

**Project for Establishment and Operation of Specified
Complex Tourist Facilities in Yumeshima, Osaka
Selection Criteria for the Prospective IR Operator**

December 2019

[Modified on 19 March 2021(Third year of the Reiwa era)]

Osaka Prefecture and Osaka City

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Part 1: Positioning of the Selection Criteria for the Prospective IR Operator

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”) shows the method, process, examination items and other details concerning the selection of a private business operator (hereinafter referred to as the “IR Operator”, and the promoter and other persons 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) who will implement the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka (hereinafter referred to as the “Project”) prepared by Osaka Prefecture and Osaka City (hereinafter referred to as “Osaka Pref./City). The Selection Criteria are integral with the Guidance.

The terms used in the Selection Criteria shall have the meaning defined in the Guidance.

Part 2: Method for the selection of the Prospective IR Operator

1. Overview of the selection method

Osaka Pref./City shall, pursuant to the Guidance, etc., publicly invite applications from private business operators who wish to participate in the Project and select the Prospective IR Operator while ensuring the transparency and fairness of the selection process.

The Selection Criteria stipulate the key points for assessing each examination item, scores allocated to each examination item, and other details based on the premise that the Applicants satisfy the participation qualification requirements and the Requirements set forth in the Guidance.

The process for the selection of the Prospective IR Operator is divided into two stages: the “Participation Qualification Screening” where Osaka Pref./City examine whether the Applicants satisfy the participation qualification requirements stipulated in the Guidance and the “Proposal Examination” where Osaka Pref./City examine specific business plan and so on that the Applicants have presented and select the Prospective IR Operator. The “Proposal Examination” is further divided into “Basic Examination” where Osaka Pref./City examine whether the Applicants satisfy the Requirements and “Proposal Contents Examination” where the Selection Advisory Committee examines the details of the Applicants’ proposals.

2. Selection structure

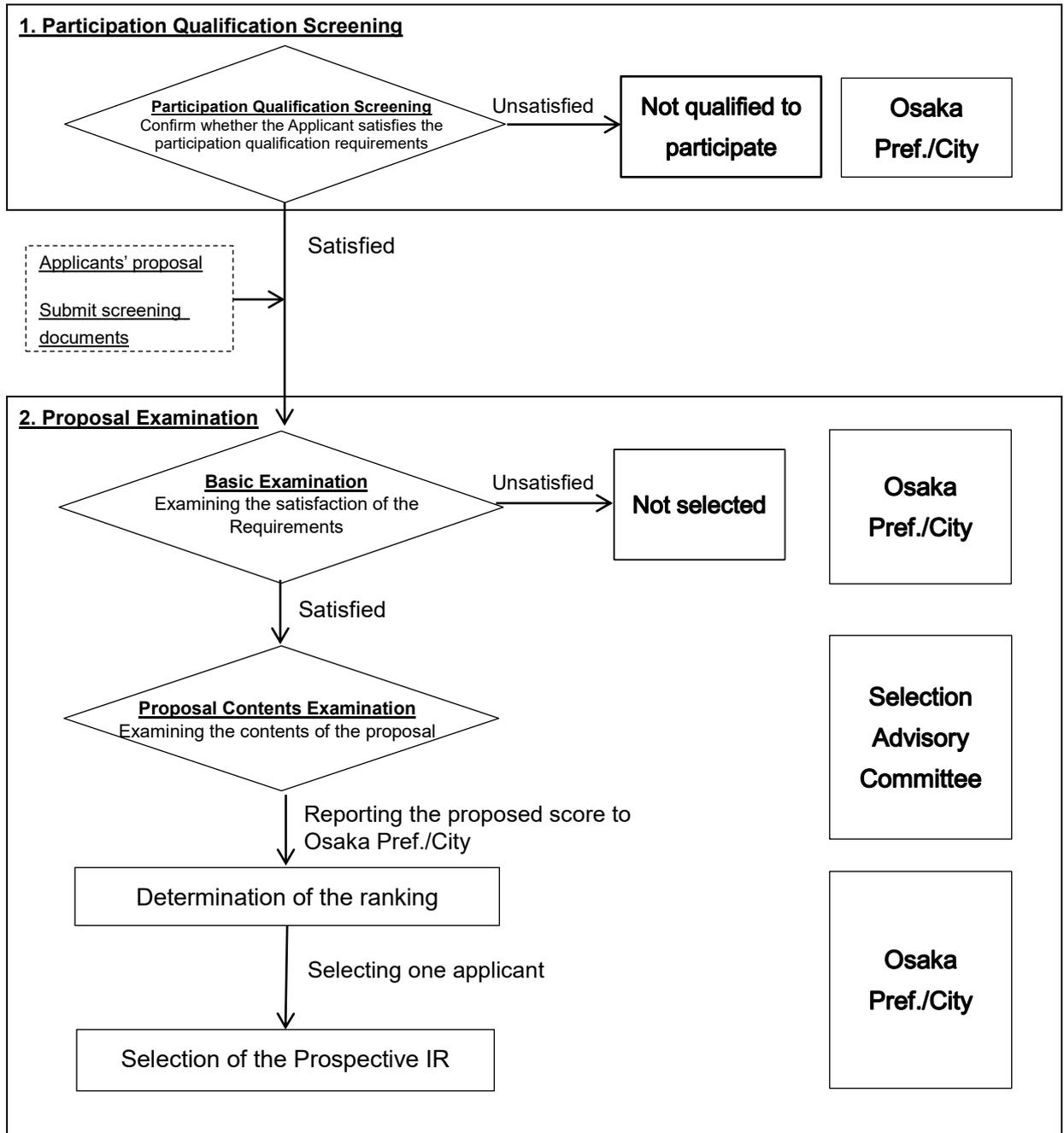
Osaka Pref./City established the Osaka Pref./City IR Business Operator Selection Advisory Committee (hereinafter referred to as the “Selection Advisory Committee”) on December 11, the first year of the Reiwa Era (2019) to ensure an objective and fair examination and to hear opinions of experts for the selection of the Prospective IR Operator.

