

**Development of Specified Complex Tourist Facilities
Area in Yumeshima, Osaka
Implementation Policy**

**March 2021 (Third year of the Reiwa era)
Osaka Prefecture and Osaka City¹**

¹ The “Basic Agreement on the Development of the IR Area” (Exhibit 1) (hereinafter referred to as “Osaka Pref./City Basic Agreement”) was executed between Osaka Prefecture and Osaka City on February 28, 2019, stipulating that Osaka Prefecture and Osaka City shall jointly develop the Specified Complex Tourist Facilities Area based on mutual collaboration and cooperation and that Osaka Prefecture shall file an application for certification of the IR Area Development Plan. Based on the agreement, Osaka Prefecture shall collaborate and cooperate with Osaka City and establish the Implementation Policy.

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Section 1 Matters related to the purpose and goals of the development of the Specified Complex Tourist Facilities Area

1. Purpose

Amid concerns over the decline in demand and workforce due to the falling and rapid aging of the population we need to focus on a prospective growth industry likely to expand its market in future to drive the further growth of Osaka.

In this context, the Japanese government declares the target number of foreign travelers to Japan to 60 million by 2030, recognizing the tourism industry as a pillar of the national growth strategy. In Osaka, there is tremendous needs and potential for the tourism industry as indicated by the fact that the growth rate of travelers to Osaka exceeds the growth rate of that for the entire country and travel consumption has increased significantly.

Osaka and Kansai region are blessed with a large population and economy as well as with the accumulation of a lot of tourism resources, such as national treasures and important cultural properties. Yumeshima, Osaka, which is located in the center of Osaka and Kansai region, is close to Osaka International Airport, Kobe Airport, and Kansai International Airport that have a network with the airports of Asian countries and other geographical regions, and is connected with other regions of Japan through railroad & highway networks. In addition to these advantages, Yumeshima can secure extensive land and provide an opportunity to create an out-of-the-ordinary space by taking advantage of the ocean front location and view, demonstrating its high potential. Furthermore, in Yumeshima, the 2025 World Expo Japan scheduled to be held in 2025 (hereinafter referred to as “Expo 2025”), and thereafter its philosophy and outcome will be carried on and developed.

Under such circumstance, in July 2018, the Act on Promotion of Development of Specified Complex Tourist Facility Areas (Act No.80 of 2018 hereinafter referred to as the “IR Development Act”) was enacted and promulgated in Japan for the purpose of promoting the tourism industry and local economies and thereby serve to improve public finances by realizing attractive and internationally competitive stay-type tourism.

The “Japanese-style IR” stipulated under the IR Development Act is an integrated resort (hereinafter referred to as “IR”) of an unseen scale and quality realized through the integrated development of MICE facilities and other various types of facilities for attracting tourist from around the world. The IR is intended to become the hub for interaction between the world and the regions of Japan by acting as a trigger for the development of unprecedented international MICE businesses and other new businesses, and disseminating charms unique to Japan and to direct visiting the Specified Complex Tourist Facilities Area (hereinafter referred to as the “IR Area”) to other regions in the country. It is also assumed that the Japanese-style IR will attract tourists from around the world with its uniqueness and international competitiveness, and revitalize the local areas of Japan and stimulate economic growth nationwide.

The worldwide spread of COVID-19 is having significant impact on tourism industry at this point. However, when infection is contained to some extent, demand for tourism is expected to pick up gradually and toward post-COVID world, it’s becoming more important

to make efforts to accelerate the recovery of tourism demand and even boost it. In addition, inbound business which is one of the rapidly growing fields in global business, remains important in the mid to long run and have big potential in post-COVID world. So, introducing IR which would attract new people, goods and investment from all over the world is essential for Japan to put tourism industry back on the track for growth and to become a tourism-oriented nation.

Osaka Prefecture and Osaka City² (hereinafter referred to as “Osaka Pref./City”) seek to develop the growing tourism industry into their key industry to realize further growth of the economy of Osaka and, ultimately, to stimulate tourism and economy of the entire country, by constructing the world’s top level growth-oriented IR (Specified Complex Tourist Facilities Area in the Yumeshima, Osaka; hereinafter referred to as “Osaka IR”) under the IR Development Act in Yumeshima, Osaka, as an engine for sustainable economic growth of Osaka and Kansai region by making maximum use of the potential of Osaka and Kansai region and the private sector’s imagination and ingenuity.

In addition, while the IR applies the vitality and ingenuity of the private sector, ensuring stable and continuous operation of the IR business over a long period is an extremely important prerequisite from various standpoints including the following: 1) appropriate use of the casino business profits 2) proper elimination of the harmful effects from establishment and operation of casino facilities 3) promotion of tourism and the local economy and, 4) contribution to financial improvements should be continuously provided. In order to realize these, Osaka Pref./City will continue to work closely together.

2. Goals

Based on the national goal of developing a Japanese-style IR for the realization of an advanced tourism country and fully meeting its purposes, and in order to further promote tourism and the economies of Osaka, Kansai region and the entire country, we aim to achieve the following goals:

(1) Formation of a world-class all-in-one MICE hub

With the development of Japan's largest complex MICE facilities and the promotion and attraction of MICE by the All-Osaka structure for inviting MICE, the goal is to contribute to increasing the number of MICE events and improving MICE competitiveness as well as to revitalize the economy in Osaka and Kansai region and increase the urban attractiveness by inviting and holding MICE events, which will drive economic growth in Osaka and Kansai region through large-scale international conferences that have never been held in Japan and exhibitions featuring industries that have strengths in Osaka and Kansai region.

(2) Contribution to strengthening the ability to attract visitors from home and abroad

In addition to the world-class all-in-one MICE facilities, by realizing world-class growth-oriented IR, including accommodation facilities that can meet the needs of

² The legal acts to be conducted by prefectures, etc. as stipulated in the IR Development Act shall be carried out by Osaka Prefecture. However, pursuant to the Osaka Pref./City Basic Agreement, the actual work required to conduct the legal actions shall be carried out by Osaka Prefecture and Osaka City in collaboration and cooperation with each other.

diverse visitors and the world's best entertainment, we aim to encourage business customers and families from all over the world to come to Japan anew so as to increase the number of foreign tourists and travel consumption in Osaka, as well as to contribute to the goal of the government's tourism strategy of 60 million foreign tourists to Japan and 15 trillion yen in travel consumption by foreign tourists to Japan in 2030.

(3) Formation of a gateway to sightseeing in Japan

As an exchange hub connecting the world and various parts of Japan, we will collaborate with local governments and DMOs, etc., as well as provide various services based on the latest technology, etc. to disseminate sightseeing information and to provide one-stop arrangement that suits the interests of visitors. Our goal is to direct visitors to Osaka IR to other parts of Osaka Prefecture, Kansai, West Japan, and other parts of Japan so that the effect of attracting visitors by establishing the IR can be spread synergistically to other parts of Japan.

Section 2 Matters related to the Project for Establishment and Operation of Specified Complex Tourist Facilities

Osaka Pref./City will jointly prepare the plan for development of the Specified Complex Tourist Facilities Area at Osaka Yumeshima (hereinafter referred to as the “IR Area Development Plan”) and apply for national certification in order to realize the development of the IR Area pursuant to the IR Development Act, and in addition, plan to select a private business operator (hereinafter referred to as the “IR Operator”, and the promoter and other persons³ who intend to establish such private business operator shall be referred to as the “Prospective IR Operator,” with the Prospective IR Operator meaning the general term used collectively for all the members in case this consists of two or more members) to engage in the business for establishment and operation of the specified complex tourist facilities (hereinafter referred to as the “IR Business”, and these facilities are referred to as “IR Facilities”) and the associated businesses to be operated there (hereinafter IR Business and such associated businesses are collectively referred to as “Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka and Specified Complex Tourist Facilities in Yumeshima, Osaka” or the “Project” for short), and to implement the development of the Osaka IR in cooperation with the selected IR Operator. The selection is planned to be conducted through the public offering (Request for Proposal; hereinafter referred to as the “RFP”). This document specifies the Implementation Policy on the development of the IR Area (hereinafter referred to as the “Implementation Policy ”), including the purpose and goals of the development of the IR Area (hereinafter referred to as “IR Area Development”) as the idea of Osaka Pref./City, the requirements necessary for implementing the IR business and the method of selecting the Prospective IR Operator, in order to promote the development of the IR Area and to ensure a stable and continuous IR operation over a long period of time, in accordance with the IR Development Act and the Basic Policy for the Development of the Specified Complex Tourist Facilities Area established by the Minister of Land, Infrastructure, Transport and Tourism pursuant to Article 5 of the IR Development Act(hereinafter referred to as the “Basic Policy”).

1. Name of the IR Business

The project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka

2. Responsible bureau

The Integrated Resort Promotion Bureau, Osaka Prefecture and Osaka City

3. Guidance, etc.

The documents to be disclosed at the RFP Proposal shall comprise the following documents (1) to (11) (hereinafter referred to as “Guidance, etc.,” including supplementary materials related to these documents and questions and answers published on the Osaka Pref./City websites or by other appropriate methods, as well as documents issued by Osaka

³ It does not exclude those who intend to become IR Operators. The same shall apply hereinafter.

Pref./City related to these documents and materials, etc., all in amended versions if any amendments were made; the same shall apply hereinafter).

Documents (1) to (10) are the prerequisite for preparing documents including those to be used for the screening of the participation qualifications (hereinafter referred to as “Qualification Screening Documents”), documents for the examination of business proposals (hereinafter referred to as the “Proposal Examination Documents”), and other documents related to the implementation of the Project (these documents are collectively referred to as the “Proposal Documents”). Documents (1) to (8) bind the parties involved in the contract at the conclusion of the implementation agreement stipulated in Article 13 of the IR Development Act (hereinafter referred to as the “Implementation Agreement”).

In addition, supplementary materials that are announced when selecting a private business operator who will implement the IR business are part of the Guidance, etc., and unless otherwise specified, any supplementary materials (excluding materials that fall under reference materials) shall also bind the parties involved in the contract when the Implementation Agreement is concluded.

- (1) Guidance for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (hereinafter referred to as the “Guidance”)
- (2) Basic Agreement on Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (draft) (hereinafter referred to as the “Basic Agreement (Draft)”)
- (3) Implementation Agreement of Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (draft) (hereinafter referred to as the “Implementation Agreement (Draft)”)
- (4) Location Agreement on Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (draft) (hereinafter referred to as the “Location Agreement (Draft)”)
- (5) The contract to establish a fixed term land lease right on the land for business purposes for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (draft) (hereinafter referred to as the “Land Lease Contract (Draft)”)
- (6) The RFP requirements for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (hereinafter referred to as the “RFP Requirements”)
- (7) The Basic Monitoring Plan for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (Draft)
- (8) Collection of related documents
- (9) The Selection Criteria for the Prospective IR Operator for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (hereinafter referred to as the “Selection Criteria for the Prospective IR Operator”)
- (10) Formats and Instructions on Documentation for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (hereinafter referred to as the “Formats and Instructions on Documentation”)
- (11) Collection of reference materials

4. Laws and regulations assumed for the implementation of the Project

The implementation of the Project requires compliance with relevant laws and regulations, etc., and relevant upper level plans.

Listed below are the laws and regulations, ordinances, guidelines and standards, and upper level plans which require special attention in the implementation of the Project.

(1) Laws and regulations

a. Relating to IR

- (a) Act on Promotion of Development of Specified Complex Tourist Facilities Areas (Act No. 80 of 2018)
- (b) Basic Act on Countermeasures Against Gambling Addiction (Act No.74 of 2018)

b. Relating to land use and construction

- (a) City Planning Act (Act No.100 of 1968)
- (b) Building Standards Act (Act No.201 of 1950)
- (c) Parking Lot Act (Act No.106 of 1957)
- (d) Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc. (Act No.91 of 2006)
- (e) Act on Control and Improvement of Amusement Business, etc. (Act No.122 of 1948)
- (f) Act on Promotion of Safe Use of Bicycles and Comprehensive Advancement of Measures for Bicycle Parking, etc. (Act No.87 of 1980)
- (g) Act on the Measures by Large-scale Retail Stores for Preservation of Living Environment (Act No.91 of 1998)
- (h) Act on Maintenance of Sanitation in Buildings (Act No.20 of 1970)
- (i) Act on the Improvement of Energy Consumption Performance of Buildings (Act No.53 of 2015)
- (j) Landscape Act (Act No.110 of 2004)
- (k) Fire Service Act (Act No.186 of 1948)
- (l) Explosives Control Act (Act No. 149 of 1950)
- (m) High Pressure Gas Safety Act (Act No. 204 of 1951)
- (n) Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas (Act No. 149 of 1967)
- (o) Civil Aeronautics Act (Act No.231 of 1952)
- (p) Port and Harbor Act (Act No.218 of 1950)
- (q) Water Supply Act (Act No.177 of 1957)
- (r) Sewerage Act (Act No.79 of 1958)
- (s) Industrial Water Supply Business Act (Act No.84 of 1958)
- (t) Purification Tank Act (Act No.43 of 1983)
- (u) Water Pollution Prevention Act (Act No.138 of 1970)
- (v) Act on Special Measures concerning Conservation of the Environment of the Seto Inland Sea (Act No. 110 of 1973)
- (w) Gas Business Act (Act No.51 of 1954)
- (x) Outdoor Advertisement Act (Act No.189 of 1949)

- (y) Road Act (Act No.180 of 1952)
 - (z) Road Traffic Act (Act No.105 of 1960)
 - (aa) Electricity Business Act (Act No.170 of 1964)
 - (bb) Radio Act (Act No.131 of 1950)
 - (cc) Act on Reclamation of Publicly-owned Water Surface (Act No.57 of 1921)
 - (dd) Hot Springs Act (Act No.125 of 1948)
 - (ee) Public Bath Houses Act (Act No.139 of 1948)
 - c. Relating to the environment
 - (a) Air Pollution Control Act (Act No.97 of 1968)
 - (b) Soil Contamination Countermeasures Act (Act No.53 of 2002)
 - (c) Basic Environment Act (Act No.91 of 1993)
 - (d) Nature Conservation Act (Act No.85 of 1972)
 - (e) Noise Regulation Act (Act No.98 of 1968)
 - (f) Vibration Regulation Act (Act No.64 of 1976)
 - (g) Act on the Rational Use of Energy, etc. (Act No.49 of 1979)
 - d. Relating to construction works
 - (a) Construction Business Act (Act No.100 of 1949)
 - (b) Act on the Promotion of Effective Utilization of Resources (Act No.48 of 1991)
 - (c) Construction Material Recycling Act (Act No.104 of 2000)
 - (d) Waste Management and Public Cleansing Act (Act No.137 of 1970)
 - (e) Survey Act (Act No.188 of 1949)
 - e. Others
 - (a) Local Autonomy Act (Act No.67 of 1947)
 - (b) Health Promotion Act (Act No.103 of 2002)
 - (c) Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases (Act No.114 of 1998)
 - (d) Act on the Protection of Personal Information (Act No.57 of 2003)
 - (e) Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No.77 of 1991)
 - (f) Act on Prevention of Transfer of Criminal Proceeds (Act No. 22 of 2007)
 - (g) Security Service Act (Act No.117 of 1972)
- (2) Osaka Pref./City ordinances
- a. Osaka Prefectural Ordinance for Enforcement of the Building Standards Act (Osaka Prefectural Ordinance No.4 of 1971)
 - b. Osaka City Ordinance for Enforcement of the Building Standards Act (Osaka City Ordinance No.62 of 2000)
 - c. Osaka City Ordinance concerning Restrictions on Buildings in the International Tourism Zone (Osaka City Ordinance No.40 of 2019)
 - d. Osaka City Ordinance concerning Environmental Consideration for Buildings (Osaka City Ordinance No.10 of 2012)
 - e. Osaka City Ordinance concerning the Attachment, etc. of Parking Facilities in Buildings (Osaka City Ordinance No.93 of 1964)
 - f. Osaka City Ordinance concerning the Attachment, etc. of Bicycle Parking Lots (Osaka City Ordinance No.4 of 2010)

