

Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshima, Osaka Guidance

The original copy of the Guidance was prepared in Japanese language, and this English version was prepared for reference purpose only.

In the event of any inconsistency, the Japanese version should prevail.

December 2019 (First year of the Reiwa era)

[Modified on 19 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 Guidance in order to conduct the proposal and selection of the private business operator who will implement the IR business.

Contents

Section 1 Introduction (the purpose and goals of the development of the Specified Complex Tourist Facilities Area).....	1
1. Purpose of the development of IR Area	1
2. Goals of the development of IR Area	2
3. Proposal and selection of the Prospective IR Operator	3
Section 2 Matters related to the Project for Establishment and Operation of Specified Complex Tourist Facilities	4
1. Name of the IR Business.....	4
2. Responsible bureau.....	4
3. Responsible contact office.....	4
4. Engagement of advisors to Osaka Pref./City	4
5. Guidance, etc.....	4
6. Laws and regulations assumed for the implementation of the Project	6
7. Scope of the Project	10
8. Project term	11
9. Project method	11
10. Project cost to be borne.....	13
11. Security deposit for contract performance, etc.	14
12. Guarantee by the parent company.....	15
13. Planning and reporting	15
14. Treatment at the end of Project Term.....	15
Section 3 Matters related to the location and size of the area where the Specified Complex Tourist Facilities Area will be developed.....	17
1. The location, size etc. of the Prospective IR Area	17
2. Maintenance and management of portside greenzone by the IR Operator	19
3. IR Area's Prospective Expansion Area.....	19
4. Rights of the project site and its use	19
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.	22
1. Matters related to the establishment and operation of IR Facilities	22
2. Matters related to Measures against Concerns	28
3. Matters concerning regional consensus building	29
4. Matters related to the utilization of profits from the casino business	29
5. Matters related to Project schedule.....	30
6. Matters related to the implementation structure for the Project.....	31
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 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 ...	33
1. Measures and policies to attract MICE	33
2. Measures and policies to promote inbound tourism	33
Section 6 Matters related to measures and policies required to appropriately eliminate harmful effects associated with the establishment and operation of casino facilities.....	34
1. Countermeasures against gambling addiction	34

2.	Measures for security and district public morals	34
Section 7	Matters for ensuring the smooth and steady implementation of the IR Business	36
1.	Obligations during the Project implementation	36
2.	Obligation to hold assets, etc.	36
3.	Restrictions and procedures regarding the rights and obligations of the IR Operator.....	36
4.	Matters related to ensuring the fulfillment of the responsibilities of the IR Operator	37
5.	Basic approach to risk sharing	38
6.	Development of the area surrounding the IR Area and improvement of the traffic environment, etc.	39
7.	Coordination and adjustment with the development of infrastructure surrounding IR Area and the Expo	40
8.	Cooperation with Yumesima community development	41
9.	Obtain Regional Consensus.....	41
Section 8	Matters related to measures when the continuance of the Project becomes difficult	42
1.	Criteria for deciding the continuation of the IR Area Development Plan.....	42
2.	Reasons for termination of the agreement and treatment on the termination	43
3.	Consultations between financial institutions or lender groups and Osaka Pref./City	45
Section 9	Method for the selection of the Prospective IR Operator	46
1.	Basic concept on proposal and selection of a private business operator.....	46
2.	Examination structure.....	46
3.	Procedures and methods for the selection of the Prospective IR Operator	47
4.	Supplementary opinions of the Selection Advisory Committee	48
Section 10	Applicants' participation qualification requirements.....	49
1.	Composition of Applicants	49
2.	Participation qualification requirements for an Applicant Company and an Applicant Group Members	49
3.	Requirements for the Applicant Company or the Applicant Group	51
4.	Restrictions on relationship with Osaka Pref./City and Osaka Pref./City Advisors....	51
5.	Restriction on involvement with members of the Selection Advisory Committee, etc.	52
6.	Prohibition of multiple applications	52
7.	Change of Applicants.....	52
Section 11	Procedures concerning the Proposal	54
1.	Schedule.....	54
2.	Acceptance of and answers to questions on the Guidance	55
3.	Qualification screening	56
4.	Procedures for adding Applicant Group Members	57
5.	Procedures, etc. for Adding Cooperating Companies or Applicant Advisors	58
6.	Lending of Materials Subject to Confidentiality	59
7.	Lending of Materials Subject to Important Confidentiality.....	61
8.	Questions and answers concerning Materials Subject to Confidentiality, etc.	63
9.	Publication of Supplementary Materials, etc.	63
10.	On-site inspection	64

