

The Door Opened by the Statistical Exception: Does the Amended Privacy Act Pave the Way for Palantir?

— Who Will Use This Door: The National Intelligence Agency, or Critical Infrastructure Operators? —
Policy Brief

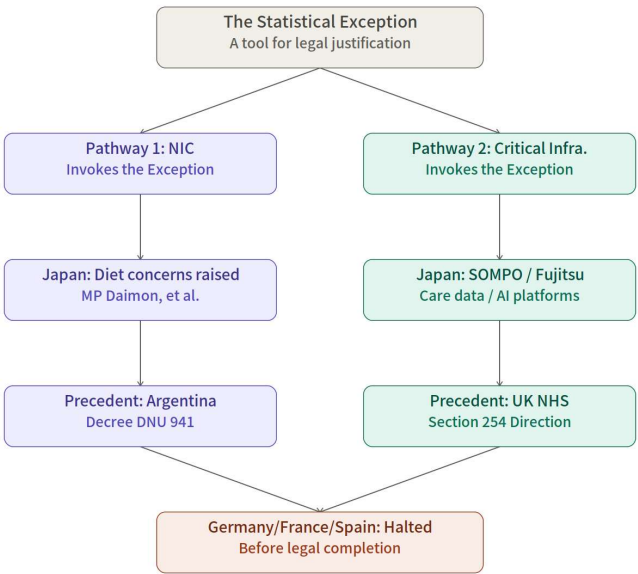
A summary of the full-length article, "The Door Opened by the Statistical Exception: Does the Amended Privacy Act Pave the Way for Palantir?"

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The Issue

On July 10, 2026, Japan's amended Act on the Protection of Personal Information (APPI) was enacted, introducing a new "Statistical Exception" that allows personal data to be provided to third parties without the data subject's consent, so long as the purpose is AI development or the compilation of statistics. This brief examines whether the Statistical Exception could, in the future, be used as a legally sanctioned "tool" by two distinct actors — (1) the National Intelligence Agency and (2) critical infrastructure operators — to justify providing data to techno-sovereign actors such as Palantir (private companies holding data and AI technology on a scale rivaling that of a state).

Figure 1: The Structure of the Two Pathways Created by the Statistical Exception



Current Status of Each Pathway

Pathway 1	Concerns raised in the Diet; government explains a limited scope of operation (prior to legal completion)
Pathway 2	Private-sector precedents exist; use of the Statistical Exception not yet confirmed (prior to legal completion)

** This brief's analysis is not a categorical prediction, but is positioned as an ongoing early-warning benchmark (see Chapters 2–4 of the full-length article).*

Current Assessment

On the analysis in this brief, Japan sits, on both Pathway 1 and Pathway 2, only at a stage "prior to legal completion." This does not mean a crisis is unfolding. But at this juncture in institutional design — with the Statistical Exception due to take effect within two years of promulgation, and the National Intelligence Agency due to launch in the summer of 2026 — there is considerable value in establishing an early benchmark for observation.

Recommendations

- **Rec. 1** Establish a mechanism whereby an independent third-party body, separate from the administration, periodically reviews the administrative use of the Statistical Exception (its invocation by the National Intelligence Agency and similar bodies).
- **Rec. 2** Add a requirement to the Statistical Exception mandating the anonymization of names and other identifying information.
- **Rec. 3** Establish a body, independent of business operators, to continuously verify that data provided under the Statistical Exception genuinely remains limited to statistical purposes.
- **Rec. 4** When introducing AI systems in highly sensitive domains such as defense, healthcare, or elder care, establish a system that identifies the provider and country of origin of the underlying foundation model and requires geopolitical risk to be documented as an evaluation criterion.
- **Rec. 5** Accelerate the development of a data-access-rights and security-clearance regime for international joint AI development.
- **Rec. 6** Drawing on the experience of Germany, France, and Spain, codify in advance concrete criteria for reviewing relationships with techno-sovereign actors "before they reach completion."

About This Brief

This brief summarizes the full-length article "The Door Opened by the Statistical Exception," which includes a detailed examination of the Statistical Exception, Diet deliberations (MP Daimon Mikishi's questions and the government's responses), the cases of SOMPO and Fujitsu, and comparative cases from the UK, Germany, France, and Spain. The full-length article sets out, for each recommendation in this brief, the primary sources underlying it — Diet records, corporate announcements, and overseas parliamentary materials — along with the process by which they were verified.