- g. Osaka City Ordinance concerning Fire Prevention (Osaka City Ordinance No.14 of 1962)
- h. Osaka City Ordinance concerning the Promotion of Reduction and Appropriate Disposal of Waste and the Maintenance of a Clean Living Environment (Osaka City Ordinance No.4 of 1993)
- i. Osaka City Urban Landscape Ordinance (Osaka City Ordinance No. 50 of 1998)
- j. Osaka City Outside Advertisement Ordinance (Osaka City Ordinance No. 39 of 1956)
- k. Osaka City Port Facilities Ordinance (Osaka City Ordinance No. 76 of 1964)
- l. Osaka City Basic Environment Ordinance (Osaka City Ordinance No.24 of 1995)
- m. Osaka Prefectural Ordinance Concerning the Conservation of the Living Environment,etc. (Osaka Prefectural Ordinance No.6 of 1994)
- n. Osaka Prefectural Ordinance for Development of Welfare City (Osaka Prefectural Ordinance No.36 of 1992)
- o. Osaka City Ordinance on Environmental Impact Assessment (Osaka City Ordinance No.29 of 1998)
- p. Osaka Prefectural Ordinance for the Protection of Personal Information (Osaka Prefectural Ordinance No.2 of 1996)
- q. Osaka City Ordinance for the Protection of Personal Information (Osaka City Ordinance No.11 of 1995)
- r. Osaka Prefectural Ordinance for the Exclusion of Organized Crime Groups (Osaka Prefectural Ordinance No.58 of 2010)
- s. Osaka City Ordinance for the Exclusion of Organized Crime Groups (Osaka City Ordinance No.10 of 2011)
- t. Osaka City Ordinance Providing the Technical Standards of Road Structure Managed by Osaka City (Osaka City Ordinance No.35 of 2013)
- u. Osaka Prefectural Ordinance on the Healthy Development of Youths (Osaka Prefectural Ordinance No.4 of 1984)
- v. Osaka Prefectural Enforcement Ordinance for Act on Control and Improvement of Amusement Business ,etc. (Osaka Prefectural Ordinance No.6 of 1959)
- w. Osaka City Ordinance concerning Building a Low Carbon Society by Introducing Renewable Energy ,etc. (Osaka City Ordinance No.54 of 2011)
- x. Osaka Prefectural Ordinance concerning Prevention of Global Warming (Osaka Prefectural Ordinance No.100 of 2005)

(3) Guidelines and standards

- a. Osaka City Guidelines for Creating a City that is Friendly to People (Welfare Bureau, Osaka City, 2020)
- b. Examination Criteria of Development Permission System under the City Planning Act (City Planning Bureau, Osaka City, 2019)
- c. Guidelines for Prior Consultation on the Construction Plans of Large-scale Buildings (City Planning Bureau, Osaka City, 2020)
- d. Practice Standards of Guidelines for Prior Consultation on the Construction Plans of Large-scale Buildings (City Planning Bureau, Osaka City, 2020)
- e. Guidelines for Permission for Pathways Constructed over Roads pursuant to

- Article 44, Paragraph 1 Item 4 of the Building Standards Act (City Planning Bureau, Osaka City, 2020)
- f. Guidelines for the Certification of Buildings in Grade-separated Road System, etc. (City Planning Bureau, Osaka City, 2015)
 - g. Osaka City Guidelines for Permission for Occupancy of Roads (Public Works Bureau, Osaka City, 2020)
 - h. Guidelines for Certification regarding the Relaxation of Restrictions Resulting from Multiple Sites Being Deemed as One Site, etc. (City Planning Bureau, Osaka City, 2013)
 - i. Guidelines on the Construction of Storage Facilities for General Waste and Goods Subject to Recycling (City Planning Bureau, Osaka City, 2019)
 - j. Fire Safety Certification Mark System Operational Guide (Fire Department, Osaka City, 2014)
 - k. Guidelines on Disaster Preventive Measures for High-rise Buildings (Osaka Prefecture Construction Administration Liaison Council, 2008)
- (4) Upper level plans and other matters
- a. Plans related to Yumeshima and IR
 - (a) Osaka IR Fundamentals Plan (Osaka Pref./City, December 2019)
<http://www.pref.osaka.lg.jp/irs-kikaku/kousou/index.html>
 - (b) Yumeshima Development Concept (Committee for Yumeshima Development Concept, August 2017)
<https://www.city.osaka.lg.jp/toshikeikaku/page/0000409034.html>
 - b. Others
 - (a) Grand Design Osaka (Osaka Pref./City, June 2012)
<http://www.pref.osaka.lg.jp/daitoshimachi/granddesign/>
 - (b) New Strategy for Revitalization and Growth of Osaka (Osaka Pref./City, December 2020)
<http://www.pref.osaka.lg.jp/kikaku/seichosenryaku/>
 - (c) Osaka Urban Attractiveness Strategy 2020 (Osaka Pref./City, November 2016)
<http://www.pref.osaka.lg.jp/toshimiryoku/toshimiryokusen/index.html>
 - (d) Policy for the promotion of MICE in Osaka (Preparatory group for Osaka MICE Promotion Committee, March 2017)
<http://www.pref.osaka.lg.jp/kanko/cb/index.html>
 - (e) Osaka Prefectural Promotion Plan for Gambling Addiction Countermeasures (Osaka Prefecture, March 2020)
http://www.pref.osaka.lg.jp/chikikansen/gambletou/gambletou_keikaku3.html
 - (f) Osaka City New Greenery Plan (Osaka City, November 2013)
<https://www.city.osaka.lg.jp/kensetsu/page/0000239835.html>
 - (g) Osaka Promotion Plan for Heat Island Countermeasures (Osaka Pref./City, March 2015)
<http://www.pref.osaka.lg.jp/chikyukankyo/jigyotoppage/osakaheatkeikaku.html>

- (h) Osaka City Fundamental Environmental Plan (Osaka City, December 2019)
<https://www.city.osaka.lg.jp/kankyo/page/0000487493.html>
- (i) Osaka City Landscape Plan (Osaka City, revised version of March 2020)
<https://www.city.osaka.lg.jp/toshikeikaku/page/0000498760.html>
- (j) Port Plan for Osaka Port (Osaka City, revised version of March 2019)
<https://www.city.osaka.lg.jp/port/page/0000002651.html>
- (k) Osaka City Promotion Plan for No Utility Pole (Osaka City, March 2019)
<https://www.city.osaka.lg.jp/kensetsu/page/0000464671.html>
- (l) Osaka City Development Plan for No Utility Pole (Osaka City, March 2020)
<https://www.city.osaka.lg.jp/kensetsu/page/0000498787.html>
- (m) Osaka City Promotion Plan for Utilization of Bicycles (Osaka City, March 2019)
<https://www.city.osaka.lg.jp/kensetsu/page/0000465268.html>
- (n) Osaka Prefectural and Osaka City Plan for SDGs Future City (Osaka Pref./City, October 2020)
<https://www.city.osaka.lg.jp/seisakukikakushitsu/page/0000450087.html>

5. Scope of the Project

The IR Operator shall implement the IR Business specified in Article 2, Paragraph 3 of the IR Development Act at its own responsibility and expenses. During the Project Term (the Project Term specified in Section 2-6.-(1), with an extended period included if the Project Term has been extended in accordance with Section 2-6.-(2); the same shall apply hereinafter), the IR Operator shall be able to commission or contract a part of the operations of which commissioning or contracting is not prohibited among the operations related to the Project of which commissioning or contracting is not prohibited, to a third party in accordance with the IR Development Act, relevant government ministerial ordinances and the Basic Policy specified by the national government, and the Casino Administration Committee Rules established by the Casino Administration Committee (hereinafter referred to as "IR Related Laws and Regulations, etc.") after undergoing prescribed procedures stipulated in IR Related Laws and Regulations, etc. and the Implementation Agreement.

The Applicant (as stipulated in Section 7-4.-(1)-a.; the same shall apply hereinafter) must propose the details of the projects and initiatives, etc. to be carried out in accordance with standards/requirements, etc., stipulated in Sections 3 to 6, 8 and 9 and in response to the Proposal by Osaka Pref./City for the public offering the Prospective IR Operator. The Applicant must make a proposal in accordance with upper level plans, etc., particularly "Osaka IR Fundamentals Plan," with a view to embodying these plans.

Osaka Prefecture will determine the implementation obligations of the IR Operator in the Implementation Agreement and the IR Area Development Plan, etc., based on the content proposed by the Applicant selected as the Prospective IR Operator.

For details of the conditions for implementation of the Project, including but not limited to the restrictions and procedures to be observed by the IR Operator, will be shown in the Guidance, etc.

6. Project term

(1) Project term

The term of implementation of the Project (hereinafter referred to as the “Project Term”) is from the effective date of the Implementation Agreement to the day before the anniversary date 35 years after the date of approval of the IR Area Development Plan (hereinafter referred to as the “Final Date of the Project Term”) pursuant to Article 9, Paragraph 11 of the IR Development Act (if the Project Term is extended in accordance with the provisions of (2), the final date of the extended period).

(2) Extension of the Project Term

The IR Operator is entitled to apply for an extension of the Project Term at the expiration of the Project Term. From the perspective of whether the continuation of the IR Business will contribute to the sustainable economic development of Osaka and Kansai region as well as to the strengthening of the international tourism sites, etc., the extension period and conditions, etc. (including the investment plan after the extension of the Project Term) shall be discussed by Osaka Pref./City and the IR Operator on the assumption that the IR Business will be continued.

The Project Term shall be extended for 30 years in principle, but this may be extended or shortened by mutual agreement between Osaka Pref./City and the IR Operator.

7. Project method

The Basic framework of the Project is as follows.

The Basic Agreement was executed between Osaka Prefecture and Osaka City as of February 28, 2019, stipulating that Osaka Pref./City shall collaborate in developing the IR Area based on mutual cooperation and that Osaka Prefecture shall file an application for authorization of the IR Area Development Plan.

- (1) The Project is to be implemented as an IR Business defined in Article 2, Paragraph 3 of the IR Development Act, and therefore include cooperation for measures that will be implemented by the national government and Osaka Prefecture, to appropriately eliminate the harmful effects resulting from the establishment and operation of casino facilities (Article 15, Paragraph 2 of the IR Development Act) and cooperation for development of the IR Facilities, improvement of other IR Businesses and measures related to the IR Area Development Plan certified as stipulated in Article 9, Paragraph 11 of the same Act (hereinafter referred to as the “Certified IR Area Development Plan”) that may be implemented by Osaka Prefecture, by using profits from casinos (Paragraph 3 of the same Article of the IR Development Act) (Osaka Pref./City do not approve the Facility Service Providing Business in Article 2, Paragraph 5 of the IR Development Act).
- (2) After establishing the implementation policy in accordance with the Basic Policy established by the national government, Osaka Pref./City will select the Prospective IR Operator that will jointly prepare the IR Area Development Plan and apply for the

national government's certification through the public offering , and will conclude, with the Prospective IR Operator, the Basic Agreement (hereinafter referred to as the “Basic Agreement”) that stipulates the responsibilities and necessary procedures that the Osaka Prefecture, Osaka City and the Prospective IR Operator should bear or follow in order to start the Project smoothly. Osaka Pref./City will start preparation of the Implementation Policy (Draft) and the public offering and selection procedures for the Prospective IR Operator in accordance with the Basic Policy (Draft) prepared by the national government before the Basic Policy is published from the perspective of improving the details for the construction of the IR Area and for realizing the effects of the development of the IR Area at the early stage. After the Basic Policy of the national government has been announced, Osaka Pref./City will fully confirm that the procedures, etc. that have been carried out so far are in line with the Basic Policy, and if necessary, after correcting the Implementation Policy (Draft) or securing an opportunity to correct the details of the proposal submitted by the private business operators, accordingly, Osaka Pref./City will complete the formulation of the Implementation Policy and procedures for the public offering and selection of the Prospective IR Operator.

- (3) Osaka Pref./City will, jointly with the Prospective IR Operator, prepare an IR Area Development Plan and will submit with the national government an application for certification of the plan. The Prospective IR Operator shall establish a company⁴ as defined in the Companies Act (Act No.86 of 2005), which will exclusively be engaged in the Project.
- (4) After receiving certification of the IR Area Development Plan from the national government, the IR Operator will apply for certification to the Minister of Land, Infrastructure, Transport and Tourism in accordance with Article 13, Paragraph 2 of the IR Development Act in cooperation with Osaka Prefecture, and after the certification is obtained, will immediately conclude the Implementation Agreement with Osaka Prefecture. In conjunction with the above, Osaka Prefecture, Osaka City and the IR Operator shall execute an agreement to determine matters to be confirmed by Osaka Prefecture, Osaka City and the IR Operator in carrying out the Project (hereinafter referred to as the “Location Agreement”), and Osaka City and the IR Operator shall execute the Contract to Establish a Fixed Term Land Lease Right on the Land for Business Purposes (hereinafter referred to as the “Land Lease Contract”) on the area where the IR Area for the Project will be developed (hereinafter referred to as “Prospective IR Area”; refer to Section 3-1) pursuant to Article 23 of Act on Land and Building Leases(Act No.90 of 1991).
- (5) The IR Operator shall obtain necessary approvals and licenses at its own responsibility and expense, and implement the Project in accordance with the Certified IR Area Development Plan, the Implementation Agreement, the Location Agreement and the Land Lease Contract (hereinafter collectively referred to as the

⁴ If the Applicant proposes and Osaka Pref./City approve it, the company may take a form other than a stock company. (refer to Section 7-3.(7))

“Implementation Agreement, etc.).

- (6) Osaka Pref./City and the IR Operator will cooperate with each other in renewing the Certified IR Area Development Plan, jointly prepare the updated IR Area Development Plan, apply for a renewal approval to the Minister of Land, Infrastructure, Transport and Tourism, and proceed with procedures necessary for such renewal.

8. Project cost to be borne

(1) Cost of the Project

The IR Operator shall bear all the cost that may be necessary to implement the Project, which includes the cost of preparation of the IR Area Development Plan (except for the parts related to measures and policies that Osaka Pref./City will implement), cost of application for approvals and licenses etc., and any other cost that may be needed for the commencement of the Project.

