Summary of Global Financial City OSAKA Strategy (Phase 2)

Strategic Objectives

To strengthen Japan's financial resilience and enhance financial functions — often referred to as "the lifeblood of the economy" — we seek to establish a unique and functional global financial city that will serve as a key pillar for the growth and development of the Osaka-Kansai economy.

Osaka's Vision as a Global Financial City

- **Global city that develops by leveraging finance, attracting the energy of Asia and the world**
- **Frontrunner City in Finance: Challenging the World with Pioneering Initiatives**

Directions for Strategic Initiatives

Building on the initiatives of the first phase (FY2022–2025), Osaka will further enhance its efforts through an all-Osaka approach, taking into account the legacy of the Expo — such as international exchange, demonstrations of advanced technologies and financial services — and the advancement of digital finance. We will promote distinctive financial initiatives, including attracting more financial institutions, encouraging investment and collaboration in growth sectors beyond EXPO 2025, and fostering financial innovation.

Pillars of the Initiatives and Specific Initiatives (Action Plan)

1. Global city that develops by leveraging finance

(1) Promote investment in and collaboration with startups and other entities from domestic and international sources

- Implement strategic promotional activities targeting domestic and international financial institutions to attract companies and promote investment
- Create opportunities for startups and small to medium-sized enterprises (SMEs) to connect with venture capital and private equity firms
- Invite investors from both domestic and international markets
- Support the implementation of advanced technologies showcased at the Expo
- Promote collaboration between financial institutions that have expanded into Osaka and local Osaka-based companies
- Encourage and attract investment from asset owners to Osaka
- Explore diverse financing methods, including venture capital funds with specialized themes, through public-private partnerships
- Advocate for tax reforms and regulatory easing (e.g., enhanced tax incentives to promote open innovation and angel investment) to the national government
- Support startup exits through IPOs, M&A, secondary offerings, and other means

(2) Promote the concentration of financial institutions and related entities that contribute to realizing Osaka as a secondary capital, including from the perspective of enhancing resilience

- Support foreign financial institutions and related companies in establishing business bases in Osaka through incentive programs
- Promote the establishment of Osaka-based facilities (including data centers and middle/back-office functions) that enable dual operations by financial institutions

2. Frontrunner city in finance

(1) Create cutting-edge, innovative financial products and markets

- Explore the development of new derivative products
- Advocate for tax reforms to expand the scope of offsetting gains and losses on income taxation for financial products, including derivative transactions
- Promote the expansion of corporate bonds and financial products utilizing security tokens
- Facilitate market transactions by enhancing trading through the utilization of new financial infrastructure
- The issuance of ESG bonds, including green bonds, by government entities
- Support companies engaging in decarbonization through sustainable finance, such as low-interest loans
- Encourage the issuance of ESG bonds through active underwriting, hosting workshops, and emphasizing SDGs in asset management

(2) Promote Financial Innovation

- Support proof-of-concept trials for financial services and identify regulatory reform needs
- Advocate for licenses
- Promote the sharing regulatory reforms related to proof-of-concept trials for financial and dissemination of knowledge about fintech and Web3 businesses

Shared Initiatives

(1) Promote Initiatives to enhance financial literacy and develop highly skilled professionals in the financial sector

- Implement financial and economic education through a consortium that connects schools, businesses, and financial institutions
- Provide education in finance, entrepreneurship, and technology at universities and other higher education institutions

(2) Develop a Living and Business Environment Attractive to International Investors

- Attract international schools that meet the needs of highly skilled foreign professionals
- Operate English-language one-stop service centers and professional service consortiums, and dispatch personnel to support offices for business establishment
- Utilize Special Zones for Financial and Asset Management Businesses to support resident status and related matters
- Advocate for national corporate tax incentives to the central government
- Disseminate disaster prevention information to ensure the safety and security of foreign residents

(3) Promote strategic public relations domestically and internationally, and strengthen global partnerships

- Conduct PR activities via diplomatic missions, government agencies, local government offices, private sector networks, etc.
- Disseminate information via multilingual websites and social media platforms
- Disseminate information via international media
- Strengthen partnerships through initiatives such as signing MOUs with international financial centers

Implementation Period

Phase 2: FY2026-FY2030（Target Period for Achieving the SDGs） Target Year for Realizing the Vision for the City: Fiscal Year 2050 (Global Carbon Neutrality Target Year)

Strategy Goals

(Phase 2 FY2026-FY2030)

Activity Indicators

【Promote Investment and Collaboration with Startups】

- Number of participants in business matching events, etc. (including identified figures for investors and fintech companies)
- Number of English-language business matching events
- Number of business matches facilitated through Osaka Prefecture and City initiatives

【Financial and Economic Literacy】

- Number of courses and events organized through the Financial and Economic Literacy Promotion Network

Goals

【Promotion of Investment and Collaboration / Attraction of Financial Companies】

- Number of foreign financial and related companies attracted: 50 (Cumulative total: 80 companies since Phase 1)
- Total startup funding raised: ¥160 billion, number of fundraising cases from overseas: 10
  Number of startups created: 1,200*
  *Based on Osaka Prefecture's KPI from the Phase 2 Plan of the Osaka–Kyoto–Hyogo Kobe Consortium, cumulative total for FY2025–FY2029

【Promotion of Financial Innovation】

- Number of proof-of-concept trials for new financial services: 10

【Environmental Development】

- Attraction of international schools to meet the needs of highly skilled foreign professionals: Full curriculum covering elementary, junior high, and high school levels

【Public Relations】

- Number of international media features: 10
- Number of social media followers: 5,000