The members of the Selection Advisory Committee are as listed in the Guidance.

Osaka Pref./City shall select the Prospective IR Operator and the runner-up Prospective IR Operator following an examination by the Selection Advisory Committee.

Part 3: Process for the selection of the Prospective IR Operator

The selection process for the Prospective IR Operator is as stated below. The following chart shows the process starting with the commencement of an examination and ending with the selection of the Prospective IR Operator described in Part 4 below. “Osaka Pref./City” or the “Selection Advisory Committee” written in the box to the right of the chart indicates the entity implementing each procedure.



Part 4: Examination process and methods

The process and methods of the examination are as follows.

1. Participation Qualification Screening

Osaka Pref./City will examine the Qualification Screening Documents to check whether the Applicant satisfies the participation qualification requirements stated in the Guidance. The Participation Qualification Screening will take place before the Proposal Examination. Any Applicant who does not satisfy the participation qualification requirements will not be permitted to proceed to the Proposal Examination. As the Participation Qualification Screening is only for formality, it will be conducted by Osaka Pref./City without holding the Selection Advisory Committee.

2. Proposal Examination

Osaka Pref./City shall examine the Proposal Examination Documents submitted by the Successful Qualified Applicants according to the following process.

- a. The Proposal Examination shall be conducted in two stages: Basic Examination and Proposal Contents Examination.
- b. Osaka Pref./City will conduct the Basic Examination of the Proposal Examination Documents to confirm whether the proposal submitted by the Successful Qualified Applicants meet the Requirements stipulated in the Guidance, etc. (hereinafter referred to as the “Requirements”).
- c. The Selection Advisory Committee shall examine the content of the Proposal Examination Documents which has been confirmed to satisfy the Requirements in the Basic Examination based on the verification of the proposed details through, for instance, document examinations and presentations (including questions and answers) in accordance with the Selection Criteria.
- d. The Proposal Contents Examination inspects, among other aspects, whether the proposed plans are specific, appropriate, highly feasible, and of high quality.