(2) Cost related to the use of Osaka City’s land

The IR Operator shall proceed with necessary procedures such as the execution of the Land Lease Contract with Osaka City and pay lease fee, etc. to Osaka City in the amount and by the method stipulated in the Guidance, etc. to use the land of Osaka City necessary to the implementation of the Project (Refer to Section 3-4.).

If the expense to be incurred by IR Operator is expected to increase due to underground obstacles and polluted soil, etc., which interfere with the development of IR Facilities, Osaka City will bear certain amount of such increased expense to the extent considered reasonable by Osaka City according to Osaka City’s standards for design and estimation, etc., after prior mutual consultation regarding countermeasures, etc., taking account of IR Operator’s plan for facilities and construction plans, etc. Details will be described in the Guidance, etc.

(3) Expenses for the infrastructure construction that Osaka City will carry out

In order to realize the objectives of the Japanese-style IR and Osaka IR, the IR Operator shall actively cooperate with the measures and policies to be implemented by Osaka Pref./City regarding the development of the regions around the IR Area and improvement of the transportation environment, etc., as described in Section 8-6. As part of such active cooperation, the IR Operator shall bear and pay 20.25 billion yen to Osaka City, a portion of the costs required for infrastructure development which Osaka City plans to carry out in order to respond to the increase of visitors to the Yumeshima.

The timing and method of payment, etc. are shown in the Guidance, etc.

(4) Osaka Pref./City’s Expenses for the public offering and selection of private business operators

The Prospective IR Operator shall bear the expenses incurred by Osaka Pref./City for the selection of the Prospective IR Operator for the Project, etc.

The amount of the such expense burden is, out of the costs of the “Advisory services related to the commercialization of Osaka IR (Integrated Resort)”(hereinafter referred to as “Advisory Services”) signed by Osaka Prefecture on March 29, 2018 (the contract amount: 377,193,845 yen (including tax)⁵), the portion that corresponds to the expenses closely related to the selection of the Prospective IR Operator and the procedures related to making contracts with the Prospective IR Operator (134,974,620 yen (including tax)⁶) after deducting the examination fee that paid to Osaka Prefecture as stipulated in Section 7-6. Details of the specific amount and payment method will be shown in the Guidance, etc.

(5) Osaka Pref./City’s Expenses for the present-state survey for environment impact assessment

The Prospective IR Operator shall bear the expenses incurred by Osaka Pref./City for conducting the present-state survey for the environment impact assessment for the Project.

The amount of the expense burden is the expense related to the “Yumeshima Area Survey on Current Conditions for the Environmental Impact Assessment” signed by Osaka Prefecture on November 14, 2019 and amended on October 28, 2020 (the Second year of the Reiwa era) (contract amount: 69,752,100 yen (including tax)⁷). Details of the specific amount and payment method are shown in the Guidance, etc.

9. Security deposit for contract performance

In order to ensure the implementation of the Basic Agreement, the Prospective IR Operator shall provide a certain security deposit for contract performance, etc. to Osaka Prefecture in accordance with the provisions of the Basic Agreement.

In order to ensure the implementation of the Implementation Agreement and the Land Lease Contract, the IR Operator shall provide a certain security deposit for contract performance, etc. to Osaka Pref./City, respectively, in accordance with the provisions of the above contracts.

10. Guarantee by the parent company, etc.

Either the main shareholder of the IR Operator or their parent companies shall jointly and severally guarantee the obligation owed by the IR Operator to Osaka Prefecture until the opening of the IR Facilities pursuant to the provisions of the Implementation Agreement.

⁵ While it specifies the contract amount for the Advisory Services, the actual cost allocation of the Prospective IR Operator will be calculated based on the final settled amount for such Services. (i.e. if the contract amount is revised, the cost will be calculated based on the revised amount.)

⁶ Same as above.

⁷ While it specifies the contract amount for the Survey on Current Conditions related to Yumeshima District Environmental Impact Assessment Project, the actual cost allocation of the Prospective IR Operator will be calculated based on the final settled amount for such survey. (i.e. if the contract amount is revised the cost will be calculated based on the revised amount.)

11. Planning and reporting

(1) The Business plan for each fiscal year

The IR Operator shall prepare the business plan in accordance with the provisions of Article 16, Paragraphs 1 and 2 of the IR Development Act and submit it to Osaka Prefecture by the start of each fiscal year in accordance with the provisions of the Implementation Agreement.

(2) Reporting

In accordance with the provisions of the Implementation Agreement, the IR Operator shall prepare reports as stipulated in Article 28, Paragraph 4 of the IR Development Act and the provisions of the Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism; reports based on Article 28, Paragraphs 11, 12, and the Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism; and a report on the status of business implementation of each fiscal year, etc., and submit them to Osaka Prefecture.

12. Treatment at the end of Project Term

When the Project Term (including the extended period if the Project Term is extended in accordance with the provisions of Section 2-6.-(2); the same shall apply hereinafter) expires, Osaka Pref./City shall make efforts to continue the IR Business through business succession or secondary public offering, etc., and the IR Operator shall cooperate such efforts.

Regardless of whether the IR Area development and the IR Business continue, Osaka Pref./City and the IR Operators shall consult in good faith to enable the assets owned by the IR Operator to be effectively utilized, if possible, considering the service life of the facilities (such effective utilization may include, but not limited to a transfer to a third party, or IR Operator's business use of the facilities other than casino facilities as general commercial facilities). Osaka Prefecture will proceed with necessary procedures such as changing the certification of the IR Area Development Plan with the Minister of Land, Infrastructure, Transport and Tourism, as necessary.

If the facilities are not to be effectively used, the IR Operator shall dismantle and remove the existing facilities (excluding those that are exempted by Osaka Pref./City from dismantlement and removal) and restore the project site shown in Section 3-4. to the original state and return it to Osaka City.

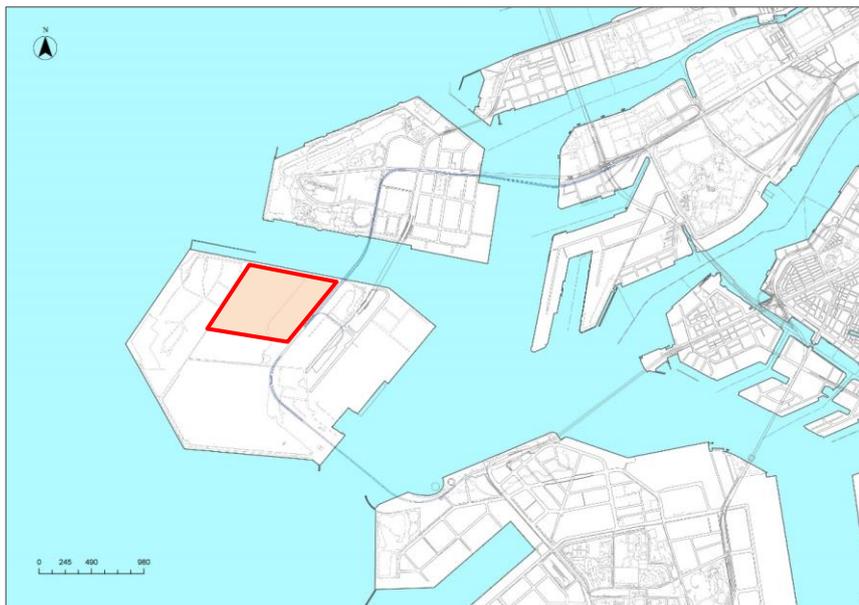
Section 3 Matters related to the location and size of the area where the Specified Complex Tourist Facilities Area will be developed

1. The location, size etc. of the Prospective IR Area

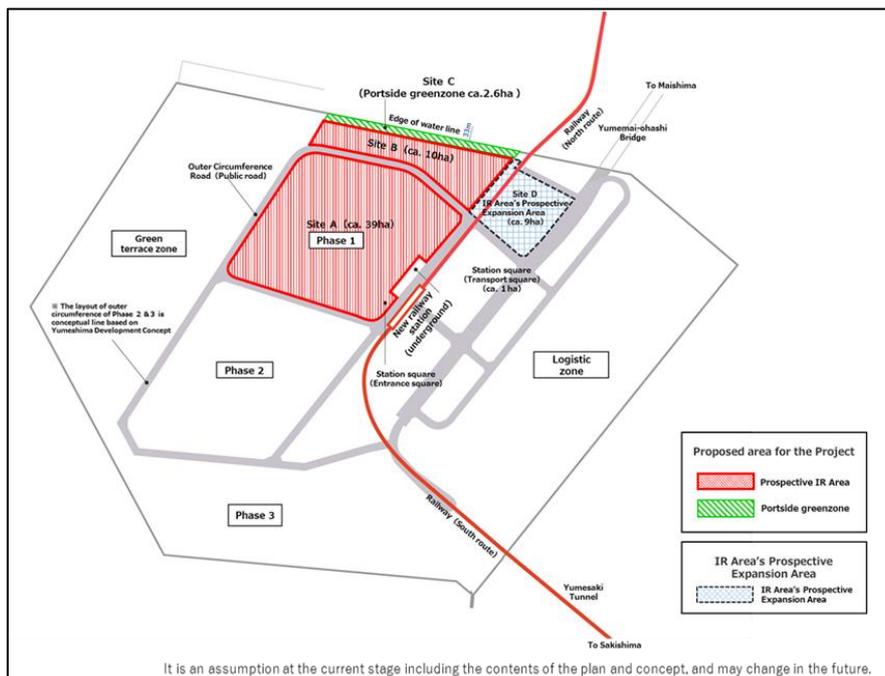
The Charts 1, 2 and 3 show the location, size and the Prospective IR Area shall refer to a group of land consisting of Site A and Site B.

It is required for the IR Operator to secure integrity and continuity between Site A and Site B in using these sites by building a grade separation facility, etc.

[Chart 1 Location of the Prospective IR Area (wide-scale map)]



[Chart 2 Location of the Prospective IR Area (map of the surrounding area)]



[Chart 3 Description of the land for the Prospective IR Area]

Item		Description
Description of land	Location	The site is partially located in 1 Chome, Yumeshimana, Konohana-ku, Osaka city, Osaka prefecture.
	Owner	Osaka City
	Site area	Total area: ca. 492 thousand m ² (Site A: ca. 392 thousand m ² , Site B: ca.100 thousand m ²)
	Shape	As shown in Exhibit 2
Restrictions under laws and regulations (City plan, etc.)	City planning area	Urbanization promotion area
	Land use zones	Commercial district
	Building coverage ratio	80%
	Floor-area ratio	400%
	Designated building height limitation	N/A
	Fireproof district	Quasi-fireproof district
	Special use district	International tourism district
	Sewerage	Drainage district
	Designation of areas in accordance with Soil Contamination Countermeasure Act	Area for which Notification Is Required upon Change to Form or Nature (Landfill Special Area) ⁸

⁸ Use of designated hazardous substances, etc., has not been confirmed from the history of land use. However, Yumeshimana is the land created by landfill of publicly owned water surface in accordance with Act on Reclamation of Publicly-owned Water Surface (Act No.57, of 1921) and Arsenic, Fluorine, Lead and their compound which exceeding the standards designated in Soil Contamination Countermeasure Act (Standard for elution amount from soil) were confirmed in some part of the areas where soils were investigated for construction of a railway (south route [Hokko Techno Port Line]), which is in progress in the area adjacent to Prospective IR Area. To facilitate planned construction, Prospective IR Area is designated as the Area for which "Changes in Form or Nature Require Notification (Landfill Special Area)" (Osaka City's Notification No.78 (January 22nd 2021) on the assumption that Prospective IR Area is as contaminated as such construction area. For details of the result of investigations of soils, etc., please refer to the Website of Osaka City (<https://www.city.osaka.lg.jp/hodoshiryo/port/0000521424.html>).

2. Maintenance and management of the portside greenzone by the IR Operator

The IR Operator may submit a proposal to maintain and manage the portside greenzone (Site C: ca. 26 thousand m²) located at the northern side of the Prospective IR Area, as shown in Charts 2 and 4, in an integrated manner with the Prospective IR Area.

The conditions in the case where the IR Operator proposes to maintain and manage the portside greenzone (Site C) shall be separately presented in the Guidance, etc.

[Chart 4 Description of the land for the portside greenzone]

Item		Description
Land	Location	The site is partially located in 1 Chome, Yumeshimamaka, Konohana-ku, Osaka city, Osaka prefecture.
	Owner	Osaka City
	Site area	Site C: ca. 26 thousand m ²
	Shape	As shown in Exhibit 2
Restrictions under laws and regulations (City plan, etc.)	City planning area	Urbanization promotion area (publicly owned bodies of water constitutes urbanization control area)
	Land use zones	Commercial district
	Building coverage ratio	80%
	Floor-area ratio	400%
	Designated building height limitation	N/A
	Fireproof district	Quasi-fireproof district
	Special use district	International tourism district
Sewerage	Drainage district	

3. IR Area's Prospective Expansion Area

Although Site D (ca. 90 thousand m²)⁹ shall be excluded from the scope of development under the first IR Area Development Plan, this is considered as a prospective area for the expansion of the IR Area in the future (hereinafter referred to as the "IR Area's Prospective Expansion Area") (Refer to Section 4-4-(2) for the concept on future expansion and development).

4. Rights of the project site and its use

Osaka City will lease or make available to the IR Operator its land for the Prospective IR Area (Site A and B shown in Charts 2 and 3; the same shall apply hereinafter) and the portside greenzone (Site C shown in Charts 2 and 4; however, to the extent that the Applicant proposes to develop and administrate this together with the Prospective IR Area) under the term and conditions described in the Guidance, etc. so that the IR operator can use those for the Project during the Project Term.

To lease the land in the Prospective IR Area to IR Operator, Osaka City will make a Land Lease Contract under Article 23 of Act on Land and Building Leases and will lend this to the IR Operator for the lease fee and lease period shown in Chart 5. Details of the

⁹ For details of the scope and surface area etc., refer to the Guidance.

contract terms are shown in Guidance, etc.

[Chart 5 Land lease fee and lease period]

Site	Lease fee	Lease period
Site A and B	428 yen/m ² per month	From the delivery date of land to one day before the 35 th anniversary of the day certification of the IR Area Development Plan pursuant to Article 9, Paragraph 11 of the IR Development Act was obtained ¹⁰

¹⁰ If the Project Term is extended in accordance with Section 2-6.-(2), Osaka City will enter into a new land lease right contract with the IR Operator for a lease period that corresponds to such extended period.

Section 4 Matters related to the types, functions and scales of facilities that will make up the Specified Complex Tourist Facilities and IR Business, etc.

1. Matters related to the establishment and operation of IR Facilities

The IR Operator shall meet the following standards and requirements in addition to ensuring compliance with IR Related Laws and Regulations, etc. and carry out the Project by making maximum use of its own imagination, ingenuity and knowhow.

The details of the following standards and requirements etc. will be separately provided in the Guidance, etc.

(1) IR Facilities under the IR Development Act

In Article 2, Paragraph 1 of the IR Development Act, IR Facilities are defined as a group of facilities comprised of casino facilities, international convention and conference facilities, facilities for exhibitions and fairs, facilities for enhancing attractions, customer transfer facilities, and accommodation facilities (hereinafter collectively referred to as “Core Facilities”), including the facilities that contribute to the promotion of tourists’ visits and stays (hereinafter referred to as “Visitor Entertainment Facilities”) established and operated in an integrated manner with the Core Facilities, all of which are established and operated by the private business operator in an integrated manner.

