reaffirmed their commitments to enhance the implementation of the semiconductor MoC, strengthen supply-chain resilience through joint mechanisms, and coordinate risk mitigation within the G7 semiconductors Point of Contact group. The 2025 Communiqué[17] also emphasises wider

[13] Ministry of Economy, Trade and Industry (Japan) (METI), "METI and the European Commission sign MOC on semiconductors", 4 July 2023. See: https://www.meti.go.jp/press/2023/07/20230704002/20230704002-1.pdf.
[14] AENEAS, "EU - Japan Workshop on Semiconductors", 25 January 2024. See: https://aeneas-office.org/2024/01/18/eu-japan-workshop-on-semiconductors/.
[15] European Commission, "Joint Statement of the third meeting of the European Union - Japan Digital Partnership Council", 12 May 2025. See: https://digital-strategy.ec.europa.eu/en/library/joint-statement-third-meeting-european-union-japan-digital-partnership-council.
[16] Ministry of Economy, Trade and Industry (Japan) (METI), "Third Ministerial Meeting of the Japan-EU Digital Partnership Council Held", 12 May 2025. See: https://www.meti.go.jp/press/2025/05/20250513003/20250513003-1r.pdf.
[17] Ministry of Economy, Trade and Industry (Japan) (METI), "Third Ministerial Meeting of the Japan-EU Digital Partnership Council Held", 12 May 2025. See: https://www.meti.go.jp/press/2025/05/20250513003/20250513003-1r.pdf.

cooperation on submarine cables, digital identity and quantum collaboration. Furthermore, earlier METI statements indicate that beyond semiconductors, both sides have prepared cooperation in digital identities, data interoperability and science calls, for instance, when it comes to 6G. These developments collectively signify a shift from declarative ambition to institutionalised, project-based collaboration, although many elements remain at the exploratory or preparatory stage.

Relatedly, cooperation on digital skills remains a priority, including workforce reskilling and upskilling programmes, STEM exchanges, or incentives for women in tech. At the third Ministerial Meeting of the Digital Partnership Council in May 2025, both sides expressed interest in collaborative research[18] on heterogeneous integration and chiplet modular designs, as well as device and process development beyond the 2-nanometer node, and in finding safe and sustainable alternatives for chemicals such as PFAS in semiconductor manufacturing. These areas are framed as exploratory directions rather than fully established programmes. It comes as no surprise that such steps are aimed at bolstering semiconductor supply chain resilience[19] following recent geopolitical shocks and weaponised interdependencies, especially to ensure that neither is left flat-footed by a sudden global chip shortage or export ban.

In the equally strategic field of quantum technology,[20] the partners have formalised a new phase of enhanced cooperation, with the signing of a Letter of Intent[21] on 13 May 2025 in Tokyo. This agreement, signed by Henna Virkkunen, Executive Vice-President of the European Commission for Tech Sovereignty, Security and Democracy, and Minoru Kiuchi, Japan's Minister of State for Science and Technology Policy, during the third EU-Japan Digital Partnership Council, marks a concrete outcome of enhanced cooperation, launching a jointly funded project called Q-NEKO. This 4-million-euro project brings together 16 European and Japanese institutions to advance hybrid quantum-high-performance computing architectures for applications such as materials science, climate modelling, biomedical research and natural disaster simulations. While emphasising the integration with quantum-

[18] Ministry of Economy, Trade and Industry (Japan) (METI), "Third Ministerial Meeting of the Japan-EU Digital Partnership Council Held", Press Release, 13 May 2025. See: https://www.meti.go.jp/english/press/2025/0513_002.html.
[19] Calcara, A. and Csernatoni, R., "From Ambition to Action in Europe: Chips, the Smaller, the Better", Italian Institute for International Political Studies (ISPI) Research, 6 December 2023. See: https://www.ispionline.it/en/publication/the-comeback-of-industrial-policy-the-next-geopolitical-great-game-145627.
[20] European Commission, "Quantum | Shaping Europe's digital future", 2025. See: https://digital-strategy.ec.europa.eu/en/policies/quantum.
[21] European Commission, "EU and Japan strengthen Research and Innovation cooperation in quantum science and technology", 13 May 2025. See: https://digital-strategy.ec.europa.eu/en/news/eu-and-japan-strengthen-research-and-innovation-cooperation-quantum-science-and-technology.

enhanced machine learning and AI technologies, this multistakeholder alliance on quantum innovation aims to pool expertise and set common standards, recognising that breakthroughs in quantum computing and encryption could upend the global economic and security geopolitical balance of power. Consequently, these achievements illustrate how the Digital Partnership is focusing on high-impact EDTs, from the most advanced chips to the most powerful computers, to maintain a competitive edge in the face of US and Chinese advancements.