3. Examination criteria for the Proposal Contents Examination

(1) Examination items

The examination items and key points for examination concerning the Proposal Examination Documents are as shown in Table 1, “Examination items in the Proposal Contents Examination.”

(2) Calculation method of the proposed score

- a. The scores allocated to each examination item are as shown in Table 1, “Examination items in the Proposal Contents Examination.” When conducting the Proposal Contents Examination, the Selection Advisory Committee members shall give a score to each examination item (middle category) taking into account the key points of examination listed for each examination item.
- b. The Selection Advisory Committee members shall respectively examine all examination items.
- c. The Selection Advisory Committee shall calculate the score for each examination item (middle category) to which all the members have given a score by first excluding the highest and lowest scores from among the scores given by all the members to the said examination item (middle category) and then calculating the average of the remaining scores given. The proposed score shall be the total of the scores (average score) of all the examination items (middle category) calculated through this method. Osaka Pref./City shall tally the scores given by each Selection Advisory Committee member, prepare the proposed score, and receive approval from the Selection Advisory Committee.
- d. If two or more Applicants receive the same proposed score calculated through the above method (i.e. total of the average of the scores given by each of the Selection Advisory Committee members to each examination item [middle category] after excluding the highest and lowest scores), the Selection Advisory Committee shall prepare and report the reference score as well as the proposed score to Osaka Pref./City. The reference score shall be the total of the average of the scores given by the Selection Advisory Committee members to each examination item (middle category), including the highest and lowest scores.
- e. Any Proposal Examination Documents falling under any of the following based on the results of the Proposal Contents Examination shall be disqualified being a proposal not meeting the examination criteria.
 - (a) Proposals which have failed to obtain at least 50% of the score allocated to each examination item (large category)
 - (b) Proposals which have failed to obtain at least 60% of the total score allocated to all examination items

4. Selection of the Prospective IR Operator, etc.

Osaka Pref./City shall determine the Applicants' scores and rankings of the Proposal Examination based on the proposed scores calculated by the Selection Advisory Committee (including the reference score if the reference score is taken into account) and select the Applicant with the highest total score as the Prospective IR Operator. The Applicant with the second highest total score shall be the runner-up Prospective IR Operator.

5. Publication and notification of examination results

The results of the Proposal Examination will be notified to the Successful Qualified Applicants who have submitted the Proposal Examination Documents by Osaka Pref./City. After selecting the Prospective IR Operator, Osaka Pref./City will publish the following results and process of the examination on their websites or by other appropriate methods. Osaka Pref./City will not answer any questions on the examination.

- (1) Prospective IR Operator and its score (score for each examination item [middle category] and the total score)
- (2) Name of all Applicants
- (3) Scores of all Applicants (score for each examination item [middle category] and the total score)
- (4) Reasons for the selection of the Prospective IR Operator
- (5) Summary of proceedings and comments on the examination at the Selection Advisory Committee

[Table 1 Examination items for the Proposal Contents Examination]

Examination item (large category)	Examination item (middle category)	Key points of the examination	Score allocation	Total
1. Excellent concept with uniqueness that overwhelms others	a. Concept and Master Plan (management philosophy and project implementation policy)	<p>(a)Whether the Applicant presents a clear and excellent concept for the implementation of the Project based on the vision that Osaka Pref./City aim to achieve through the IR business and the characteristics of the Project, taking into account the Osaka IR Fundamentals Plan whose basic concept is to build the world's top level growth-oriented IR</p> <p>(b)Whether the overall project vision, including management philosophy, project implementation policy, and points to be considered in implementing the Project, is clear, excellent, and consistent with other parts of the proposal</p> <p>(c)Whether the Applicant presents an excellent vision and strategy toward the achievement of an internationally competitive stay-type tourism, based on the consideration made on the cultivation of new tourism markets including those for the wealthy class</p> <p>(d)Whether the Applicant's proposal matches the vision and strategy for the future image and development of Yumeshima, which aims to become an international tourism site</p> <p>(e)Whether the Applicant's proposal matches the concept of an ever-changing, growth-oriented IR that will constantly offer cutting-edge facilities, functions, and services</p> <p>(f)Whether the Applicant makes a proposal that is globally most advanced and serves as a model from the viewpoint of universal designs that address the diverse needs of visitors in need of special consideration, environmental burden reduction, multi-culturalism, and fair trade</p>	100	260