Regarding IR Facilities, Chart 6 shows the terms used in the Implementation Policy regarding the IR Facilities and the provisions of the IR Development Act in which such terms are defined.

[Chart 6 Specified Complex Tourist Facilities (IR Facilities)]

Terms used in the Implementation Policy		Provisions of the IR Development Act in which the terms are defined
MICE Facilities	International convention and conference facilities	Article 2, Paragraph 1, Item 1
	Facilities for exhibitions and fairs	Article 2, Paragraph 1, Item 2
Facilities for enhancing attractions		Article 2, Paragraph 1, Item 3
Customer transfer facilities		Article 2, Paragraph 1, Item 4
Accommodation facilities		Article 2, Paragraph 1, Item 5
Visitor entertainment facilities		Article 2, Paragraph 1, Item 6
Casino facilities		Article 2, Paragraph 10

* The term “MICE Facilities” is used in collectively referring to “International convention and conference facilities” which defined in Article 2, Paragraph 1, Item 1 and “Facilities for exhibitions and fairs” which are defined in Article 2, Paragraph 1, Item 2 of the IR Development Act, respectively.

(2) Establishment and operation of the Core Facilities

The IR Operator shall meet the following standards and requirements as well as requirements stipulated in IR Related Laws and Regulations, etc. for establishing and operating the Core Facilities.

a. MICE Facilities (International convention and conference facilities and facilities for exhibition and fairs)

(a) The IR Operator shall formulate an all-in-one MICE hub with world-level competitiveness to attract international convention/exhibition businesses and promote visits by businesspeople from across the world, which should lead to the revitalization of the economy and urban attractiveness of the entire Osaka and Kansai region.

(b) The IR Operator shall develop the MICE Facilities which have sufficient and necessary capacity to meet the high standard requirements for hosting United Nations Conference, significant international conferences such as world leaders summits and ministerial meetings and conferences held by various corporations such as global companies and events which are included in incentive tours and research trips, etc., and world class excellent qualities from the view point of high usability of the facilities, high quality and sophistication of interior decorations, high standard of food and beverage services etc.

(c) International convention and conference facilities

The IR Operator must construct the largest international convention hall to accommodate [6,000] people or more and a group of small-medium sized conference rooms that can hold the same number of people.

(d) Facilities for exhibitions and fairs

The exhibition area is planned to be a total [100,000] m² or larger.

Facilities for exhibition and fairs can be developed step-by-step. And in case of such step-by-step development, the exhibition area at the time of Initial Opening shall be [20,000] m² or larger and IR Operator shall determine expansion plan within about 10 years from Initial Opening, and expand the exhibition area to [60,000] m² or larger within 15 years from Initial Opening. Furthermore, during the Project Term the exhibition area is planned to be expanded to [100,000] m².

Timing and size, etc., of such step-by-step development will be revisited if necessary, from time to time, taking account of trend of demand for exhibition and event, etc., the ways of MICE business and new life as well as operation of the facilities for exhibition and fairs after its opening and financial status of the IR Operator, etc., as well as the impact of COVID-19.

(e) For international convention and conference facilities and facilities for exhibitions and fairs, the IR Operator shall make ingenious attempts, such as facility design enabling flexible layout, appropriate circulation for visitors and loading/unloading of cargo, introduction of convenient ancillary equipment and functions, corresponding to the new life style and hosting online events through utilizing ICT and digital technologies and the

provision of high value-added services by taking advantage of the location of Yumeshima and features of an all-in-one MICE hub (banquet, unique venues, incentive tours, etc.) in order to ensure the IR Facilities' international competitiveness and the hosting of a wide range of events.

- (f) The IR Operator shall establish a system that will enable stable and continuous operation of facilities, proactively invite and hold international conferences, exhibitions, and events which would be of a large scale or would lead to visits by foreign people on business trips and are likely to generate large effects in promoting industries, creating businesses, and producing economic ripple effect.
 - (g) The IR Operator shall work actively to invite international conferences, large exhibitions, and other events that focus on industries and studies in which Osaka and Kansai region have an advantage.
 - (h) The IR Operator shall establish the operation policy based on the "Policy for Promotion of MICE in Osaka" prepared by the preparatory meeting of the Osaka MICE Promotion Committee. The IR Operator shall cooperate and work together with the All-Osaka structure for inviting MICE which works through the concerted efforts of Osaka Pref./City, the business community, and the Osaka Convention & Tourism Bureau.
- b. Facilities for enhancing attractions
- (a) The IR Operator shall develop facilities disseminating to the world Japan's tourism attractions, such as Japanese tradition, culture and art, in an effective manner. The IR Operator shall make ingenious attempts to attract visitors constantly, for example, by enhancing the entertainment aspects of the facilities and employing cutting-edge technology, etc.
 - (b) The IR Operator shall engage in the development of existing contents, and create new contents, by refining such existing contents, and improving the method of dissemination.
- c. Customer transfer facilities
- (a) The IR Operator shall develop facilities disseminating tourism information on the rich natural environment, local history, and attractive spots, etc. for the various places in Japan in a way that can give a vivid image through the use of cutting-edge technology, etc. The IR Operator shall seek the formation of a gateway for Japan's tourism that serves to send tourists to Osaka and Kansai region, and western Japan and other regions of Japan by designing and proposing tours to various places across Japan and by providing facilities with a function of one stop service intended to arrange the services necessary for tours, such as reservation and settlement of payments.
 - (b) The IR Operator shall make ingenious attempts to create new tourism that takes advantage of Osaka and Kansai region's strengths, such as wellness, food, and sports.
 - (c) The IR Operator shall collaborate with the Osaka Convention & Tourism Bureau, regional municipalities, DMOs, and other relevant organizations when disseminating tourism information and designing tours to each region of Japan.

- d. Accommodation facilities
 - (a) The IR Operator shall develop accommodation facilities that have different types of [3,000] or more guest rooms and meet the different needs of a broad range of visitors from home and abroad, such as business people, families, the wealthy, long-stay travelers. Accommodation facilities can be developed step-by-step, in case of such step-by-step development, the area of guest room at the time of Initial Opening of IR Facilities shall be [100,000] m² or larger and IR Operator shall increase the number of rooms to [3,000] rooms or more during Project Term. Timing and size, etc., of step-by-step development will be revisited, if necessary, considering trend of visitor's demand, progress of expansion of facilities for exhibition and fairs and financial status of IR Operator as well as impact from COVID-19.
 - (b) The IR Operator shall set the selections and quality of services (including but not limited to food and beverage at restaurant or elsewhere, and other guest services) as highly competitive on a global level.
 - (c) The IR Operator shall create a unique accommodation environment with high brand value by devising an environment that allows visitors to feel the out-of-ordinary through the ocean front location and view, Japan's seasons and atmosphere, or other distinctive features of Japan in addition to the high-quality service, and further promote enhancing the attractiveness of the IR as a whole and efforts in attracting visitors and extending the length of their stay.
- e. Casino facilities
 - (a) The IR Operator shall appropriately establish and operate casino facilities in accordance with IR Related Laws and Regulations etc.
 - (b) The IR Operator shall appropriately implement such measures as may be necessary to eliminate harmful effects resulting from the establishment and operation of casino facilities (hereinafter referred to as "Measures against Concerns") according to "2. Matters related to Measures against Concerns."

(3) Establishment and Operation of facilities other than Core Facilities

The IR Operator shall establish and operate in an integrated way the facilities listed below and other facilities that the operator believes necessary, that would contribute to the promotion of tourists' visits and stays (hereinafter referred to as "Visitor Entertainment Facilities"), together with the Core Facilities.

- a. Formation of an internationally competitive resort
 - (a) The IR Operator shall form an urban space and landscape that would bring out-of-the-ordinary feeling to tourists and entice people around the world to visit this Osaka's new symbolic landmark with its ocean front location and view, high amenity open space with well-allocated lush greenery and water scenery, optimal arrangement of facilities on extensive land, building of iconic design, etc.
 - (b) The IR Operator shall develop a station square or entrance square suitable for the gateway of Yumeshima in front of the newly constructed railroad station.

- (c) The IR Operator shall create vibrancy, appropriate for an international tourism hub by setting up a “Vibrant Space, Open Space” of a certain size where tourists can casually enjoy entertainment outside the facilities as well.
- b. Creation of an entertainment hub
 - The IR Operator shall seek the formation of an international entertainment hub boosting nighttime economy by introducing a wide variety of entertainment facilities and functions that can amuse all types of visitors, ranging from business people to families, as a symbol of the Osaka IR.
- c. Formation of a traffic hub
 - (a) The IR Operator can make proposals to develop and operate marine access hub (mooring facilities, etc.) using the waterfront line on the north side of the IR Area, and shall endeavor to form a maritime transportation network utilizing the marine access hub that the IR Operator or Osaka City, etc. will develop.
 - (b) The IR Operator shall work to form a bus traffic network by developing a bus traffic hub within the IR Area with the objective of reinforcing access to Yumeshima and the IR Facilities and expanding the function of customer transfer facilities.
- d. Provision of high-quality foods and beverages, product sales, services etc.
 - (a) The IR Operator shall develop facilities, such as restaurants, a shopping mall, and guest service facilities, which shall encourage tourists to visit and stay.
 - (b) The IR Operator shall exercise its creativity to promote longer stays and increase the level of comfort and satisfaction of tourists for the entire IR by providing high-quality facilities and services and by ensuring to complement the Core Facilities’ functions and serving to fill the spare time and free space gap during tourists’ stay.

(4) Efforts for enhancing the attraction and sustainability of the IR

The IR Operator shall work to further enhance the attractiveness of the Project and maximize its effect to properly fulfill IR’s function and secure the stable and sustainable operation of the Project for a long term by making the following efforts and other efforts that it believes necessary in an integrated manner with the establishment and operation of IR Facilities.

- a. Efforts on the construction of a smart city through the utilization of cutting-edge technology
 - The IR Operator shall endeavor to realize a sustainable smart city that is safe and secure by making efforts such as improvement of convenience for visitors, promotion of tourism, enhancement of the city’s attraction and the potential of the urban city and area management to create vibrancy by taking advantage of effective energy management through the establishment of an energy system utilizing renewable energy, etc., promotion of decarbonization, contribution to the promotion of SDGs, and effective use of data through ICT technology, etc., in conjunction with inheriting the philosophy of the Expo and working closely with various local business activities.
- b. Efforts on traffic measures

The IR Operator shall seek to realize smooth and safe traffic management in Yumeshima and its surrounding area by separation of circulation into passengers, bicycles and automobiles, adequate plan for parking, measures to mitigate traffic congestion in roads surrounding the IR Facilities, and traffic management.

c. Efforts to keep health and sanitation

The IR Operator shall make efforts properly to prevent infection disease and keep health and sanitation given the occurrence of COVID-19. Especially for infection disease countermeasures, since IR is a facility which consists of facilities which has various functions, the IR Operator shall make plans for measures and organization for prevention of infection with reference to the examples of measures taken by IRs in other countries and guidelines, etc., for prevention of infections in the facilities which constitute of IR, and take proper measures upon occurrence of infections.

When infection which may influence the operation of IR Facilities occurs in Japan or other countries, the IR Operator shall handle the situation properly by working closely with national government and Osaka Pref./City to prevent the occurrence and expansion of infection considering situation of expansion of infection and situation of each IR Facility, etc., and announcement of restrictions, policy, introduction and advice from national government or Osaka Pref./City.

d. Efforts on crisis management/disaster prevention measures

The IR Operator shall prepare a business continuity plan (BCP) taking into consideration the characteristics of Yumeshima' location and visitors to the IR Facilities and take following appropriate measures for crisis management and prevention and reduction of disaster, including the formation and operation of a crisis management system, measures to be taken in case of disaster evacuation, ensuring security, support for people who are stranded and unable to return home so that the IR Operator can realize high quality disaster prevention and disaster reduction and maintain the independent function of the facilities and secure safety and security of visitors, etc. when a big disaster occur.

- (a) Building information sharing scheme with local business operators and transportation related organization;
- (b) Prompt offering of information to visitors, etc.;
- (c) Secure the emergency shelters for visitors and staffs, etc., and temporary places to stay for people having difficulties to go home.
- (d) Secure daily necessities and lifeline utilities
- (e) Using No utility pole in IR Area:

e. Efforts on the provision of high-quality jobs and on securing and fostering of human resources

- (a) The IR Operator shall endeavor to generate high-quality jobs and ensure a comfortable work environment so that diverse human resources, including women and elderly people can expand their job opportunities.
- (b) The IR Operator shall be engaged in providing high-quality service that satisfies tourists from home and abroad and fostering and generating global-minded sophisticated human resources for tourism through collaboration with educational institutions, employee training, or other efforts.

- (c) The IR Operator shall engage in a systematic employment initiative when a large number of employees are to be hired for the opening of the IR facilities.
- f. Efforts on the promotion of local economies and contribution to local societies
 - (a) The IR Operator shall actively proceed with efforts for developing local economies and societies in order to contribute to the sustainable growth of Osaka and Kansai region. The IR Operator shall work on these efforts in collaboration with Osaka Pref./City and the business community and, if a consultation body is set up for collaboration, must participate in such body and play an active role.
 - (b) The IR Operator shall actively contribute to the community in various ways and provide support and cooperate for the resolution of social issues.
- g. Efforts on the development of the environment for accepting foreign travelers to Japan

The IR Operator shall create an environment where foreign travelers to Japan can fully enjoy sightseeing and stay without any stress by introducing multilingual signs and services (including the arrangement of interpreters and response taken in the event of a disaster), unified pictograms, and free Wi-Fi environment, and provide services taking into account diverse religious/cultural background of the travelers.

(5) Other matters for attention

The IR Operator shall pay attention to the following matters in carrying out the Project.

The detailed items the IR Operator needs to implement and conditions for project implementation will be presented in the Guidance, etc.

- a. Regarding any infrastructure construction work (construction work for railroads, public roads, traffic squares, supply infrastructure systems, and the like) around the IR Facilities planned by Osaka City, etc., the IR Operator shall closely collaborate and consult with Osaka Pref./City and relevant stakeholders, etc. regarding the construction process and method so that safe and efficient construction work can be performed.
- b. Regarding the Expo 2025, the IR Operator shall collaborate and coordinate closely with Osaka Pref./City and Japan Association for the 2025 World Exposition, etc. as well as cooperate in good faith to ensure that construction works, traffic measures, facility management, etc. are carried out smoothly.

2. Matters related to Measures against Concerns

The IR Operator shall meet the following standards and requirements in addition to ensuring compliance with IR Related Laws and Regulations etc. and carry out the Project by making maximum use of its own originality, ingenuity and knowhow.

(1) Countermeasures against gambling addiction

The IR Operator shall implement the following countermeasures against gambling addiction as part of the Measures against Concerns.