Second, securing critical infrastructure and connectivity are paramount strategic objectives to both the EU and Japan. Another early achievement of the Digital Partnership is closer coordination on the physical and network infrastructure that undergirds the Internet. Given that over 90% of intercontinental data traffic[22] flows through undersea fibre-optic cables, the EU and Japan have prioritised the security and diversification of connectivity routes. In 2022, both sides signed an MoC on submarine cables for secure, resilient and sustainable connectivity with the Japanese government, including the exploration of a novel Arctic route to link Europe and Asia. While this ambition was initially linked to the Far North Fibre (FNF) project, the initiative has largely stalled, and focus has shifted to Polar Connect[23] (Pan-Arctic Cable System, PACS), which received EU funding in late 2024 to start mapping and permitting. This was followed, in 2025, by an MoU to push forward with deployment.

By reducing reliance on the vulnerable Suez and Red Sea chokepoints, where cables have been damaged by saboteurs and civil war recently, an Arctic link will provide much-needed redundancy against outages or sabotage. During the third Ministerial Meeting,[24] both sides reaffirmed their commitment to implementing the Memorandum of Cooperation on submarine cables for secure, resilient, and sustainable global connectivity. Both sides confirmed their intention to continue the implementation of the MoC on submarine cables through support actions that could include "awareness raising, financial support (subject to the availability of resources), demand aggregation, and, as appropriate, facilitating relevant administrative processes". To further these efforts, the EU and Japan have also established

[22] Csernatoni, R., "The Geopolitics of Submarine Cables, the Infrastructure of the Digital Age", Italian Institute for International Political Studies (ISPI) *Commentary*, 22 June 2022. See: https://www.ispionline.it/en/publication/geopolitics-submarine-cables-infrastructure-digital-age-35516.
[23] Submarine Networks Co., "Polar Connect / Pan-Arctic Cable System", Polar Connect initiative, date not specified. See: https://www.submarinenetworks.com/en/systems/trans-arctic/polar-connect.
[24] Ministry of Economy, Trade and Industry (Japan) (METI), "Third Ministerial Meeting of the Japan-EU Digital Partnership Council Held", 13 May 2025. See: https://www.meti.go.jp/english/press/2025/0513_002.html.

a Submarine Cable Working Group[25] (European Commission / MIC), responsible for coordinating standards, security measures, and regulatory support for future Arctic and Indo-Pacific connectivity initiatives.

Beyond the oceans and under the sea, the partners are also collaborating on the next generation of wireless networks, namely 5G and beyond 5G/6G. Specifically, in April 2025, a joint research initiative on 6G commenced. The "6G Mirai-Harmony"[26] is funded as part of the EU's Smart Networks and Services (SNS) Joint Undertaking[27] (JU) initiative. The project focuses on Machine Intelligence-Based Radio Access Infrastructure to shape the future of 6G cellular networks. Regarding 5G, recognising the progress in developing open and interoperable network architectures, including but not limited to Open RAN approaches, the EU and Japan have reaffirmed the importance of open and secure networks and the promotion of safe and diverse supply chains. While Open RAN has lost some of its earlier momentum as a policy narrative, the broader goal of reducing vendor lock-in and diversifying suppliers remains central, especially in light of lessons from the 4G era and ongoing restrictions on high-risk Chinese vendors. Since 2020, the EU has also been at the forefront of putting forward a set of robust and comprehensive measures for an EU-coordinated approach to secure 5G networks, publishing the EU 5G Toolbox[28] with risk-mitigating measures. Looking ahead, both sides are not only focusing on coordinated research and standards-setting for 6G but also on integrating non-terrestrial networks (NTNs) with terrestrial infrastructure. This occurs against the background of economic pressures on telecom vendors in both the EU and Japan, which risk limiting investment capacity. Together, the EU and Japan aim to lead in the forthcoming telecom revolution by shaping how "smart" and secure the connected world of 2030 will be

Third, in tandem with critical infrastructural developments, the EU-Japan Digital Partnership has made progress in aligning rules on data and AI governance, as well as digital identities, trusted services, and online platforms. Interoperability in digital governance is a significant objective, particularly in terms of aligning regulations, norms, standards and frameworks that enable global digital exchanges. A major accomplishment

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[25] European Commission, *"Joint Communication to strengthen the security and resilience of submarine cables"*, 21 February 2025. See: https://digital-strategy.ec.europa.eu/en/library/joint-communication-strengthen-security-and-resilience-submarine-cables.

[26] *6G-MIRAI-HARMONY: Machine Intelligence based Radio Access Infrastructure* (project overview, 2025). See: https://6g-mirai-harmony.eu/.

[27] European Smart Networks and Services Joint Undertaking (SNS JU), "Smart Networks and Services Joint Undertaking (SNS JU)", 2025. See: https://smart-networks.europa.eu/.

