

Report Regarding Generative AI Version. 2.0

April 16, 2026

Japan Fair Trade Commission

1. Background of the Market Study

Against the backdrop of recent rapid technological progress and rising social interest, generative AI is permeating various sectors of society. The utilization of generative AI is promoting operational efficiency and facilitating the creation of new services and business models, thereby exerting a significant impact on both the economy and society. Furthermore, as the performance of generative AI models improves, the scope of content that can be generated has expanded, and it is becoming an essential foundation for creative activities and information dissemination. Moreover, research into robotics and autonomous driving technologies that apply generative AI is progressing, leading to ongoing transformations in industrial structures and lifestyles. In this manner, new innovations driven by generative AI are being facilitated across a wide range of fields.

On the other hand, various risks have been pointed out with regard to generative AI, including concerns over the infringement of intellectual property rights including copyright, as well as the risk of disrupting society through the proliferation of false or misleading information. Some of these risks are pointed out as risks from a competition policy perspective. The Japan Fair Trade Commission (JFTC) has been conducting a market study to understand the actual conditions of the generative AI markets from the viewpoint of maintaining a fair and free competition environment in Japan's generative AI markets, ensuring the sustainable development of the technology to generate further innovation, and integrating generative AI in a sound manner for the economy and society at large.

In light of the current state of flux in generative AI markets, the JFTC has proceeded with this market study in a more rapid and flexible manner than previous studies. Specifically, in October 2024, the JFTC published a discussion paper titled "Generative AI and Competition"¹ to solicit information and opinions widely from parties concerned. This paper outlines the market structure of generative AI sectors and presents key issues from the perspectives of the Antimonopoly Act and competition policy. Concurrently, the JFTC conducted hearings with various stakeholders including domestic and foreign enterprises. The JFTC analyzed the trends in the information and opinions collected through the request for comments, hearings, etc., carefully selected major themes, and compiled the "Report Regarding Generative AI ver.1.0"² (hereinafter referred to as the "last report") in a more targeted form than the previous reports.

¹ <https://www.jftc.go.jp/en/pressreleases/yearly-2024/October/1002.html>

² <https://www.jftc.go.jp/en/pressreleases/yearly-2025/June/250606.html>

2. Publication of the Report Regarding Generative AI ver. 2.0

The JFTC has continued its market study on the actual conditions of the generative AI market even after the publication of the last report. The JFTC has collected a wide range of information and opinions, including the most recent developments, by establishing a new information submission form concerning generative AI on its website and conducting hearings with approximately 30 stakeholders, including domestic and foreign enterprises, experts, relevant ministries and agencies, and overseas authorities.

Based on the information and other materials collected, this report updates (i) the overview of the generative AI market, adds (ii) an overview of the autonomous driving market, and reorganizes (iii) issues under the Antimonopoly Act, thereby compiling the "Report Regarding Generative AI ver. 2.0". This report consolidates the contents of the discussion paper and the last report and re-examines the current actual conditions of the generative AI market, including points that were not fully captured in the last report.

3. Results of the Market Study

See main body of report, Appendix and Summary.

* Please visit our Japanese website for the Appendix.

https://www.jftc.go.jp/houdou/pressrelease/2026/apr/260416_generativeai.html

* English translation of the Appendix will be posted at later date.

4. Future Initiatives

- 1 For actions identified in this report as problematic under the Antimonopoly Act , as well as any not explicitly mentioned, the JFTC will continue to address specific cases with rigor and precision.
- 2 In the generative AI markets, the JFTC will aim to ensure a fair competitive environment by actively coordinating and collaborating with relevant government agencies to address any concerns that arise.
- 3 The JFTC will maintain active exchanges with competition authorities in various countries and regions, utilizing platforms like the International Competition Network (ICN) and the Organization for Economic Cooperation and Development (OECD) to strengthen collaboration and improve competitive environments.
- 4 As the environment surrounding the generative AI market is subject to potential significant changes moving forward, we will continue to appropriately monitor market trends.