- a. Compliance with related laws and regulations, including IR Related Laws and

Regulations, etc. and the Basic Act on Countermeasures against Gambling Addiction

- b. Active commitment to responsible gaming
- c. Close collaboration with the national government and Osaka Pref./City and support measures taken by the national government and Osaka Pref./City
- d. Measures to prevent gambling addiction including preventive enlightenment activities in the IR Area, rigorous entrance management for the casino facilities, setting the upper amount of stakes, etc. based on customer's request, organizing a counseling system available 24 hours/ 365 days a year, organizing cooperative framework with relevant organizations, and contribution to the fostering of experts and related study and research.

(2) Measures for security and district public morals

The IR Operator shall make every effort to ensure good public safety and maintain good district public morals as described below as necessary measures to properly eliminate harmful effects associated with the installation and operation of casino facilities.

- a. Compliance with the IR Development Act and other relevant laws and regulations
- b. Thorough the implementation of voluntary crime prevention measures and voluntary security actions with developing of the system
- c. Information sharing with Osaka Pref./City, the Osaka Prefectural Public Safety Commission and Osaka Prefectural Police
- d. Cooperation for measures that Osaka Pref./City, Osaka Prefectural Public Safety Commission and Osaka Prefectural Police.
- e. Take all possible measures, which including measures to against organized crime, organized crime groups and other antisocial forces, anti-terrorism measures, measures for crime prevention, measures for district public morals, and juvenile protection measures

3. Matters concerning regional consensus building

The IR Operator and the Prospective IR Operator will work to form a consensus in the region in close cooperation and coordination with Osaka Pref./City and actively cooperate with the regional consensus building efforts of Osaka Pref./City so that the IR Business can be continued for a long-term in a stable manner.

4. Matters related to the utilization of profits from the casino business

(1) Reinvestment obligation

- a. Regarding the utilization of the profits obtained from the casino business, obligations of the IR Operator shall be provided in the Implementation Agreement, etc. based on the proposal by the Applicant.
- b. In view of the fact that the casino business is specially approved for the purpose of promoting the development of the IR Area, the IR Operator must use the profits from the casino business to contribute to the improvement of the IR Facilities and

the other IR business, and to cooperating with Osaka Pref./City for measures related to the Certified IR Area Development Plan, based on the results of the evaluation by the Minister of Land, Infrastructure, Transport and Tourism pursuant to Article 37, Paragraph 1 of the IR Development Act.

- c. When utilizing the profits earned from the casino business, the IR Operator shall make the necessary reinvestment in order to ensure the public interest of the IR Business, and shall make efforts to reinvest sufficiently, comparing with the investment capacity of the IR Operator.

(2) Development of the IR Area’s Prospective Expansion Area

- a. The IR Operator shall, in principle, utilize the profits gained from the casino business, take advantage of the private sector's ingenuity to newly develop the IR Area’s Prospective Expansion Area (Site D) so as to contribute to the sustainable economic growth in Osaka and Kansai region as well as to strengthening the international tourism site.
- b. The matters related to the use of the IR Area’s Prospective Expansion Area shall be discussed by Osaka Pref./City and the IR Operator taking account of the development plans of the railways (north route) and separately agreed aiming within around 10 years from the Initial Opening. For more details, refer to the Requirement, etc. The details will be separately provided in the Guidance etc.
- c. For the development of the IR Area’s Prospective Expansion Area, Osaka Pref./City and the IR Operator shall respectively take necessary procedures, but not limited to change of the certification of the IR Area Development Plan and establishment of the IR Operator’s right to use the land in the IR Area’s Prospective Expansion Area, etc.

5. Matters related to Project schedule

The Project schedule is assumed as shown in Chart 7.

With regard to the opening of the IR Facilities which is planned in the latter half of 2020s, the public and private sectors shall work together to realize the world's highest-level IR and enjoy the business effects early.

The schedule may change in the future depending on the timing of establishment of relevant government ministerial ordinances and regulations and the timing of the certification of the IR Area Development Plan, etc.

[Chart 7 Expected schedule]

Date/Period	Item
December 2019 (First year of the Reiwa era)	Announcement of the Guidance, etc.
March 2021 (Third year of the Reiwa era)	Revision of the Guidance, etc.
Around September 2021 (third year of the Reiwa era)	Selection of the Prospective IR Operator
Around October 2021 (Third year of	Execution of Basic Agreement

the Reiwa era)	
Around October 2021 (Third year of the Reiwa era) to January 2022 (Fourth year of the Reiwa era)	Preparation of IR Area Development Plan and implementation of public hearings, etc.
Around February to March 2022 (Fourth year of the Reiwa era)	Consent by the prefectural assembly and Osaka city council
Around April 2022 (Fourth year of the Reiwa era)	Application for certification of the IR Area Development Plan
Around summer 2022 (Fourth year of the Reiwa era) -	Certification of the IR Area Development Plan (national government)*1 Conclusion of the Implementation Agreement
FY2023(Fifth Year of the Reiwa era) or later	Start of the IR Business Delivery of the land / start of construction*2
Latter half of 2020s	Opening of IR*2

*1 The national government schedule is on assumption.

*2 The Date/Period is based on the proposal by the Applicant.

6. Matters related to the implementation structure for the Project

The Project shall keep stable and continuous operation of IR business for a long period and enhance growth power and world competitiveness as a sustainable engine for economic growth of Osaka/Kansai. And for this purpose, the IR Operator shall properly establish implementation structure for business throughout the Project Term subject to the following conditions:

- (1) The IR Operator shall have sufficient experience, know-how and capability for operation to smoothly and soundly operate the Project, etc., and establish effective, efficient and well organized implementation structure for business;
- (2) The IR Operator shall establish organization system under which decision-making process and allocation of responsibility are clear and business strategies can be implemented in effective and efficient manner thanks to proper management system and task management system. In addition, the IR Operator shall make organization which can take prompt and efficient measures such as BCP when an emergent incident such as disaster or risk occurs.
- (3) The IR Operator shall establish proper governance system to ensure smooth and secure operation of the Project and to steadily continue the Project for a long period.
- (4) The IR Operator shall establish structure for communication and coordination (including night time and emergent situation such as disaster) with Osaka Pref./City and other stakeholders and closely communicate, coordinate and cooperate with them.
- (5) Ensuring integrity of the IR Operator

From the stage of preparation for obtaining license for casino business, the IR Operator shall ensure the integrity of its director, shareholders, etc., employee and contractual partner, etc., by its activities including eliminating antisocial force according to standards for license based on Article 41 of IR Development Act, standards for authorization of contract based on Article 97 thereof, and standards for

confirmation of staffs based on the Article 116 thereof., etc. The IR Operator shall take proper measure such as setting code of conduct to eliminate relationship with antisocial force and prevent harmful effects due to antisocial force.

Section 5 Matters related to measures and policies to realize attractive stay-type tourism with high international competitiveness in Japan by promoting the development of the Specified Complex Tourist Facilities Area utilizing the creativity of regions and vitality of the private sector through the utilization of the profits of the casino business

The number of foreign tourists in Osaka is increasing at a rate exceeding that of the whole country, with 12.31 million people or about 40% of the foreign visitors coming to Osaka in 2019, and Osaka and Kansai region are expected to become the driving force in achieving the government's tourism strategy (2030: 60 million people).

In future, the establishment of Osaka IR, which will be a new urban attraction in Osaka and Kansai region, is expected to attract more visitors. And to maximize the effect, Osaka Convention & Tourism Bureau, municipality of each area and DMOs, etc., will cooperate to promote tours using various tourist attraction in Osaka/Kansai and offer comprehensive information in order to spread visitor attraction effect to each area synergistically and realize further revitalization of economy in Osaka/Kansai.

In addition, the functions of facilities for enhancing attractions and customer transfer facilities shall be fully performed to spread the effects to various parts of Japan, in addition to disseminating information in an integrated manner with the various tourist attractions that Osaka and Kansai region have and to aim to increase the number of foreign tourists and travel consumption not only for Osaka and Kansai region, but also for the entire country, thus contributing to realizing Japan as an “advanced tourism country.”

1. Measures and policies to attract MICE

In the All-Osaka structure for attracting visitors under which Osaka Pref./City, the business sector, and Osaka Convention & Tourism Bureau, etc. are united, by strategically attracting MICE through marketing and city promotion, and actively attracting international conferences and large-scale exhibitions, etc. with the themes featuring industries and research in which Osaka and Kansai region have strengths, the goals are promotion of tourism, revitalization of the economy, improvement in attractiveness of the city, and sustainable growth in Osaka and Kansai region.

The IR Operator shall work together and cooperate in the above-mentioned All-Osaka structure for attracting visitors.

2. Measures and policies to promote inbound tourism

In order to further promote inbound tourism, information shall be disseminated to the world by improving the environment for accepting tourists and developing high-quality wide-area tourism routes that will be attractive to the whole world, in cooperation with the regions that have attractive content, taking the establishment of the Osaka IR as an opportunity.

The IR Operator shall work in cooperation with Osaka Pref./City and Osaka Convention & Tourism Bureau to promote excursions that takes advantage of the cultural and entertainment contents and tourist attractions of Osaka and Kansai region.

Section 6 Matters related to measures and policies required to appropriately eliminate harmful effects associated with the establishment and operation of casino facilities

The national government, local governments, the IR Operator, and other parties concerned need to appropriately fulfill their respective roles pursuant to relevant laws and regulations, etc. and act together to implement without fail measures against concerns including countermeasures against gambling addiction and measures for security and district public morals.

In promoting the development of the IR Area in Yumeshima/Osaka, Osaka Pref./City, Osaka Public Safety Committee and Osaka Prefectural Police shall appropriately and for certain fulfill their respective roles as shown below, while trying to ensure close collaboration, including with the national government, and to take all possible measures that taken into consideration the current state of Osaka.

1. Countermeasures against gambling addiction

Aiming to become the first runner in implementing countermeasures against addiction, Osaka Pref./City will, collaborating with the national government, build a comprehensive and seamless counter-addiction model (the so-called “Osaka Model”), which incorporates measures unique to Osaka in addition to the best practices from overseas cases, concerning prevention and recovery measures that are tailored to each stage of gambling addiction which are the onset, progress, and relapse.

Furthermore, Osaka Pref./City will formulate and implement necessary measures to appropriately eliminate harmful impacts associated with the establishment and operation of the casino facilities to fulfil its responsibility as local governments in accordance with the IR Development Act, and take effective measures in cooperation with municipalities and relevant organization in accordance with the Osaka Prefectural Promotion Plan for Gambling Addiction Countermeasures established in March 2020 based on the Basic Act for Promotion of Gambling Addiction Countermeasures in consideration of the actual situation in Osaka .

Specifically, Osaka Pref./City and related organizations will implement the following initiatives.

- a. Promoting public awareness and prevention education for youth
- b. Strengthening the consultation support system
- c. Strengthening medical treatment system
- d. Strengthening recovery support system
- e. Strengthening regional support network
- f. Promoting advanced research on countermeasures against addiction including use of ICT/AI technology
- g. Investigating the actual situation in prefecture, etc.

2. Measures for security and district public morals

To ensure good security and maintain good district public morals, Osaka Pref./City, Osaka Prefectural Public Safety Commission and Osaka Prefectural Police shall endeavor

to enhance the capability of the police and promote crime prevention in the local area by increasing the number of police officers and establishing police facilities (such as police stations) and traffic safety facilities in Yumeshima.

Furthermore, Osaka Pref./City shall develop and implement necessary measures to appropriately eliminate harmful impacts of establishing and operating casino facilities as the responsibility of local governments as stipulated in the IR Development Act.

Specifically, the following initiatives will be implemented.

- a. Strengthening the capability of the police by increasing the number of police officers and establishing a police station in Yumeshima
- b. Guidance/advice to the IR Operator regarding crime prevention, security systems, etc.
- c. Promotion of measures against criminal revenues, such as money laundering and measures against the gangs' Intervention in the business.
- d. Promote various countermeasures against terrorism such as information gathering and security actions
- e. Promote measures to establish a crime-preventive environment
- f. Promote measures to protect the youth from the behaviors that hinder their healthy growth, etc.

Section 7 Matters related to the invitation and selection of private business operators to operate the IR Business

1. Basic concept on the invitation and selection of a private business operator

Osaka Pref./City shall arrange a public offering to attract private business operators who wish to participate in the Project through proposal pursuant to the Guidance, etc., and select the Prospective IR Operator among the Applications while ensuring the transparency and fairness of the selection process.

Osaka Pref./City establish and obey “Guidance on correspondence with business operators related to IR” as well as existing rules applicable to employees such as Osaka Prefectural Basic Guidelines on the Enforcement of Discipline to ensure fairness, impartiality and transparency in the course of promotion of development of IR Area. In addition, Osaka Pref./City is ensuring fairness, impartiality and transparency in the public offering and selection of private business operator by imposing strict restriction regarding conflict of interest on Osaka Pref./City Advisors and Selection Advisory Committee members and imposing restriction on Applicants such as forbidding them approaching the staffs and special service of Osaka Pref./City, Osaka Pref./City Advisors and members of Selection Advisory Committee in connection with the Project.

2. Engagement of advisors to Osaka Pref./City

(1) Engagement of advisors to Osaka Pref./City

Osaka Pref./City shall engage the following advisors (hereinafter referred to as “Osaka Pref./City Advisors”) for the implementation of the RFP.

- a. PwC Consulting LLC. (Chiyoda-ku, Tokyo)
- b. PwC Advisory LLC. (Chiyoda-ku, Tokyo)
- c. IWATA GODO (Chiyoda-ku, Tokyo)
- d. Kowa Legal Professional Corporation (Chuo-ku, Osaka City, Osaka)
- e. Sano Law Offices (Chuo-ku, Osaka City, Osaka)
- f. Daichi Law Offices (Chiyoda-ku, Tokyo)
- g. Asai Ken Architectural Research Inc. (Minato-ku, Tokyo)
- h. Espacio Consultant Corp. (Chuo-ku, Tokyo)
- i. Kinki Nihon Consultant Co., Ltd. (Kita-ku, Osaka City, Osaka)

(2) Provision of information, etc. to Osaka Pref./City Advisors

We plan to provide Osaka Pref./City Advisors with information obtained from Applicants during the process of the RFP and other necessary information as needed. Osaka Pref./City Advisors may participate in dialogues with the Applicants as needed.

3. Selection procedures and methods of the Prospective IR Operator

(1) Examination structure

Osaka Pref./City shall establish the Osaka Prefecture and Osaka City IR Operator Selection Advisory Committee which consists of experts, etc. (hereinafter referred to

as the “Selection Advisory Committee”) and conduct the examination to ensure an objective and fair examinations and refer to opinions from the professional points of view in selecting the IR Operator.

The members of Selection Advisory Committee shall be shown in the Guidance, etc. and the Selection Advisory Committee is closed to the public.