[28] European Commission, "Cybersecurity of 5G networks - EU Toolbox of risk mitigating measures", 23 January 2020. See: https://digital-strategy.ec.europa.eu/en/library/cybersecurity-5g-networks-eu-toolbox-risk-mitigating-measures.

came with the entry into force of a new EU-Japan data flow agreement in 2024.[29] The newly concluded arrangement represents a significant policy instrument in the shared EU-Japan agenda to accelerate digital transformation across both economies. By embedding robust data-flow disciplines in the EU-Japan Economic Partnership Agreement (EPA),[30] the deal counters emerging trends toward digital protectionism and reinforces rules-based openness in the global digital marketplace. From a sectoral perspective, the agreement is poised to generate tangible efficiency gains for firms operating in financial services, transport and logistics, advanced manufacturing, and cross-border e-commerce. Key provisions, such as the prohibition of unjustified data-localisation mandates and the streamlining of administrative formalities, lower compliance costs and enable companies to manage, store, and transfer data under a transparent and predictable legal framework. In practical terms, enterprises on both sides can deploy cloud solutions, data analytics, and other digital tools without incurring additional storage or certification burdens, thereby improving competitiveness and fostering innovation at scale.

For improved data sharing, during the third Ministerial Meeting,[31] both sides began exchanges towards a possible joint working group. The working group will facilitate practical discussions on improved data sharing, including interoperability between common European data spaces and Japanese data spaces, for example, in the automotive sector, with the involvement of the private sector, such as industry associations. Both sides envision exploring measures that strengthen Data Free Flow with Trust (DFFT) as a means to build more resilient and reliable supply chains, building on Japan's status as the first country to have a reciprocal data adequacy agreement. The parties advanced the operational roll-out of the Memorandum of Cooperation (MoC) on Digital Identities and Trust Services,[32] an initiative designed to operationalise the G20 principle of DFFT. Thus, momentum has shifted from high-level commitments to the development of concrete, sector-specific use cases, signalling measurable implementation progress. To enable cross-border interoperability and mutual recognition of academic credentials via

[29] European Commission, "EU and Japan deal on data flows enters into force", 1 July 2024. See: https://policy.trade.ec.europa.eu/news/eu-japan-deal-data-flows-enters-force-2024-07-01_en.
[30] European Commission, "EU-Japan Economic Partnership Agreement", 1 February 2019. See: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/japan/eu-japan-agreement_en.
[31] Ministry of Economy, Trade and Industry (Japan) (METI), "Third Ministerial Meeting of the Japan-EU Digital Partnership Council Held", 13 May 2025. See: https://www.meti.go.jp/english/press/2025/0513_002.html#:~:text=.
[32] European Commission, *"Memorandum of Cooperation on Digital Identities and Trust Services to implement 'Data Free Flow with Trust' between the European Commission on behalf of the European Union and the Digital Agency of Japan"*, 30 April 2024. See: https://digital-strategy.ec.europa.eu/en/library/eu-japan-memorandum-cooperation-digital-identities-and-trust-services-implement-data-free-flow.

trusted digital identity frameworks, both sides endorsed the preparation of a detailed scoping document. This paper will define technical parameters, governance requirements, and evaluation metrics for a pilot project intended to test feasibility and generate evidence for subsequent policy harmonisation.

> The EU and Japan aim to lead in the forthcoming telecom revolution by shaping how "smart" and secure the connected world of 2030 will be

Other areas are equally important in terms of aligning rules and standards. As discussed during the third Ministerial meeting,[33] regarding online platforms, the EU and Japan reaffirmed a shared policy objective, namely cultivating an online ecosystem that safeguards users' fundamental rights while supporting innovation. To operationalise this objective, regulators engaged in structured dialogues on platform governance best practices, primarily between Japan's Ministry of Internal Affairs and Communications (MIC) and the European Commission's Directorate-General for Communications Networks, Content and Technology (DG CONNECT). These exchanges are intended to harmonise oversight approaches on issues such as content moderation standards, algorithmic accountability, and transparency obligations. On the competition front, bilateral cooperation focuses on maintaining contestability in digital markets, especially those dominated by platform gatekeepers. In this regard, technical discussions centred on Japan's Act on Promotion of Competition for Specified Smartphone Software[34] and the EU's ex ante Digital Markets Act[35] (DMA),

[33] Digital Agency (Japan), "Third Meeting of the Japan-EU Digital Partnership Council Held", 15 May 2025. See: https://www.digital.go.jp/en/news/9b948ac0-10fb-47d0-aff8-7534d9bb042b.
[34] Japan Fair Trade Commission, "*Outline of the Act on Promotion of Competition for Specified Smartphone Software*", 12 June 2024. See: https://www.jftc.go.jp/file/240612EN3.pdf.
[35] European Commission, "Digital Markets Act (DMA)", 2022. See: https://digital-markets-act.ec.europa.eu/index_en.

enabling mutual learning on remedies such as interoperability mandates, anti-self-preferencing rules, and fair access requirements for app stores.