<p>b. Creation of an overwhelming resort space that attracts tourists from both within and outside Japan</p>	<p>(a)Whether the Applicant presents a clear and excellent concept and strategy to create the one-and-only resort based on an accurate analysis of the characteristics of Osaka and Kansai region</p> <p>(b)Whether the Applicant proposes to create an excellent urban space and urban landscapes that give unique and out-of-the-ordinary feeling as a landmark that visually symbolizes Osaka and Kansai region and attracts people from all over the world</p> <p>(c)Whether the Applicant makes a proposal that position Core Facilities (including visitor entertainment facilities) in an organically cohesive manner to create a coherent space</p> <p>(d)Whether the designs of the buildings in the IR Area harmonize with the surrounding landscapes and environment</p> <p>(e)With respect to the waterfront space, whether the Applicant proposes to create an excellent space utilizing the IR's oceanfront location and views to create a high-quality waterfront environment</p> <p>(f)With respect to the vibrant space and open space, whether the Applicant proposes to make an excellent space that will create a vibrant atmosphere with an appropriate placement of water and greenery that is befitting as an international tourism hub</p> <p>(g)Whether the Applicant proposes to provide safe and comfortable spaces for pedestrians</p> <p>(h)Whether the proposal includes excellent ideas to achieve a design that takes account of creating nighttime landscapes</p> <p>(i)Whether the Applicant's proposal is conducive to community development that is in harmony with the direction of the future image and development of Yumeshima</p>	<p>80</p>
<p>c. Appropriate and effective operation of IR Facilities (marketing strategy and promotion strategy)</p>	<p>(a)Whether the Applicant presents specific, clear, and excellent marketing and promotion strategies and methods designed to make an internationally competitive IR based on quantitative analysis and reasoning</p> <p>(b)Whether the Applicant makes a feasible proposal for the implementation of appropriate and effective marketing and promotion strategies based on Osaka's business environment, the size of the potential market, and the competitive environment of the IR market</p>	<p>80</p>

2. Implementation structure and financial strength that ensure the stable and reliable operation of the Project in the future	a. Strengths as a business operator	(a)Whether the command and decision-making structures, and the allocation of roles and responsibilities of the members and Cooperating Companies are clear, and the SPC's management and business administration structures are created appropriately from the viewpoint of the stable, continuous, and steady implementation of the Project	30	300
	b. Business operation ability (organizational structure for Project implementation, track records, knowhow, etc.)	(a)Whether the Applicant has sufficient track records and ability for implementing the Project without fail (b)Whether the Applicant makes an appropriate, specific, and effective proposal for matters such as the organizational structure for Project implementation, how the members and Cooperating Companies collaborate, cooperate, and complement with each other, and contractual schemes, etc. to ensure a reliable operation (including designing and building stages) of each facility and duties (c)Whether the Applicant makes a specific and effective proposal on the utilization of the adequate knowhow and track records that the members, Cooperating Companies, and personnel in charge have for the Project from the viewpoint of ensuring the feasibility of the details contained in the proposal (d)Whether the Applicant proposes a specific and effective approach to building appropriate collaboration, coordination, and cooperation as well as favorable relationships with stakeholders, including Osaka Pref./City (e)Whether the Applicant makes an appropriate and sufficient proposal on the systems and efforts to ensure compliance for implementing the Project	80	
	c. Continuity and stability of the Project	(a)Whether various summations and income-expenditure plans for demand forecasts, construction costs, and so on are calculated based on appropriate and accurate reasoning and analysis to provide a highly feasible business plan (b)Whether the Applicant proposes a plan that will ensure a stable and continuous operation of the Project over the long term including, for instance, the business plan (including a financing plan) that factors in the measures to be taken in situations such as when the Project's performance deteriorates based on an accurate analysis	80	