(2) Selection procedures

The selection of the Prospective IR Operator for the Project will be conducted in accordance with the following procedures.

a. Announcement of the Guidance

- Osaka Pref./City will announce and publish the Guidance on the RFP for the Project on their website and in other appropriate ways.

b. Qualification screening

- Applicants who participate in the participation qualification screening shall prepare the Qualification Screening Documents and submit these to Osaka Pref./City as specified in the Guidance.
- After the submission of the Qualification Screening Documents, Osaka Pref./City will check whether the Applicant satisfies the requirements for participation qualification specified in the Guidance, and notify the Applicant of the results.
- When Osaka Pref./City receives a confidentiality agreement from the Applicant who satisfies the qualification requirements and has passed the participation qualification screening (hereinafter referred to as the “Successful Qualified Applicant”), Osaka Pref./City plan to disclose documents under Section2-3. (2) to (8), (10) and (11) to the Successful Qualified Applicant.

c. Competitive dialogues

- Osaka Pref./City shall conduct competitive dialogues with Successful Qualified Applicant after the completion of the participation qualification screening and before the submission of the Proposal Examination Documents, and will adjust the Basic Agreement (Draft) the Implementation Agreement (Draft), the Location Agreement (Draft) and the Land Lease Contract (Draft) (hereinafter collectively referred to as the "Implementation Agreement (Draft), etc."), if necessary, based on the result of such dialogues.

d. Proposal examination

- Applicants who participate in the proposal examination shall prepare the Proposal Examination Documents and submit these to Osaka Pref./City as specified in the Formats and Instructions on Documentation.
- The proposal examination will be conducted in two stages: basic examination and examination on the contents of the proposal.
- Osaka Pref./City will conduct a basic examination of the Proposal Examination Documents to determine whether the proposal submitted by the Successful Qualified Applicant meets the requirements stipulated in the Guidance, etc. (hereinafter referred to as the “Requirements”).
- Regarding the Proposal Examination Documents of which it has been

confirmed that the Requirements are satisfactory through the basic examination, the Selection Advisory Committee shall examine such proposal based on the confirmation of the contents of the proposal through a document examination and a presentation, etc. (including questions and answers) in accordance with the Selection Criteria for the Prospective IR Operator.

e. Examination items

In accordance with the objective criteria which include the items listed in Chart 8, Osaka Pref./City will examine the Applicants for necessary matters. Details of the examination items, etc will be shown in the Guidance.

[Chart 8: Examination items]

	Examination items)
Concept	Excellent concept with uniqueness that overwhelms others
Plan for facilities / Operation plan	Creation of a unique, high-quality international tourism site
Efforts to enhance sustainability	Creation of a foundation that supports the appeal and sustainability of the IR and contribution to the local community
Measures against Concerns	Steady implementation of highly effective Measures against Concerns and strong collaboration with the government
Business certainty and stability	Implementation structure and financial strength that ensure the stable and reliable operation of the Project in the future

(3) Selection of the Prospective IR Operator, etc.

Osaka Pref./City shall decide the ranking of Applicants in the examination of the Proposal Documents and select the Prospective IR Operator and the runner-up Prospective IR Operator through the Selection Advisory Committee's examination.

(4) Notification of the examination results

Osaka Pref./City shall notify the results of the proposal examination the Applicants who participated in the proposal examination.

(5) Publication of examination results

Osaka Pref./City shall announce the results and process of the examination on their website or by other appropriate methods after selecting the Prospective IR Operator.

(6) Execution of Basic Agreement

Based on the Basic Agreement (Draft) (or based on the revised draft of the Basic Agreement if it is revised based on competitive dialogue; the same shall apply hereinafter), the Prospective IR Operator shall execute the Basic Agreement with Osaka Pref./City.

If the Basic Agreement is not immediately executed with the Prospective IR Operator, or if it becomes clear that the Implementation Agreement will not be executed after the Basic Agreement has been executed, Osaka Pref./City may proceed from the procedures on the execution of the Basic Agreement again with the runner-up Prospective IR Operator being regarded as the Prospective IR Operator.

Osaka Pref./City will not accept requests for revision of the Basic Agreement (Draft) in principle.

(7) Establishment of the SPC

Prior to the execution of the Implementation Agreement, the Prospective IR Operator shall establish a stock company as stipulated in the Companies Act as the SPC whose purpose is implementation of the Project.

In addition, if it is desired that the Prospective IR Operator will establish an SPC in a form other than a stock company (provided that such SPC shall take a form of the companies stipulated in the Companies Act) or that the Prospective IR Operator will indirectly hold SPC's shares or equity interests, etc., the form of the organization and its capital relationship with the SPC shall be specifically described in the Proposal Documents. The Prospective IR Operator may establish the SPC in the form approved by Osaka Pref./City based on the discussing with Osaka Pref./City through competitive dialogues to be held after passing the participation qualification screening.

(8) Business preparation by Prospective IR Operator

As a preparatory act for the start of the Project, the Prospective IR Operator will be able to start the preparation for the start of the Project, to the extent Osaka Pref./City cooperates such as on-site surveys (boring survey, measurement survey, etc.) procedures to obtain various approvals and licenses, etc., and coordination of construction related to the Expo and infrastructure development in the surroundings, etc. in parallel with the application for the certification of the IR Area Development Plan, the establishment of the SPC, and the preparation for the execution of the Implementation Agreement.

(9) Preparation and application for approval of the IR Area Development Plan

Osaka Prefecture and the Prospective IR Operator shall jointly prepare the IR Area Development Plan and a plan for the entire Project Term (Long-term Plan) and make an application for certification of the Minister of Land, Infrastructure, Transport and Tourism in accordance with Article 9, Paragraph 1 of the IR Development Act, after gaining consent to the IR Area Development Plan from the Public Safety Commission or Osaka City pursuant to Article 9, Paragraph 6 of the IR Development Act; consent from Osaka City pursuant to Article 9, Paragraph 9 of the IR Development Act; consent of Osaka Prefecture's assembly pursuant to Article 9, Paragraph 8 of the IR Development Act; and other necessary procedures, etc. set by Osaka Pref./City.

(10) Execution of the Implementation Agreement, etc.

In the event the Minister of Land, Infrastructure, Transport and Tourism certifies

an IR Area Development Plan pursuant to Article 9, Paragraph 11 of the IR Development Act, the IR Operator shall promptly file an application in corporation with Osaka Prefecture to the Minister of Land, Infrastructure, Transport and Tourism for approval to the execution of an Implementation Agreement set forth in Article 13, Paragraph 2 of the IR Development Act based on the Implementation Agreement (Draft) (or to the revised draft if revised based on competitive dialogue; the same shall apply hereinafter) pursuant to the Basic Agreement. Upon obtaining the approval, the IR Operator shall promptly execute the Implementation Agreement.

At the same time, the IR Operator and Osaka Pref./City shall execute the Location Agreement based on the Location Agreement Document (draft) (or the revised draft if revised based on the competitive dialogue, the revised version (draft)), and the IR Operator and Osaka City shall execute the Land Lease Contract based on the Land Lease Contract (Draft) (or the revised draft if revised based on the competitive dialogue).

Osaka Pref./City will not accept requests for revision to the Implementation Agreement (Draft), etc., in principle.

4. Applicants' participation qualification requirements

(1) Composition of Applicants

The composition of Applicants who are able to apply for the RFP shall be as follows:

- a. The Applicant must be a single company (including cases where it intends to implement the Project itself; hereinafter referred to as the "Applicant Company") or a group consisting of multiple companies (limited to the case where the Applicant intends to establish an IR Operator; hereinafter referred to as the "Applicant Group"). An Applicant Company, an Applicant Group, a Cooperating company¹¹, and an Applicant Advisor¹² are collectively referred to as the "Applicant".
- b. The Applicant shall specify the name of the Applicant Company or the names of the companies composing the Applicant Group (hereinafter referred to as the "Applicant Group Members") and their roles in carrying out the Project.
- c. An Applicant Group shall designate a company that represents such Applicant Group (hereinafter referred to as the "Representative Company") among the Applicant Group Members. The Applicant Group Members shall submit a "power of attorney" in accordance with Formats and Items to be included, and the Representative Company shall conduct Procedure for submitting application.
- d. In the Applicant Group, assuming that the Representative Company will take a leading role in the investment in SPC and management after the start of the business, a Representative Company shall conduct the procedure for application by organizing the Applicant Group Members and play a role as the contact with Osaka Pref./City.

¹¹ A "Cooperating Company" is a person who is appointed in relation to the Project by the Applicant Company or Applicant Group member and described in the proposal document as a person who gets entrusted with or subcontracts the business (including those who intend to do so)

¹² An "Applicant Advisor" means a lawyer, certified public accountant, tax accountant, consultant or any other specialist who is selected by an Applicant Company or an Applicant Group Member as a person or a juridical person who reviews and supports the proposal for application to the RFP for such certain Applicant Company or Applicant Group.

- e. The Applicant Company and Applicant Group Members plan to invest in the IR Operator and receive the allocation of all the shares (hereinafter referred to as the “Voting Shares”) with voting rights exercisable at the shareholders' meeting of the IR Operator. All the voting shares of the IR Operator shall be allocated to the Applicant Company and the Applicant Group Members (except in the case of the 2nd sentence of Section 7-3.-(7)). If an Applicant wishes to hold SPC shares indirectly, etc., such an Applicant shall follow the procedures described in the 2nd sentence of Section 7-3.-(7) shall.

(2) Participation qualification requirements for an Applicant Company and an Applicant Group Members

Each Applicant Company and Applicant Group Members must meet the participation qualification requirements listed below. In the event that an Applicant Company or an Applicant Group Member intends to establish the IR Operator and have such the IR Operator to implement the Project, the person or entity who has voting rights or shares or equity interest of such the Applicant Company or the Applicant Group Member (hereinafter referred to as the “Voting Rights, etc.”) exceeding major shareholder, etc. threshold stipulated in the Article 2, Paragraph 12 of the IR Development Act becomes a certified major shareholder, etc., set forth in the same provision of IR Development Act, the same shall apply to such person and entity.

In case an Applicant Company or an Applicant Group Member is an overseas business operator, it is necessary that Osaka Pref./City can confirm that such overseas business operator meets the qualification requirements equivalent to those listed in the e and f (b) through (g) in light of applicable laws and regulations.

- a. It has the intention of carrying out the Project (including the intention to establish the IR Operator and make them implement the Project. The same shall apply hereinafter), capability to implement the Project appropriately in light of the personnel structure, organizational structure and capital structure, and its directors (as defined in Article 23, Paragraph 2 of the IR Development Act (except the director included only for the application of the same paragraph), the same shall apply to this Section) has capability to implement the Project appropriately in light of their mental conditions;
- b. It has the financial foundation to implement the Project soundly;
- c. Itself and its director(s) have sufficient social credibility;
- d. In the event that an Applicant intend to implement the Project by itself, the holder of Voting Rights, etc. that is equal to or greater than the major shareholder threshold stipulated in Article 2, Paragraph 12 of the IR Development Act have adequate social credibility and in case such holder is a corporate entity, its directors have adequate social credibility;
- e. There is no petition filed or applied or reason to file or apply for its bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, special liquidation, or any other similar legal insolvency proceedings in Japan or overseas, or for business rehabilitation ADR or other voluntary liquidation; and
- f. It does not fall under any of the following:

- (a) Person or entity who falls under any items to Article 41, Paragraph 2, (excluding Item 1.4 and Item 5, and in case the Applicants intend to establish the IR Operator and have them implement the Project, Item 4 is also excluded) of the IR Development Act ;
- (b) Person or entity who falls under any Items in Paragraph 1 or Paragraph 2 of Article 167-4 of the Local Autonomy Law Enforcement Ordinance (cabinet order No.16 of 1947);
- (c) Person or entity in arrears on corporate tax, consumption tax, corporate enterprise tax, corporate prefectural tax, municipal tax, or local consumption tax as of the due date for the submission of Qualification Screening Documents;
- (d) Person or entity who falls under any Items in Paragraph 1 of Article 32 of the Act on Prevention of Unjust Acts by Organized Crime Group Members, any of the Items 1 through 4 of Article 2 of the Osaka Prefectural Ordinance for Eliminating Organized Crime Groups, or any of the Items 1 through 3 of Article 2 of the Osaka City Ordinance for Eliminating Organized Crime Groups;
- (e) Person or entity who is subject to exclusion from participation in the bidding based on the Osaka Prefectural Guidelines for Eliminating Organized Crime Groups regarding Public Works, etc. or the Osaka City Guidelines for Eliminating Organized Crime Groups from Public Works Contracts or being subject to any of the action requirements listed in the appendices to the Guidelines;
- (f) Person or entity who is subject to suspension of participation in bidding based on the Osaka Prefectural Guidelines for Suspension of Participation in Bidding or the Osaka City Guidelines for Suspension of Participation in Competitive Bidding or falls under any of the requirements listed in the appendices to the Guidelines; or
- (g) Entity any of which director falls under the above-mentioned (d) or (e).

(3) Requirements for the Applicant Company or the Applicant Group

An Applicant Company, an Applicant Group Member, or the company who is a consolidated subsidiary of the Applicant Company or the Applicant Group Member shall have a track record in developing or operating either of the followings on or after January 1, 2009. The above track record is not limited to projects in Japan.

- a. Complex Facilities¹³ with a Gross Floor Area¹⁴ within the District¹⁵ of approximately 500,000 m² or more; or

¹³ “Complex Facilities” mean a group of facilities comprised of multiple use, such as entertainment facilities, leisure facilities, sports facilities, commercial facilities, accommodation facilities, convention center facilities, exhibition facilities, offices or residences, and parking facilities, etc.

¹⁴ “Gross Floor Area within the District” means the total of the floor area of complex facilities, etc. built within the district.

¹⁵ “District” means a district where an urban development project including one or more buildings is implemented, of which the area can be confirmed through the urban planning decision, etc.

- b. Complex Facilities that are built in the Area with an area of approximately 25 hectares or more and have a Gross Floor Area within the District of approximately 250,000 m² or more.

(4) Restrictions on relationship with Osaka Pref./City and Osaka Pref./City Advisors

A person or entity that falls under any of the following or a person or entity having a certain level of relationship in terms of capital ties or personnel structure, etc. with such person or entity that falls under any of the following¹⁶ is not entitled to become an Applicant Company, an Applicant Group Member, a Cooperating Company, or an Applicant Advisor for the RFP.

- a. Osaka Pref./City or a person or entity having a certain level of relationship terms of capital ties or personnel structure, etc. with Osaka Pref./City.
- b. An Osaka Pref./City Advisor or a person or entity having a certain level of relationship with such Pref./City Advisor in terms of capital ties or personnel structure, etc.
- c. A person or entity who receives advice regarding the Project (regardless of whether or not an agreement is concluded) from an Osaka Pref./City Advisor or a person or an entity having a certain level of relationship in terms of capital ties or personnel structure, etc. with such Osaka Pref./City Advisor.

(5) Restriction on involvement with members of the Selection Advisory Committee, etc.

A person or a juridical person that falls under any of the following is not entitled to become an Applicant Company, an Applicant Group Member, a Cooperating Company or an Applicant Advisor of the RFP.

