

Global Financial City OSAKA – A Summary of the Strategy Framework

Strategy Formulation Background

- ◆ In preparation for establishing the main policies for a post-COVID-19 revitalization and growth of the Osaka-Kansai region, we are going to be setting out strategies. The two main reasons to make the strategies are:
 - Forming a global financial city with its own identity and unique functions
 - Leading to further development of Osaka as the center of western Japan.

-Important Points-

Focusing on:

The overall strategies

Local development

SDGs

The city images that Osaka aims to be

Showing its Presence in Asia and in the world

Being unique/Playing supplementary role

The specific strategies

Digitalization

Involving the wider Kansai area

Images of a Global Financial City that Osaka aims to be:

- ◆ Based on the important points presented above, we set up two images of the city we want Osaka to be and are working to realize them.

① “A Global City that Develops Leveraging Finance,” thereby attracting Asian and global talent/business

② “A Financial Front-runner City” that is globally competitive through advanced initiatives

Main Policies and Key Initiatives of the Strategies

※ These key initiatives are just examples, which are to be examined hereafter based on their feasibility and impact.

① A Global City that Develops Leveraging Finance

- (1) Promotion from a financial perspective for attractive city planning**
 - Creating a system that helps funds flow into social experiments and implementation of projects driven by Expo 2025
- (2) Supporting various financing to encourage start-ups and local revitalization**
 - Supporting further promotion in investment for start-ups
 - Initiatives to promote financing using new methods such as STO (※1)
- (3) Strengthening hub functions by improving resilience**
 - Expansion of functions and supporting financial institutions' establishment of BCP(Business continuity plan)/dual operation bases, etc.
- (4) Vitalizing the domestic financial market**
 - Promoting expansion of the profit/loss offset range of the income tax imposed on financial products (adding derivative trading)

② A Financial Front-runner City

- (1) Formulating cutting-edge financial products/markets**
 - Developing cutting-edge products aiming for the largest derivative market in Asia
- (2) Initiatives aiming to create a developed city in terms of sustainable finance**
 - Promoting companies' issuance of SDG bonds such as social bonds and green bonds
- (3) Encouraging regulation revision on financial services**
 - Encouraging regulation revision using tools such as the regulatory sandbox (※2)
- (4) Developing highly-skilled human resources in the financial sector**
 - Developing human resources relating to finance, start-ups, and technology at higher education facilities

The Initiatives Shared between ① and ②

- (1) Preparing an attractive residential environment for foreign nationals as well**
 - Improving an environment for education, healthcare, etc.
- (2) Preparing an attractive environment for business and people from home and abroad**
 - Promoting to accept highly skilled human resources from abroad
- (3) Information sharing and public relations**
 - Strategic PR activities using various institutions such as overseas diplomatic offices, governmental organizations, local government offices, and private sector's networks
- (4) Collaborating with overseas partners**
 - Seeking overseas partnerships to realize an ideal global financial city
- (5) Taking advanced and impressive initiatives in collaboration with Osaka Prefecture and Osaka City**
 - Setting up a one-stop service office that can deal with every kind of procedures in English, in collaboration with Financial Services Agency

(※1) A general term for financing by issuing security tokens using a distributed ledger technology such as blockchain.

(※2) A system of testing grounds for new business models and using the data and information obtained to review regulations

The Periods to Formulate Strategies

- Fixing our eyes on the final fiscal year (2050, the goal year for reaching carbon neutrality), we set the following two periods: Short period: Until 2025 Expo Osaka-Kansai; Medium period: Until 2030
- During each period we will review the strategy and take the ongoing situation at that time and reflect it in the plan.
- The goals of the strategies will be set up at the end of this fiscal year, after the strategies have been decided. When doing this, the following points will be referred to:
 - The degree of attainment for the above ① and ②, expressed by measurable figures
 - The KPI(Key Performance Indicator)s of each key initiative