		of the Project's risk factors		
	d. Utilization of the casino business revenue	(a)Whether the Applicant proposes plans to develop the IR Facilities or improves the items covered by the IR Project, and cooperates on the measures to be taken by the Prefecture and other parties, among other things, by sufficiently utilizing the profit from the casino business and other revenue to continuously create attractive facilities and contents that attract tourists from all over the world over the long term after the opening of the IR	30	
	e. Financial strengths and security of financing	(a)Whether the major shareholders possess financial foundation and soundness that can withstand a contribution in large amounts (b)Whether a specific and highly feasible proposal is made on the financing plan by each shareholder with respect to the capital contribution to the SPC (c)Whether the Applicant makes a proposal for the SPC's financing plan that supports to ensure the Project's financing, including the feasibility of loans by, for instance, obtaining a commitment letter from the financial institution (d)Whether the Applicant makes a proposal for the SPC's financing plan based on sufficient collaboration and coordination with the financial institutions expected to provide loans to the SPC	80	
3. Creation of a unique, high-quality international tourism site	a. Formation of a world-class all-in-one MICE hub	(a)Whether the Applicant proposes a clear and excellent concept and strategy on international convention and conference facilities as well as facilities for exhibitions and fairs to promote visits of business customers from all over the world, to revitalize the economies of and improve the urban attractiveness of Osaka and Kansai region (b)Whether the Applicant proposes the creation of an all-in-one MICE hub which functionally positions MICE facilities and other relevant facilities such as entertainment facilities, commercial facilities, and accommodation facilities (c)Whether the Applicant proposes to improve attractiveness as a MICE hub and to constantly maintain the ability to attract visitors by offering high value-added services leveraging the characteristics of an all-in-one MICE hub (d)Whether the facilities are equipped with functions and equipment necessary to hold	60	200

		<p>the events that are the targets</p> <p>(e)Whether the Applicant makes a specific proposal on the ways to revitalize Osaka’s economy and improve its attractiveness as a city through the holding of international conferences, exhibitions, events, and so on that will lead to visits from business people from within and outside Japan</p> <p>(f)Whether the facilities have an internationally competitive quality. For instance, whether these have sufficient capacity to meet the high standard requirements for hosting significant international conferences such as world leaders summits and ministerial meetings, and world class excellent qualities from the view point of high usability of the facilities, high standard of food and beverage services etc.</p> <p>(g)Whether the Applicant makes a proposal that will contribute to strengthening the competitiveness of Japan’s MICE and improve Osaka’s brand as a city based on cooperation and collaboration with the All-Osaka structure for attracting the IR</p> <p>(h)Whether the Applicant presents specific measures to attract and hold international conferences, exhibitions, events, and so on that will contribute to the promotion of industries and creation of businesses in Osaka and Kansai region and whether these measures are feasible</p>		
	<p>b. Creating of attractiveness and formation of an information dissemination base</p>	<p>(a)Whether the Applicant presents a clear and excellent concept and strategy on facilities for enhancing attractiveness to serve as the base to create and disseminate information including traditions, cultures, arts, and so on nurtured in Osaka and Kansai region, and Japan</p> <p>(b)Whether the Applicant proposes a specific, unique, feasible, effective, broad information dissemination and ideas to attract diverse visitors from within and outside Japan and to consistently maintain the ability to attract customers</p> <p>(c)Whether the Applicant makes a specific proposal on the contents and services in collaboration with customer transfer facilities in order to effectively promote tourism in wider areas</p> <p>(d)Whether the Applicant makes a specific and feasible proposal on the development of existing contents and the creation of new contents</p>	<p>30</p>	