Concerning regulatory alignment on AI systems, Brussels and Tokyo have steadily aligned their strategic narratives on "trustworthy AI", coupling pro-innovation objectives with safeguards on safety, ethics, and privacy. Following Japan's endorsement of the EU-initiated Hiroshima AI Process[36] at the 2023 G7 summit, regulators have launched structured dialogues to compare risk-based management frameworks, transparency requirements, and algorithmic accountability tools. Work is already underway on a formal Administrative Arrangement[37] that would establish data-sharing protocols, joint standard-setting venues, and crisis-response channels, thereby giving democratic actors a stronger voice in shaping global norms before alternative, state-centric models become entrenched. Officials stress that the Arrangement will also serve as a conduit for disseminating Hiroshima Process deliverables beyond the G7, linking them to broader multilateral efforts on AI governance.

The EU reached a landmark in August 2024 when the AI Act[38] entered into force, establishing a tiered, risk-based system that bans certain applications, such as social scoring and surveillance, subjects "high-risk" systems to ex ante conformity assessments, and imposes targeted duties on general-purpose models. Full compliance becomes mandatory between 2025 and 2027, with an EU AI Office[39] coordinating cross-border enforcement. Japan, by contrast, adopted the "Act on the Promotion of Research and Development of Artificial Intelligence Technology and its Utilisation", commonly referred to as the "AI Promotion Bill",[40] in May 2025. The statute emphasises voluntary guidelines, industry-led risk mitigation plans, and regulatory sandboxes to accelerate deployment while guarding against misuse. Both regimes converge on transparency, data quality standards, and redress mechanisms, yet diverge in regulatory philosophy: the EU relies on binding obligations[41] backed by market access penalties, whereas Japan

[36] European Commission, "G7 Leaders' Statement on the Hiroshima AI Process", 30 October 2023. See: https://digital-strategy.ec.europa.eu/en/library/g7-leaders-statement-hiroshima-ai-process.
[37] Ministry of Economy, Trade and Industry (Japan) (METI), "Third Ministerial Meeting of the Japan-EU Digital Partnership Council Held", 13 May 2025. See: https://www.meti.go.jp/english/press/2025/0513_002.html.
[38] European Commission, "Regulatory framework on artificial intelligence (AI Act)", 2025. See: https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai.
[39] European Commission, "European AI Office", 2025. See: https://digital-strategy.ec.europa.eu/en/policies/ai-office.
[40] Cabinet Office (Japan), "Outline of the Act on the Promotion of Research, Development and Utilisation of Artificial Intelligence-Related Technologies (AI Promotion Act)", 28 May 2025. See: https://www8.cao.go.jp/cstp/ai/ai_hou_gaiyou_en.pdf.
[41] Csernatoni, R., "The EU's AI Power Play: Between Deregulation and Innovation", Carnegie Europe, 20 May 2025. See: https://carnegieendowment.org/research/2025/05/the-eus-ai-power-play-between-deregulation-and-innovation?lang=en.

prioritises innovation incentives and agile oversight. Regarding convergence, complementarity would enable both partners to pilot interoperable trust labels and audit protocols, leveraging the EU's compliance infrastructure and Japan's sandbox experiments, to shape an open, rule-based AI ecosystem on a global scale.

Fourth, building cyber resilience together is another achievement under the Digital Partnership. With state-sponsored cyberattacks and ransomware on the rise, cybersecurity[42] has naturally emerged as a core focus for EU-Japan collaboration. The two partners now hold regular EU-Japan Cyber Dialogues[43] to share threat intelligence and best practices. They have begun aligning their cybersecurity standards and regulations, the third Ministerial meeting welcoming expert cooperation and standard development activities for between the EU's Cyber Resilience Act[44] and Japan's IoT labelling scheme JC-STAR[45] to facilitate the implementation of product security on Japanese and EU markets and acknowledged that to address the cybersecurity of Internet of Things products in its entirety, both technical and non-technical nature of cyber threats should be taken into account. Perhaps most importantly, Brussels and Tokyo are discussing joint cyber crisis exercises to bolster preparedness.[46] These exercises would enable Japanese and European agencies to practice responding in unison to cyberattacks on critical infrastructure. Given concerns about Russian and Chinese hackers targeting power grids or undersea cables, such exercises can greatly enhance resilience. They also build trust: a cyber hotline between the EU and Japan, for instance, could enable real-time information sharing and coordinated response during an incident. Beyond defensive measures, this cooperation extends to shaping norms against cyber aggression. Japan has endorsed the EU's push for applying international law to cyberspace and has been mooted as a potential partner in the EU's Cyber Diplomacy Toolbox,[47] a framework for joint sanctions on malign cyber actors.