- a. A Member of the Selection Advisory Committee
- b. An Organization to which members of the Selection Advisory Committee belong
- c. A person or corporate entity who has a certain level of relationship with a member of the Selection Advisory Committee¹⁷

(6) Prohibition of multiple applications

Neither of an Applicant Company and an Applicant Group Member who plan to invest 5% or more in the total number of shares with voting rights of the IR Operator,

¹⁶ “A person or entity having a certain level of relationship in terms of capital ties or personnel structure” means: (1) A person or entity having a relationship of a parent company, etc. and a subsidiary, etc., (2) A person or entity having a relationship of subsidiaries, etc. under the same parent company, etc.,; (3) A person or , entity having a relationship that a director of one party holds the position of a director of the other party, (4) In addition to (1) to (3) above, a person or entity who is substantially controls or is controlled by the other party in terms of the decision on the business policy (The scope of parent company etc. and subsidiaries, etc. shall be subject to the definition stipulated the Companies Act).

¹⁷ “A person or entity who has a certain level of relationship” means a person or entity described below (the scope of a parent company, etc. and a subsidiary company, etc. is as provided by the Companies Act):

- (1) A person or entity that has relationship of parent company, etc. and subsidiary, etc., with a member of the committee or a corporation to which a member of the committee belongs.
- (2) In addition to the above, a person or entity substantially controls or is controlled by a committee member or a corporation to which the committee member belongs in terms of the decision on the business policy.

plan to implement the IR Business itself, or plan to carry out the casino business or person or entity who have a certain level of relationship with such Applicant Company or Applicant Group Member in terms of capital ties or personnel structure, etc., can simultaneously become other Applicant Company, Applicant Group Member or Cooperating Company.

(7) Change of Applicants

- a. If the Applicant Company or Applicant Group adds Applicant Group Member(s) after submission of the Qualification Screening Documents but before the submitted Proposal Examination Documents are accepted, such addition can be made to the extent that the Applicant Company or the Applicant Group Member(s) who passed the participation qualification screening will still be allotted one half or more of the Voting Shares in the IR Operator and the change does not exceed the number of voting shares of the Applicant Group Member with the highest number of allocated shares. Any Applicant Group Member to be added shall satisfy all of the requirements set forth in (2) and (4) to (6).
- b. After submission of the Qualification Screening Documents, the Applicant Group Member shall not transfer between the Applicant Groups and the Applicant Companies shall not become a member of the other Applicant Group.
- c. Except the case of a, any change of an Applicant Company, a Representative Company, or an Applicant Group Member is not permitted, in principle, during the period from the submission of the Qualification Screening Documents to the selection of the Prospective IR Operator. However, this does not apply if there is an unavoidable circumstance under which such change is inevitable and Osaka Pref./City considers the circumstances and approves the change, following consultation between party and Osaka Pref./City.
- d. When an Applicant Company or Applicant Group Member no longer satisfies the participation qualification requirements set forth in Sections 7-4.-(2) to (6), or when the person or entity who controls the Applicant Company or Applicant Group Member has been changed (including cases where an Applicant Company or an Applicant Group Member is newly controlled by a third party), prompt notification shall be made to Osaka Pref./City.

5. Expenses associated with application

The cost of the preparation and submission of Proposal Documents, etc. shall be conducted at the Applicant's expenses.

6. Payment of the examination fee

Applicants to the RFP shall bear a part of the cost incurred by Osaka Pref./City for selecting the Prospective IR Operator for the Project as examination fee, and shall pay 10 million yen to Osaka Prefecture when applying for the participation qualification screening.

The examination fee corresponds to a part of the cost that is closely related to the selection procedure of the Prospective IR Operator (90,825,943 yen) out of the cost for Advisory Services entrustment (contract amount: 377,193,845 yen). Details of the specific

amount and payment method, etc. will be provided in the Guidance, etc.

7. Language used for the implementation of the Project

The language used for the implementation of the Project shall be Japanese.

Meanwhile, as for verbal correspondence such as dialogues, languages other than Japanese can be used on the condition that an interpreter is/interpreters are arranged to interpret this into Japanese. In case of using an interpreter, it is required to arrange a simultaneous interpreter, as much as possible, including the preparation of relevant equipment.

8. Measures related to change to Basic Policy and Implementation Policy

Osaka Pref./City had made Implementation Policy (Draft) and started the procedures such as public offering and selection of the Prospective IR Operator in accordance with Basic Policy (Draft) for which national government started the public comment period on September 4, 2019 (the First year of the Reiwa era) before the Basic Policy was publicized in order to improve the contents of IR Area Development and realize the effect by IR Area Development in early stage.

However, given that application period for certification of IR Area Development Plan and Basic Policy were changed and Osaka Pref./City changed some part of the Requirements taking account of impact of COVID-19, etc., Osaka Pref./ City will additionally accept Qualification Screening Documents in order to maintain fairness and impartiality of public offering and selection of the Prospective IR Operator.

9. Handling of Proposal Documents

Proposal Documents will be handled as follows.

(1) Intellectual property rights

Copyright, portrait right, trademark right, and other intellectual property rights regarding the Proposal Documents shall belong to those who submit the Proposal Documents or other who have such rights. In preparing and submitting Proposal Documents, etc., the rights and interests of any third party, including intellectual property rights, shall not be infringed.

In addition, Osaka Pref./City may use or modify all or part of the Proposal Documents (including but not limited to handouts and videos used at the time of the presentation) free of charge, when Osaka Pref./City announces the Project or recognizes it is necessary. Proposal Documents will not be returned.

(2) Publication of the Proposal Documents

Osaka Pref./City may, as necessary, disclose publish a part of the Proposal Documents (including but not limited to handouts and videos used at the time of the presentation) of the Prospective IR Operator selected (including the runner-up Prospective IR Operator if it becomes the Prospective IR Operator). The Applicant shall clarify, at the time of submitting the Proposal Documents, whether there is any material which includes contents that may place its rights, position in competition, and other any legitimate interests at risk if such materials are disclosed

(such as special technology or know-how, etc.).

(3) Contradiction in the contents of the proposal

If there is any discrepancy between drawings or diagrams providing the image, etc. and written descriptions, the written descriptions shall take precedence.

(4) Obligation to perform the matters provided in the proposal

The IR Operator shall implement the matters contained in the proposal submitted by the Prospective IR Operator at each stage of examination to Osaka Pref./City unless otherwise specified separately in the Guidance, etc. When a presentation is made, the same shall apply to questions asked in connection with the proposal and the answers to such questions at the time of presentation.

Section 8 Matters for ensuring the smooth and steady implementation of the IR Business

1. Obligations during the Project implementation

The IR Operator shall bear the obligations described below when carrying out the Project.

- (1) Obligation to implement the IR Business in accordance with IR Relevant Laws and Regulations, etc.
- (2) Obligation to implement the IR Business in accordance with relevant laws and regulations, etc., the Implementation Agreement, Certified IR Area Development Plan, RFP Requirements and Proposal Documents, etc. (note that in certain cases, such as failure by the IR Operator to perform significant obligations, Osaka Prefecture can intervene in the implementation of the Project in accordance with the Implementation Agreement. Such events and details of the intervention will be defined in the Implementation Agreement).

2. Obligation to hold assets, etc.

The IR Operator must not change its business structure (dissolution, merger, corporate division, business transfer, other organizational restructuring activities, or changes to the business purpose of the Articles of Incorporation, etc.) without prior consent of Osaka Prefecture.

The IR Operator shall require an approval of Osaka Pref./City in the case of transferring, setting a security right or other disposal measures regarding its main assets owned for the Project in accordance with the provisions of the Implementation Agreement and the Land Lease Contract.

3. Restrictions and procedures regarding the rights and obligations of the IR Operator

(1) Disposal of the agreed status, etc.

The IR Operator shall not transfer or set a security right or otherwise dispose any of its status under the Implementation Agreement or as specified under contracts concluded with Osaka Prefecture or Osaka City in relation to the Project, as well as the rights and obligations under these agreements and contracts, without obtaining Osaka Prefecture's prior approval.

In the event that the IR Operator desires to establish a security interest on its rights under the Implementation Agreement, etc., in order to borrow money from financial institution to procure funds necessary for the implementation of the Project, Osaka Prefecture will not withhold approval to such establishment without reasonable grounds. However, Osaka Prefecture will approve only if Osaka Prefecture and such financial institution have been signed the agreement regarding the conditions of the exercise of such security interest, etc. which are reasonable and satisfactory to Osaka Prefecture.

(2) Issuance and disposal of new shares by the IR Operator

The IR Operator shall obtain prior approval in writing from Osaka Prefecture when issuing its shares (hereinafter collectively referred to as the “Shares”) or disposing of its own shares, unless it meets certain requirements stipulated in the Implementation Agreement.

Those who holds the Shares shall obtain prior approval from Osaka Prefecture if they intend to dispose of the Shares they own to a third party, unless they meet certain requirements stipulated in the Implementation Agreement.

4. Matters related to ensuring the fulfillment of the responsibilities of the IR Operator

In order to ensure the smooth and steady implementation of the Project and to stably and continuously continue the Project over a long period of time, the governance function of the Project shall be ensured through self-monitoring by the IR Operator, monitoring by Osaka Pref./City, the confirmation/sharing of the status of implementation and discussion for improvement at a meeting composed of Osaka Prefecture, Osaka City and the IR Operator, and control through the evaluation, reporting, and advice, etc., by an evaluation committee composed of external experts, etc., as stipulated in the Guidance, etc., as well as cooperation with financial institutions as necessary.

The specific method of monitoring, etc. will be provided in the Guidance, etc.

(1) Establishment of the IR Business Evaluation Committee

Osaka Pref./City plans to establish an evaluation committee composed of multiple external experts, etc. (hereinafter referred to as the “IR Business Evaluation Committee”), which reports on the status of implementation of the Project and the results of the monitoring, etc., and expects the Committee to perform/provide evaluations, reports and advice, etc. from an objective and professional standpoint.

(2) Establishment of a meeting committee structure

Osaka Prefecture, Osaka City and the IR Operator shall arrange a meeting committee structure and use this to check the status of implementation of the Project, share information and discuss possible improvements as necessary, and foster close collaboration and coordination between the public and private sectors.

(3) Self-monitoring by the IR Operator

- a. The IR Operator shall, regarding the implementation of the Project, conduct a self-monitoring based on the basic monitoring plan (hereinafter referred to as the “Basic Monitoring Plan”) that defines the basic concept of the framework for ensuring the steady implementation of the Project, and appropriately preserve the results.
- b. The IR Operator shall prepare and submit reports on the methods and results of the self-monitoring to Osaka Prefecture periodically, and as required by Osaka Prefecture.
- c. Among the methods and results of the self-monitoring, the part specified as items to be disclosed shall be published.

(4) Monitoring by Osaka Pref./City

- a. Osaka Pref./City will confirm that the IR Operator is implementing the Project properly in accordance with related laws and regulations, the basic plan of the Project, the plan of the Project, and the Implementation Agreements, etc., and may hold improvement discussions on the details of the operation when a violations or non-performance are recognized.
- b. Osaka Prefecture can request the IR Operator for corrective action when a violation or non-performance by the IR Operator is found with the status of implementation of the Project, and in this case, the IR Operator shall take necessary corrective action. If the violation or non-performance has not been solved in spite of a request for corrective action, Osaka Prefecture can take measures such as cancellation of the Implementation Agreement, non-renewal of the IR area certification, or application for cancellation of the IR Area Development Plan, etc., according to the methods stipulated in the Implementation Agreement.
- c. In conducting monitoring, Osaka Prefecture shall be able to conduct investigations deemed necessary in addition to referring to the reports on the results of the self-monitoring submitted by the IR Operator.

(5) Analysis of the impact/effect of the IR Area Development, etc.

Osaka Pref./City and the IR Operator shall continuously gain an understanding of the impact and effect, etc. of the development of the IR Area and the implementation of the Project (hereinafter referred to as “IR Area Development, etc.”) to take appropriate measures and steps, etc. and to improve transparency in implementing the Project, and shall mutually cooperate in continuously studying and analyzing the social and economic impact and effect, etc. as a result of the IR Area Development, etc. to be referred to in making timely reviews and decisions on the long-term policy on IR Area Development, etc. which shall be announced in a timely manner as specified in the Implementation Agreement and the Basic Monitoring Plan.

5. Basic approach to risk sharing

Risks related to the Project (including demand fluctuation risk) shall be borne by the IR Operator, unless otherwise specified in the Implementation Agreement, etc.

Listed below are cases where Osaka Pref./City exceptionally bears a risk or exempt the IR Operator from fulfilling its obligations under the Implementation Agreement. The specific sharing of each risk is based on the below, and the details will be provided in the Implementation Agreement (Draft) etc.

(1) Force majeure

- a. When it becomes difficult to perform all or part of the Project due to abnormal weather, natural disasters, civil wars or hostile acts, epidemics and other events that should not be attributed to any responsibility of Osaka Pref./City and the IR Operator that meet certain requirements as stipulated in the Implementation Agreement, that have a direct and adverse effect on the implementation of the

Project, etc., (hereinafter referred to as “Force Majeure”), the IR Operator shall immediately notify Osaka Prefecture, and Osaka Pref./City and the IR Operator shall discuss the policy on how to cope with the situation, etc.

- b. The IR Operator shall restore and continue the Project at its own expenses and responsibility, and Osaka Pref./City will cooperate to ensure such restoration and continuation.
- c. The IR Operator is exempted from the obligations under the Implementation Agreement that have become difficult to fulfill due to Force Majeure, as provided for in the Implementation Agreement.
- d. When it is recognized that due to Force Majeure, there is a significant change in the environment that is the premise of the Project, Osaka Prefecture and the IR Operator will be able to discuss and revise the Implementation Agreement or the IR Area Development Plan, etc., to the necessary extent.

(2) Change in laws and regulations

- a. If the IR Operator is incurred an increase in costs or a damage due to the establishment or change of laws and regulations (excluding Specific Ordinance Changes, etc. shown in c.), the IR Operator shall bear the increase or the damage of the costs.
- b. When it is recognized that a change in laws and regulations caused a significant change in the environment that is the premise of the Project, Osaka Prefecture and the IR Operator will be able to discuss and revise the Implementation Agreement or the IR Area Development Plan, etc., to the necessary extent.
- c. During the Project Term, if ordinances, etc. are established or changed by Osaka Prefecture or Osaka City that are applied only to the Project and have an unreasonable effect, etc. specifically on the IR Operator (hereinafter referred to as “Specific Ordinance Changes, etc.”), and in the event that damages, etc. are caused to the IR Operator, Osaka Prefecture or Osaka City will compensate for the damages, etc. that the IR Operator incurred due to the Specific Ordinance Changes, etc. by Osaka Prefecture or Osaka City.

6. Development of the area surrounding the IR Area and improvement of the traffic environment, etc.

The central area of Yumeshima (Phase 1 to 3 areas shown in Chart 2), including the Prospective IR Area, is positioned as a “tourism/industrial zone” in the “Yumeshima Development Concept” and is aimed to form a new international tourism site. Osaka Pref./City will implement necessary measures and policies as follows, including the development of infrastructure such as railways and roads, etc., and the establishment of fire stations, etc.

(1) Development in surrounding areas

- a. In order to guide the use of land for the formation of an international tourism site, the use district is designated as a commercial district, and with regard to buildings for which the location should be restricted, the use of land is regulated in a special use district (international tourism district).

- b. Osaka City will establish a new station square (Transport Square) in front of the new station in order to improve user convenience and further promote visitors to wander about. A new fire station will be constructed in Yumeshima to realize a town where people can stay with a feeling that they are safe.