<p>c. Formation of a gateway for Japan's tourism</p>	<p>(a)Whether the Applicant presents a clear and excellent concept and strategy on customer transfer facilities for the formation of a gateway for Japan's tourism that transfers visitors to various places in Japan</p> <p>(b)Whether the Applicant makes a specific proposal to disseminate the latest information on tourist sites in Japan in a manner that is realistic and high quality by, for instance, utilizing the state-of-the-art technologies or other means, so that IR visitors will visit attractive tourist sites in Japan through customer transfer facilities</p> <p>(c)Whether the Applicant makes a high-quality and specific proposal tailored to the diverse visitor needs concerning the planning and proposal of tours to various locations in Japan and one-stop arrangement functions of other services necessary for tourists</p> <p>(d)Whether the Applicant proposes specific ideas for the creation of new tourism that utilizes the strengths of Osaka and Kansai region such as wellness, foods, and sport</p> <p>(e)Whether the Applicant makes a specific proposal on necessary transport functions to enhance access to Yumeshima and the IR Facilities and to improve the functions of customer transfer facilities and whether the proposal is considered feasible</p> <p>(f)Whether the Applicant presents original ideas for the IR Facilities including customer transfer facilities to effectively contribute to the promotion of tourism in Japan over the long term</p>	<p>30</p>
<p>d. Development of accommodation facilities tailored to the increasingly refined and diverse user demand</p>	<p>(a)Whether the Applicant presents a clear and excellent concept and strategy on accommodation facilities to increase the attractiveness of the entire IR, to attract visitors to the IR, to promote longer stays, and to offer internationally competitive and highly attractive stay-type tourism</p> <p>(b)Whether the Applicant makes an excellent proposals offering the types and quality of accommodation facilities and auxiliary services which have strong international competitiveness to cater to the diverse needs of visitors from within and outside Japan</p> <p>(c)Whether the Applicant makes a feasible proposal with excellent original ideas for the creation of a unique accommodation environment with a strong brand value</p>	<p>30</p>

	e. Promotion of the only-one entertainment hub and longer stays	<p>(a)Whether the Applicant presents a clear and excellent concept and strategy on the entertainment hub to create an international, only-one entertainment hub that will become a symbol of the Osaka IR</p> <p>(b)Whether the Applicant makes a unique, specific, and feasible proposal for the entertainment facilities and functions, which are sufficiently diverse for a wide range of visitors to enjoy</p> <p>(c)Whether the Applicant makes a feasible proposal with excellent original ideas for the constant creation of a vibrant atmosphere, such as the vitalization of night life</p> <p>(d)Whether the Applicant makes an excellent proposal that will contribute to the formation of an entertainment hub in Yumeshima</p> <p>(e)Whether the Applicant makes a feasible proposal on food service, merchandise, and other service facilities with excellent ideas for contributing to the promotion of visits and stays (including longer stays) by tourists</p> <p>(f)Whether the Applicant makes a feasible proposal with excellent ideas to increase the level of comfort and satisfaction of the entire IR and to prolong visitors' stay by offering high-quality facilities and services</p>	50	
4. Creation of a foundation that supports the appeal and sustainability of the IR and contribution to the local community	a. Creation of a smart city (energy management, area management, traffic measures, provision of an accommodating environment)	<p>(a)Whether the Applicant presents a clear and excellent concept and strategy on the creation of a safe, secure, highly sustainable, and state-of-the-art smart city in Yumeshima</p> <p>(b)Whether the Applicant makes a specific, highly efficient, and feasible proposal on energy management, such as the introduction of facilities that use renewable energy, in order to help reduce the environmental burden</p> <p>(c)Whether the Applicant makes a specific and feasible proposal on the use of data utilizing state-of-the-art technologies, including ICT, to promote convenience for visitors and measures on tourism</p> <p>(d)Whether the Applicant presents an approach to area management with a view to the future of Yumeshima to enhance the attractiveness and potential of the urban city, as well as to create a vibrant city</p>	30	100