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[42] Ministry of Economy, Trade and Industry (Japan) (METI), "Third Ministerial Meeting of the Japan-EU Digital Partnership Council Held", 13 May 2025. See: https://www.meti.go.jp/english/press/2025/0513_002.html.
[43] European External Action Service, "EU and Japan hold 6th Cyber Dialogue in Tokyo", 11 November 2024. See: https://www.eeas.europa.eu/eeas/cyber-eu-and-japan-hold-6th-cyber-dialogue-tokyo_en.
[44] European Commission, "Cyber Resilience Act", 2025. See: https://digital-strategy.ec.europa.eu/en/policies/cyber-resilience-act.
[45] Ministry of Economy, Trade and Industry (Japan) (METI), "Launch of IoT Product Security Labelling Scheme (JC-STAR)", 25 March 2025. See: https://www.meti.go.jp/english/press/2025/0325_006.html.
[46] Japan Business Council in Europe (JBCE), "Cybersecurity for our security and democracy: EU-Japan Digital Partnership Stakeholders Consultation Roundtable", 5 March 2025. See: https://www.eu-japan.eu/sites/default/files/brt/otherevents/20250305_DPAstakeholderevent/2025DPA_JBCE%20Cyber%20b.pdf#:~:text=%E2%80%A2%20Cooperative%20approach%20on%20ensuring,Japan%20association%20with%20Horizon%20Europe.
[47] "EU Cyber Diplomacy Toolbox" 2025. See: https://www.cyber-diplomacy-toolbox.com/.

Since 2023, the EU-Japan cyber cooperation has included specific training and capacity-building initiatives. For instance, the JP-US-EU Industrial Control Systems Cybersecurity Week[48] takes place in Tokyo annually; in November 2024, 38 government and industry practitioners from the Indo-Pacific region participated in practical ICS exercises and workshops organised by METI, IPA/ICSCoE, the US, and the EU. The International Cybersecurity Challenge[49] (ICC), co-hosted by ENISA, is a global capture-the-flag competition; the 2025 edition will be held in Chiba, Japan, with extensive participation from Europe and Asia. Moreover, the ASEAN-Japan Cybersecurity Capacity Building Centre[50] (AJCCBC) has been operating since 2023 in its Phase 2 to enhance cybersecurity skills across ASEAN nations through forensics, malware analysis and cyber defence exercises.

Yet, every advancement in all of these four dimensions equally exposes new fault lines. More specifically, from implementation gaps and evolving technological advancements to geopolitical shifts, such obstacles threaten to stall progress unless both partners remain agile and fully committed to the Digital Partnership. The following section, therefore, shifts from achievements to problem diagnosis, identifying some of the obstacles still confronting the EU-Japan tech alliance.

[48] Ministry of Economy, Trade and Industry (Japan) (METI), "JP-US-EU Industrial Control Systems Cybersecurity Week for the Indo-Pacific Region Held", 15 November 2024. See: https://www.meti.go.jp/english/press/2024/1115_001.html.
[49] "International Cybersecurity Challenge (ICC)", 2025. See: https://icc.ecsc.eu/.
[50] Japan International Cooperation Agency (JICA), "ASEAN-Japan Cybersecurity Capacity Building Centre (AJCCBC)", 2023-2027. See: https://cybilportal.org/projects/asean-japan-cybersecurity-capacity-building-centre/.

Chapter Two
Challenges ahead in a fractured geo-tech landscape

Despite this solid start, the EU-Japan Digital Partnership faces significant headwinds and hurdles on the road from high-level ministerial political declarations to enduring impact. A first challenge is bridging the implementation gap between ambition and action. Many joint initiatives, such as expert working groups, pilot projects and forums, have been extremely helpful but remain *ad hoc*. The partnership lacks binding obligations and dedicated funding streams, which raises questions about sustaining momentum. Yet, this flexibility can also be regarded as a strength rather than a weakness. The non-binding structure allows Brussels and Tokyo to experiment with pilot projects, rapidly adjust priorities, and avoid political deadlock that binding treaties might cause. It creates space for bottom-up involvement by industry and academia, where rigid commitments could hinder participation. However, the lack of financial instruments or enforcement mechanisms also risks reducing impact, meaning that maintaining a balance between agility and stability remains a key challenge in the partnership. To truly move the needle on semiconductors, AI, or quantum will require massive, long-term investments and coordination. For example, developing cutting-edge 2nm chip fabs or quantum-secure networks is a billion-euro (or yen) game.

In short, the non-binding nature of the partnership is a double-edged sword: it provides flexibility but also poses risks to long-term commitments. Both partners will need to bolster their efforts with consistent resourcing, for instance, in leveraging tools like Horizon Europe[51] to co-finance R&D, so that flagship projects, such as those on semiconductors, quantum, or AI, deliver tangible outcomes and do not fizzle out after initial fanfare.