(2) Improvement of the traffic environment, etc.

Osaka City plans to develop the following infrastructure to respond to the increase, etc. in the number of visitors to the Yumeshima district.

The Osaka Prefectural Public Safety Commission will perform appropriate traffic regulations and controls in conjunction with the improvement of the road traffic environment implemented by Osaka City to ensure the safety and smoothness of traffic.

- a. Development of a railway (south route [Hokko Techno Port Line])
- b. Development of an outer circumference road for tourism to facilitate smooth traffic within the Yumeshima area
- c. Construction of elevated roads to separate the circulation of logistics and tourism
- d. Improvement of Yumeshima Main road, Maishima Main road, Konohana-ohashi Bridge, and Yumemai Bridge
- e. Development of water supplies (enhancement of water pipes and pressurized pump stations, etc. in Yumeshima and the surrounding areas)
- f. Improvement of sewers (increasing the number of pipes and pumping facilities, etc. in Yumeshima and the surrounding areas), etc.
- g. Measures to ensure smooth traffic of logistic related vehicle such as making waiting areas for the vehicles, introducing new information system about harbor and expanding the area for unpacking.

7. Cooperation to Yumeshima community development

With a view to the development of Yumeshima and the promotion of community development aiming to become an international tourism site, the IR Operator shall work closely with Osaka Pref./City and related parties, etc., and cooperate sincerely in implementing the Project. The specific conditions and considerations, etc. that the IR Operator should comply with will be shown in the Guidance, etc.

8. Obtain Regional Consensus

In the course of promotion of IR Area development, it is necessary to obtain understanding and cooperation from wide range of stakeholders in the region with respect to the meaning of IR Area development and elimination of harmful effect from establishment and operation of casino facilities and obtain sufficient regional consensus.

Osaka Pref./City will make efforts to obtain understanding in the region about IR which Osaka Pref./City are aiming to create by informing the positive effects of IR such as economic ripple effect and public benefit to local area and taking measures to prevent addiction to gamble, etc., and minimize concerns of local area about safety, public morality, or environment, etc., in order to smoothly obtain regional consensus.

For this purpose, Osaka Pref./City will communicate information effectively to local enterprise, university students or young generation, etc., according to the interest of each

of them by holding seminars for residents in Osaka Prefecture and utilizing movies or other PR tools and hold public hearing to hear opinions about the IR Area Development Plan.

Section 9 Matters concerning items to be stipulated in the Implementation Agreement and measures to be taken in case any doubt arises for the interpretation of the agreement

1. Matters to be stipulated in the Implementation Agreement

The main items to be stipulated in the Implementation Agreement are as follows.

- (1) Land use rights, etc. for Specified Complex Facilities Area
- (2) Handling of the Certified IR Area Development Plan, etc.
- (3) Project for Establishment and Operation of Specified Complex Tourist Facilities
- (4) Measures and policies to realize an attractive stay-type tourism with high international competitiveness
- (5) Measures and policies required to appropriately eliminate harmful effects associated with the establishment and operation of casino facilities
- (6) Utilization of the casino business revenue
- (7) Reporting and ensuring proper operation
- (8) Representations & warranties and commitments
- (9) Risk sharing
- (10) Contract period and measures associated with the expiration
- (11) Cancellation or termination of the contract and measures accompanying such cancellation or termination
- (12) Intellectual property rights

2. Measures in case of doubt

When it becomes necessary to determine matters that are not stipulated in the Implementation Agreement, or when any doubt arise regarding the interpretation of the Implementation Agreement, Osaka Prefecture and the IR Operator shall consult in good faith each time to cope with the issue. The method of consultation will be determined in the Implementation Agreement.

3. Designation of the governing law and jurisdiction

The Implementation Agreement shall be interpreted in accordance with the laws and regulations of Japan, and the Osaka District Court shall be the exclusive jurisdiction court of the first instance for all disputes arising in connection with the Implementation Agreement.

Section 10 Matters related to measures when the continuance of the Project becomes difficult

1. Criteria for deciding the continuation of the IR Area Development Plan

(1) Criteria for deciding the continuation of the IR Area Development Plan

Osaka Prefecture may not apply for the renewal of certification for the IR Area Development Plan and may apply for the cancellation of certification if deemed necessary from the point of public interest, including in the following cases. Osaka City may not give a consent to renewal by its council (which is a consent renewal pursuant to Article 9, Paragraph 9 of the IR Development Act, as applied mutatis mutandis pursuant to Article 10, Paragraph 4 thereof; the same shall apply hereinafter) when it is deemed necessary from the point of public interest, including in the following cases.

If Osaka Prefecture does not apply for the renewal of certification for the IR Area Development Plan or applies for the cancellation of certification for the IR Area Development Plan for any of the following events a. to c., Osaka Pref./City will not take any responsibility for the IR Operator.

- a. An incident that constitute a ground for termination of the Implementation Agreement including the IR Operator's default (such as a serious breach of the Implementation Agreement, cancellation or non-renewal of the casino license) occurs.
- b. An event including a significantly serious violation or default specified in the Basic Monitoring Plan occurs, and the violation or default has not been rectified after Osaka Prefecture issued an order for the IR Operator to rectify such event (however, except for the case when the rectification is expected within a reasonable period of time).
- c. It is judged difficult to continue the IR Business because of a severe hindrance to the operation due to reasons attributable to the IR Operator (however, except for the case when the recovery from such hindrance is expected within a reasonable period of time).

(2) Consultation with the IR Business Evaluation Committee

Osaka Prefecture shall consult with the IR Business Evaluation Committee in advance when deciding whether or not to apply for the renewal of certification of the Certified IR Area Development Plan or to cancel the Certified IR Area Development Plan, and Osaka City shall consult with the IR Business Evaluation Committee when Osaka City decides whether or not to give a consent to a renewal by its council, regarding the matters including whether or not they should or they need to apply for renewal or cancellation and whether or not there is a reason described in (1)a. to c..

2. Reasons for termination of the agreement and the treatment on the termination

If there is an incident that makes it difficult to continue the Project, the Implementation Agreement can be terminated as follows.

In this case, Osaka Pref./City will endeavor to continue the IR Business through a business succession or secondary public offering, etc., and the IR Operator shall cooperate as much as possible. Regardless of whether or not the IR Business is to be continued, Osaka Pref./City and the IR Operator shall consult in good faith to enable the assets owned by the IR Operator to be effectively utilized, considering the service life of the assets facilities (such effective use may include, but not limited to, transfer to the third party and the IR Operator's business use of the facilities other than casino facilities as general commercial facilities). Osaka Prefecture will proceed with necessary procedures such as applying for a revision or cancellation of the certification for the IR Area Development Plan with the Minister of Land, Infrastructure, Transport and Tourism, as necessary.

How to share damages and other conditions, depending on the individual reason leading to the end of the Implementation Agreements are basically as follows, and more details will be provided in the Implementation Agreement (Draft), etc.

(1) Termination due to reasons attributable to the IR Operator

a. Reason for termination

- When certain events set forth in the Implementation Agreement occur, including cases where the IR Operator violate the obligations sets forth in the Implementation Agreement, Osaka Prefecture will be able to terminate the Implementation Agreement with or without notification depending on the reason.

b. Effect of the termination

- The IR Operator shall pay the penalty set forth in the Implementation Agreement to Osaka Prefecture (if the actual amount of damage incurred by Osaka Prefecture exceeds the amount of the penalty, Osaka Prefecture is entitled to claim such excess amount).

(2) Termination due to the reasons attributable to Osaka Prefecture

a. Reason for termination

- The IR Operator is entitled to terminate the Implementation Agreement, if Osaka Prefecture does not fulfill its major obligations under the Implementation Agreement for a certain period of time due to reasons attributable to Osaka Prefecture, and if it is reasonably judged that the purpose of Implementation Agreement would not be achievable as the implementation of the Project by the IR Operator would be significantly hampered due to such circumstances.

b. Effect of the termination

- In accordance with the provisions of the Implementation Agreement, Osaka Prefecture shall compensate the IR Operator for damage incurred by the IR Operator due to the termination of the Implementation Agreement.

(3) Termination due to the expiration of the certification for the IR Area Development Plan

a. Reason for termination

- If the certification for the IR Area Development Plan is not renewed and the

term of validity of the Certified IR Area Development Plan has expired (except in the case of expiration of the Project Term), or if the certification of the Certified IR Area Development Plan is cancelled by the Minister of Land, Infrastructure, Transport and Tourism pursuant to Article 35, Paragraph 1 of the IR Development Act, the Prefecture is entitled to immediately terminate the Implementation Agreement upon notification to the IR Operator.

- b. Effect of the termination, etc.
 - If Osaka Prefecture does not apply for the renewal of certification apply for cancellation of the IR Area Development Plan based on the reasons other than meeting the criteria to decide continuation of the IR Area Development Plan (Section 10-1.-(1) a. to c.), or if the Implementation Agreement is terminated due to this non-renewal or cancellation of the certification of the IR Area Development Plan, Osaka Prefecture will compensate the IR Operator for damages which would ordinary arises therefore and actually incurred by the IR Operator (excluding lost profits) in accordance with the provisions of the Implementation Agreement.
 - However, if Osaka Prefecture does not apply for the renewal of the IR Area Development Plan as a result that Osaka City does not give a consent to a renewal by its council due to reasons other than meeting the criteria to decide continuation of the IR Area Development Plan (Section 10-1.-(1) a. to c.), or if the Implementation Agreement is terminated due to this non-renewal of the certification, Osaka City will compensate the IR Operator for damages which would ordinary arise therefrom and actually incurred by the IR Operator (excluding lost profits) in accordance with the provisions of the Location Agreement.

(4) Termination or end due to Force Majeure

- a. Reason for termination
 - If the implementation of the Project becomes difficult due to Force Majeure, and if certain requirements set forth in the Implementation Agreement are met, Osaka Prefecture or the IR Operator may terminate the Implementation Agreement.
- b. Effect of the termination
 - Osaka Pref./City and the IR Operator shall bear its own damages arising out of Force Majeure and neither party is liable for compensation of such damage to each other..

(5) Termination due to Specific Regulation Change, etc.

- a. Reason for termination
 - In the event enactment or change of law or regulation which has significant impact, etc., on the IR Business including law or regulation applying to the Project (hereinafter, referred to as the “Specific Regulation Change”) occurs and implementation of the Project becomes difficult due to such Specific Regulation Change, the IR Operator may terminate the Implementation Agreement subject to the conditions set forth in the Implementation

Agreement.

b. Effect of the termination

- Osaka Pref./City and the IR Operator shall bear its own damages arising out of the Specific Regulation Change and neither party is liable for compensation of such damage to each other.

3. Consultation between financial institutions or lender groups and Osaka Pref./City

When Osaka Pref./City recognizes that it is necessary for the stable and continual implementation of the Project over the long-term, Osaka Pref./City may consult with financial institutions or lender groups that provide loans to the IR Operator, and enter into direct agreements with the financial institutions or lender groups regarding establishment of their security right for the asset of the IR Operator by the lender financial institutions, changes in shareholders through their execution of collateral by the lender financial institutions and certain other matters.

Section 11 Matters necessary for implementing the development of the Specified Complex Tourist Facilities Area

1. Use of entrance fees for the Certified Prefectures, etc. and payments to the Certified Prefectures, etc.

Osaka Pref./City plan to use the entrance fees for the Certified Prefectures, etc. and the payments to the Certified Prefectures, etc. for the following purpose and for promoting the welfare of residents and for sustainable growth as well as promoting the development of the IR Area and appropriately eliminating the harmful effects associated with the establishment and operation of casino facilities.

- (1) Promotion of social welfare including child-rearing, enhancement of the educational environment, health and medical service, welfare to protect the lives of residents
- (2) Promotion of tourism, cultural arts and sports
- (3) Utilization for regional economic promotion and industry generation to promote sustainable economic growth
- (4) Utilization for comprehensive Measures against Concerns to minimize concerns
- (5) Utilization for environmental improvement surrounding areas necessary to maximize the effects of the continuously growth-oriented IR and so on

2. Schedule for the future (tentative)

The schedule after the announcement of the Implementation Policy is assumed as shown in Chart 9. However, the schedule may change in the future depending on the timing of establishment of relevant government ministerial ordinances and regulations and the timing of the certification for the IR Area Development Plan, etc.

[Chart 9 Schedule for the future (tentative)]

Schedule (tentative)	Description
December 2019 (First year of the Reiwa era)	Announcement of the Guidance, etc.
January to February 2020 (Second year of the Reiwa era)	Acceptance of the application of Qualification Screening Documents
-Around February 2020 (Second year of the Reiwa era)	Notification of the examination results regarding the qualification screening
December 2020 (Second year of the Reiwa era)	Establishment and announcement of Basic Policy (national government)
March 2021 (Third year of the Reiwa era)	Formulation and announcement of the Implementation Policy Amendment of Guidance, etc.
March to April 2021 (Third year of the Reiwa era)	Acceptance of Qualification Screening Documents (for additional application)
Around April 2021 (Third year of the Reiwa era)	Notice of the result of qualification screening (for additional application)

Around January 2020 (Second year of the Reiwa era) to July 2021 (Third year of the Reiwa era)	Period for competitive dialogue
Around July 2021 (Third year of the Reiwa era)	Deadline for submission of the Proposal Examination Documents
Around September 2021 (Third year of the Reiwa era)	Selection of the Prospective IR Operator
Around October 2021 (Third year of the Reiwa era)	Conclusion of Basic Agreement
Around October 2021 (third year of the Reiwa era) to January 2022 (Fourth year of the Reiwa era)	Preparation of IR Area Development Plan and implementation of public hearings, etc.
Around February to March 2022 (Fourth year of the Reiwa era)	Consent of Osaka prefectural assembly and Osaka city council regarding the IR Area Development Plan
Around April 2022 (Fourth year of the Reiwa era)	Application for certification of the IR Area Development Plan
Around summer 2022 (Fourth year of the Reiwa era)-	Certification of the IR Area Development Plan (national government)*1 Conclusion of the Implementation Agreement
After fiscal year 2023 (Fifth year of the Reiwa era)	Start of the IR Business Delivery of the land / start of construction*2
Latter half of 2020s	Opening of IR*2

*1 The national government schedule is on assumption.

*2 The Date/Period is based on the proposal by the Applicant.

3. Provision of information

Information on the Project will be provided through the following website as appropriate.
The website of the Promotion Department, the Integrated Resort Promotion Bureau
<http://www.pref.osaka.lg.jp/irs-suishin/osakair-jigyuu/index.html>

4. Contact

Promotion Section, The Integrated Resort Promotion Bureau, Osaka Prefecture and Osaka City

Address: Sakishima Cosmo Tower 31F, 1-14-16 Nankokita, Suminoe-ku, Osaka city, Osaka Prefecture

Phone : 06-6210-9235

Section 12 List of Attachments

- Exhibit 1 Basic Agreement on the Development of the IR Area (as of February 28, 2019, Osaka Prefecture and Osaka City)
- Exhibit 2 Prospective IR Area in Osaka Yumeshima District (outline drawing)