		<p>(e)Whether the Applicant presents a specific and effective proposal using state-of-the-art technologies, including AI and IoT, concerning separate circulation for pedestrians/cyclists and vehicles, appropriate parking area plans, measures to address traffic congestion on the roads around the IR Facilities, and traffic management, in order to achieve smooth and safe traffic operation in Yumeshima and the surrounding areas, including the period during construction</p> <p>(f)Whether the Applicant presents an effective proposal on the provision of an accommodating environment so that a diverse range of overseas tourists visiting Japan can enjoy their stay and go sightseeing comfortably without any stress</p>	
	b. Provision of high-quality jobs and securing and fostering of human resources	<p>(a)Whether the Applicant proposes excellent ideas to generate high-quality jobs and to secure a pleasant work environment to increase opportunities for a diverse range of people to unleash their potential</p> <p>(b)Whether the Applicant presents a specific approach to the development of global and high-level human resources for tourism to offer high-quality services that satisfy tourists from within and outside Japan</p>	20
	c. Good ripple effects to Osaka and Kansai region, and western Japan and contribution to the regional communities and economies	<p>(a)Whether the Applicant presents excellent initiatives for the local economies and communities in order to contribute to the sustainable growth of Osaka and Kansai region</p> <p>(b)Whether the Applicant presents a proposal that factors in the collaboration with local economies such as procuring products produced in Osaka and Kansai region</p> <p>(c)Whether the Applicant presents a proposal regarding the expected ripple effects (including the economic ripple effect and job creation effect ,etc.) to Osaka and Kansai region, and western Japan that are expected through the implementation of the Project, based on appropriate and accurate reasoning and analysis</p> <p>(d)Whether the Applicant presents specific processes and methods for the realization of such ripple effects and makes a feasible proposal</p>	50

5. Steady implementation of highly effective Measures against Concerns and strong collaboration with the government	a. Countermeasures against gambling addiction	<p>(a)Whether the Applicant’s approach to countermeasures against gambling addiction implemented from the viewpoint of responsible gaming and its proposal on the items required in the Requirements are appropriate. Whether the Applicant has structures and track records to stably implement these measures</p> <p>(b)Whether the Applicant makes a highly specific and feasible proposal on strict entry management to casino facilities and on the provision of information on the individuals’ behavior through, for instance, the use of the state-of-the-art ICT</p> <p>(c)Whether the Applicant makes a highly effective, specific, and feasible proposal on the creation of a structure to set a ceiling on the money and time the individuals can spend at the casino based on their declaration</p> <p>(d)Whether the Applicant makes an appropriate, effective, highly specific, and feasible proposal on the creation of a counselling system that is available 24 hours a day, seven days a week</p> <p>(e)Whether the Applicant makes other specific and effective proposals for the measures to be independently implemented by the Applicant and for its cooperation with Osaka Pref./City</p>	70	140
	b. Measures for security and district public morals; crisis management and disaster prevention measures; prevention infectious disease	<p>(a)Whether the Applicant’s approach to measures for security and district public morals and its proposal on the items required in the Requirements are appropriate and whether the Applicant has structures and track records to stably implement these measures</p> <p>(b)Whether the Applicant makes a highly specific and effective proposal on the measures that Osaka Pref./City requests the Applicant to implement independently, such as the establishment of the Comprehensive Disaster Prevention Center and the assignment of the necessary number of security guards</p> <p>(c)Whether the Applicant makes a specific and effective proposal on other measures to be independently implemented by the Applicant and for its cooperation with Osaka Pref./City and the Osaka Prefectural Police with respect to measures for security and district public morals</p>	70	

		<p>(d) Whether the Applicant makes a highly specific and effective proposal on crisis management measures, taking into account the locational characteristics of Yumeshima, so that a diverse range of visitors can stay with peace of mind into the future</p> <p>(e) Whether the Applicant makes a specific and effective proposal on the provision of information and relief supplies to visitors (including overseas visitors to Japan and those who require special care) and on other necessary measures at the time of disaster or other risk events</p> <p>(f) Whether the Applicant makes a highly specific and effective proposal on the efforts to prevent infection disease and keep health and sanitation</p>	
		Total	1,000