A second challenge arises from the rapid evolution of technology and threats, which demand agility from two bureaucracies not always known for their speed. Cyber threats in particular are constantly morphing, from state-

[51] European Commission, "EU and Japan launch formal talks on association to Horizon Europe", 29 November 2024. See: https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/eu-and-japan-launch-formal-talks-association-horizon-europe-2024-11-29_en#:~:text=EU%20and%20Japan%20launch%20formal,on%20association%20to%20Horizon%20Europe.

backed hacking campaigns to AI-powered disinformation,[52] requiring adaptive, real-time responses. Europe and Japan must ensure their cooperation mechanisms can keep pace. That means institutionalising faster information sharing, jointly monitoring emerging threats, for instance, what happens when quantum computers eventually break current encryption, and updating the partnership's priorities as new risks emerge. It also means building deeper trust, namely sharing sensitive cyber intel or coordinating supply chain safeguards, necessitates confidence that neither side will free-ride or leak information.

> The partnership lacks binding obligations and dedicated funding streams, which raises questions about sustaining momentum

Furthermore, technological standards competition is heating up globally. China is aggressively lobbying international bodies to adopt its norms, from facial recognition standards to new internet protocols, while US tech giants often set de facto standards via market dominance, including in the case of European standards-setting bodies like CEN and CENELEC.[53] The EU and Japan, with their emphasis on privacy and security, will need to work closely together to ensure their preferred standards gain traction. Aligning their regulatory approaches is part of this. Yet, there are differences: Brussels tends to favour more prescriptive regulation, as seen in the sweeping EU AI Act currently under implementation, whereas Tokyo has historically been more industry-driven, relying on voluntary compliance and cautious about over-regulating nascent technology. Balancing these approaches to present a unified front on issues such as AI governance or data privacy will be an ongoing challenge.

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[52] Csernatoni, R., "Can Democracy Survive the Disruptive Power of AI?", 18 December 2024. See: https://carnegieendowment.org/research/2024/12/can-democracy-survive-the-disruptive-power-of-ai?lang=en.

[53] Kroet, C., "Big tech too influential over AI standards, warns report", *Euronews Next*, 9 January 2025. See: https://www.euronews.com/next/2025/01/09/big-tech-too-influential-over-ai-standards-warns-report.

Third, while the Partnership aims to boost both sides' digital competitiveness, Europe and Japan still face structural challenges. The EU, despite notable progress under the Chips Act,[54] which aims to mobilise €43 billion[55] in policy-driven investment for the EU's semiconductor sector by 2030, continues to trail in leading-edge capabilities. Advanced node fabs remain concentrated in Asia, but it is worth noting that the US itself does not currently operate factories at the most advanced nodes either. Japan, for its part, retains world-class strengths in materials and specialised chips but has seen its broader consumer electronics sector decline. Both partners remain behind American and Chinese firms in scale-intensive domains such as cloud computing and AI platforms. The Digital Partnership is therefore less about replicating Silicon Valley or Taiwan's model than about building resilient, diversified ecosystems that leverage complementary strengths while addressing critical dependencies.

This asymmetry could test the partnership: will joint projects truly synergise strengths, or will they be held back by the sum of two well-established but presently outpaced tech ecosystems? One example is semiconductors: Japan brings world-class expertise in materials and speciality chips, and the EU brings research prowess, through institutions like Belgium's IMEC, the Netherlands' ASML, and new investments via its Chips Act,[56] yet even combined, they must overcome a huge gap to the TSMCs and Samsungs of the world. However, advanced node leadership is not the only benchmark. Europe, which has lacked such fabs for decades, still prospers through ASML, IMEC, and strong SME ecosystems, while Japan leads in materials and specialised chips. Competitiveness can rely on niche strengths and supply-chain indispensability, not solely on matching TSMC or Samsung. There is also the question of coordinating industrial policy. Both partners are subsidising their tech sectors, Japan's state-backed Rapidus consortium[57] for advanced chips, and Europe's various digital recovery funds. Both parties will need to maintain transparency and share plans, precisely the reason transparency of subsidies was written into their 2023 MoC on chips. Healthy competition can spur innovation, but a lack of coordination could see wasteful duplication or even a race to lure each other's companies with incentives.

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[54] European Commission, "European Chips Act - strengthening Europe's semiconductor ecosystem", 21 September 2023. See: https://www.european-chips-act.com/.
[55] van Wieringen, K., "Global Semiconductor Trends and the Future of EU Chip Capabilities", European Parliamentary Research Service (EPRS), 2022. See: https://www.espas.eu/files/Global-Semiconductor-Trends-and-the-Future-of-EU-Chip-Capabilities-2022.pdf.
[56] European Commission, "European Chips Act – strengthening Europe's semiconductor ecosystem", 21 September 2023. See: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-chips-act_en.
[57] Rapidus Corporation, "About Rapidus Corporation", 2025. See: https://www.rapidus.inc/en/.

Fourth, looming in the background is the complex geopolitical balancing act that both the EU and Japan must perform. While they deepen ties with each other, neither can escape the shadow of the US or the challenge posed by China. Japan remains a treaty ally of the US, relying on Washington for its security guarantee, and it is working closely with the US on many tech issues, from jointly curbing chip exports to China[58] to co-development of defence technologies. The EU, too, values its transatlantic bond and coordinates with the US. If Washington's approach aligns, the EU-Japan partnership will be complementary, but if it diverges, Brussels and Tokyo might feel pressure to pick sides or water down their bilateral projects. Indeed, the spectre of a more isolationist America is one motivator for this partnership in the first place: Europeans and Japanese alike have been forced to look for other partners by a feeling of an increasingly unpredictable US. Yet, managing a three-way relationship, namely leveraging US support, when possible, but also standing up for their own joint interests, will require deft diplomacy.

China, on the other hand, is both a rival and a trade partner. Both the EU and Japan depend on China's market and manufacturing might. Yet, both are wary of Beijing's techno-authoritarian ambitions and coercive tactics, whether manifested in economic coercion or cyber espionage. Hence, striking the right tone is tricky. The Digital Partnership could be construed as an implicit response to China, offering a democratic alternative in areas such as 5G and data governance. Still, it cannot be seen as a purely anti-China bloc lest it provoke Beijing or scare off other countries that might join cooperative projects. Walking this geopolitical tightrope, pursuing joint digital sovereignty in critical technological domains like AI,[59] without sliding into bloc confrontation, will be a continuing challenge as great-power tensions mount. The following recommendations section distils some lessons learned and offers a pragmatic roadmap, regulatory, financial and diplomatic, for converting political intent into enduring impact.

[58] European Council on Foreign Relations, "The EU and Japan: Strategic Partners in the Indo-Pacific", 4 April 2022. See: https://ecfr.eu/madrid/article/the-eu-and-japan-strategic-partners-in-the-indo-pacific/.
[59] Csernatoni, R., "Charting the Geopolitics and European Governance of Artificial Intelligence", 6 March 2024. See: https://carnegieendowment.org/research/2024/03/charting-the-geopolitics-and-european-governance-of-artificial-intelligence?lang=en.

Chapter Three
Policy recommendations: from vision to long-term impact

To ensure the EU-Japan Digital Partnership fulfils its promise, both sides should now redouble their efforts on implementation and deepen their cooperation. The following steps are recommended to translate the partnership's strategic vision into even more concrete outcomes:

1) **Advance regulatory alignment on data and AI.** To move the needle of implementation, the EU and Japan should establish a structured regulatory dialogue that sets joint milestones on data adequacy and AI governance. This could include piloting mutual recognition of compliance mechanisms between GDPR and Japan's "Data Free Flow with Trust"[60] model, launching an EU-Japan AI sandbox that allows firms to test applications under both regimes, and creating a standing expert group to coordinate on transparency, risk classification, and redress standards. Such actions would reduce compliance burdens, foster innovation, and ensure that democratic standards shape global digital norms.

2) **Semiconductor resilience must be further enforced.** While Brussels and Tokyo pledge joint funding for 6G, quantum computing and chip R&D, neither controls key lithography equipment or critical minerals. Building on existing work, such as coordinated risk mapping, export controls and stockpile strategies, is required to shield manufacturing ecosystems from geopolitical shocks and further avoid dependence on third-country suppliers amid volatile cycles. Chips cannot be decoupled from gallium, germanium, and rare-earth magnets. And as Brussels and Tokyo both unveiled critical minerals strategies, both partners should explore joint coordination on stockpiles, recycling R&D, and coordinated outbound-investment screening as complements to the semiconductor MoC.

3) **Enhanced coordination is needed to secure critical digital infrastructure.** Plans to expand trusted 5G/6G networks enhance connectivity but also enlarge the attack surface. Developing cybersecurity certification, vendor screening and rapid threat-intelligence frameworks is critical to safeguard data arteries against sabotage, espionage and extreme-weather disruptions along Arctic

[60] Digital Agency (Japan), "Data Free Flow with Trust (DFFT)", 16 October 2024. See: https://www.digital.go.jp/en/policies/dfft.

and Asia-Pacific supply corridors. Although the Arctic ice-cap provides some natural protection, climate change-related factors such as shifting icebergs, seabed movement, and more severe storms still threaten submarine cable routes and landing stations, making resilience planning crucial. It is equally important to note that Arctic cables, data centres, fabs and HPC clusters have heavy carbon and water footprints that both partners have pledged to curb; hence, green semiconductor manufacturing, renewable-powered data centres, and a shared Net-Zero Digital Infrastructure roadmap *should also be a priority.*

4) **The EU and Japan must deepen cybersecurity cooperation.** This would require expanding the existing permanent channels for real-time cyber threat intelligence sharing between EU and Japanese agencies, so that information on malware, breaches or hybrid attacks can be exchanged instantly. One way forward is to conduct regular joint cybersecurity exercises that simulate attacks on critical infrastructure, such as energy grids, financial systems, and undersea cables, in order to improve collective response capabilities. These drills will build trust and preparedness, enabling a coordinated response in the event of a serious incident.

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> A joint compute fund would pool EU and Japanese resources to offer shared access to high-performance computing, cloud infrastructure and quality datasets for academic and industrial researchers

5) **Priority should be given to accelerating joint research and development in EDTs.** The focus should be on a few high-impact, next-generation projects that leverage each side's strengths in priority areas, such as advanced semiconductors, AI, and quantum. For example, a programme could be established to co-fund R&D in post-silicon technologies, including quantum semiconductors or new materials. Similarly, both sides should expand collaboration on AI research, for instance, via a joint compute fund for AI that enables researchers from both regions to access cutting-edge computing resources and datasets. For instance, a joint compute fund would pool EU and Japanese resources to offer shared access to high-performance computing, cloud infrastructure and quality datasets for academic and industrial researchers. Such a mechanism could involve competitive calls where joint teams receive compute credits or subsidised access to national supercomputers and trusted cloud platforms. This would lower barriers for SMEs and universities, enable cross-border projects in areas like climate modelling or health AI, and reduce dependence on US hyperscalers.

6) **Emphasis should be placed on inclusive, multistakeholder engagement, particularly with the private sector, academia, and civil society, to broaden cooperation.** Governments alone cannot achieve the partnership's ambitious goals. Industry, academia, and civil society must also be on board. Both parties should further clarify how the Partnership will help not only large corporations but also EU and Japanese SMEs adopt cloud and AI technologies, and how it will narrow rural connectivity gaps. The EU and Japan should facilitate public-private partnerships that connect their vibrant tech ecosystems. This could take the form of an annual EU-Japan Digital Innovation Forum, which brings together startups, researchers, and investors to collaborate on topics such as smart cities or fintech. Such networks will fuel bottom-up innovation and commercial ties to complement the top-down political framework.

Conclusions

The EU-Japan Digital Partnership has quickly become a flagship tech alliance for a new era of techno-geopolitics, one where power and principles in the digital sphere are contested. It marries the EU's normative approach and research capabilities with Japan's technological strengths and Indo-Pacific presence, creating a bridge between two corners of the democratic world. Yet, the Partnership's true test will be moving from policy to more action, delivering flagship projects that reinforce both sides' economic security and digital resilience while navigating a geostrategically disputed global landscape. The principal challenges facing the EU-Japan Digital Partnership include gaps in implementation, geopolitical complexities, regulatory divergence and resource limitations.

Such gaps in implementation are evident in the slow conversion of memoranda into tangible pilots, limited dedicated funding mechanisms, and uneven progress in joint semiconductor and AI initiatives. Regulatory divergence is particularly notable in data governance and AI: while the EU's AI Act imposes binding obligations and risk-based prohibitions, Japan's framework under the AI Promotion Act is more focused on guidance, promotion, and voluntary compliance. These differences make mutual recognition of standards more complicated and may introduce uncertainty for firms operating in both jurisdictions, potentially hindering the adoption of cross-border cooperation.

The early achievements, from joint quantum initiatives to Arctic cable projects, demonstrate promise and a shared strategic resolve. But to fully realise its potential, this partnership must maintain momentum and adapt to uncertainties. It will require sustained high-level commitment, measurable results, and an openness to expanding collaboration in a spirit of strategic solidarity. If Brussels and Tokyo succeed, they will not only help secure their own digital futures but also set a global benchmark for cooperation in technology between democracies.

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EU-Japan Digital Partnership: Towards a Robust Alliance for an Uncertain Geopolitical Era

The European Union-Japan Digital Partnership encompasses a broad array of high-tech sectors essential to economic security and cutting-edge innovation. It commits to deeper collaboration in areas such as next-generation networks, Artificial Intelligence (AI), quantum computing, semiconductors, cybersecurity and undersea cables. Yet, challenges remain. Different regulatory approaches create a fragmented landscape, and both the EU and Japan need to prioritise the maintenance of interoperability, with deeper efforts at regulatory alignment. While full harmonisation may be unrealistic, greater convergence in principles and standards would help reduce fragmentation, ease market access and foster innovation and investment, while also embedding shared democratic values into the digital domain. While economic security and industrial competitiveness remain the main drivers of EU-Japan collaboration in the digital domain, both sides also view this competitiveness as inherently linked to shared democratic values. Human-centric and values-based alignment does not replace economic aims but supports them, ensuring that competitiveness is founded on trusted, transparent and rights-respecting principles. Thus, this model sets EU-Japan cooperation apart from authoritarian or solely profit-driven alternatives.