11.	Conducting competitive dialogues	64
12.	Proposal examination	65
13.	Notification and publication of the examination results	65
Section 12	Procedures after the selection of the Prospective IR Operator	66
1.	Execution of Basic Agreement	66
2.	Establishment of SPC.....	66
3.	Business preparation by Prospective IR Operator.....	66
4.	Preparation and application for approval of IR Area Development Plan	66
5.	Execution of the Implementation Agreement etc.	67
Section 13	Matters to be noted for application.....	68
1.	Preconditions for application	68
2.	Payment of examination fee.....	68
3.	Restricted matters in connection with application	69
4.	Handling of proposal documents.....	69
5.	Provisions, etc. of the contents of the Proposal.....	70
6.	Announcement of the selection results	71
7.	Inquiries to relevant departments in Osaka Pref./City.....	71
8.	Invalidation of Application.....	71
Section 14	Others	73
1.	Cancellation of the Proposal	73
2.	Provision of information	73
Section 15	List of Attachments	74

Section 1 Introduction (the purpose and goals of the development of the Specified Complex Tourist Facilities Area)

1. Purpose of the development of IR Area

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 Facilities 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 of the development of IR Area

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, the 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 the world-class growth-oriented IR, including accommodation facilities that can meet the needs of diverse visitors and the world's best entertainment, we aim to encourage business customers and

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.

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.

3. Proposal and selection of the Prospective IR Operator

Osaka Pref./City will jointly prepare the plan for development of the specified complex tourist facilities area at Osaka (hereinafter referred to as "IR Area Development Plan") and apply for national certification in order to realize Osaka IR, and in addition, plan to select a private business operator (hereinafter referred to as "IR Operator", and the promoter and other persons who intend to establish such private business operator shall be referred to as "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 this business is referred to as "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 proposal (hereinafter referred to as the "Proposal").

The Guidance specifies 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 Proposal, 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"), etc. Persons who apply for the Project shall submit the documents necessary for application in accordance with the contents of the Guidance.

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

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. Responsible contact office

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

Contact persons: Nagano, Fukunaga

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

Phone : 06-6210-9235

Email address: RFP-OSAKAIR@gbox.pref.osaka.lg.jp

4. 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 Proposal.

- 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 (as described in Section 10-1-(1); the same shall apply hereinafter) during the process of the Proposal and other necessary information as needed. Osaka Pref./City Advisors may participate in dialogues with Applicants as needed.

5. Guidance, etc.

The Guidance and the documents attached thereto shall comprise the following documents (1) to (11) (hereinafter collectively referred to as the "Guidance, etc.", including supplementary materials related to these documents and questions and answers

published on the Osaka Pref./City websites or by other, and other appropriate methods, as well as documents issued by Osaka Pref./City related to those documents and materials, etc., all in amended version 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 “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 Prospective IR Operator are part of the Guidance, etc., 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.

If there is any discrepancy between the Guidance, etc. and the Implementation Policy, the provisions of the Guidance, etc. shall prevail, and any overlapping items shall be construed in accordance with the provisions of the Guidance, etc. Provided, however, that matters not stated in the Guidance, etc. shall be subject to the Implementation Policy.

- (1) Guidance for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshma, Osaka (hereinafter referred to as the “Guidance”)
- (2) Basic Agreement on Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshma, 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 Yumeshma, 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 Yumeshma, 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 Yumeshma, Osaka (draft) (hereinafter referred to as the “Land Lease Contract (Draft)”)
- (6) The project requirements for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshma, Osaka (hereinafter referred to as the “Requirements”)
- (7) The Basic Monitoring Plan for the Project for Establishment and Operation of Specified Complex Tourist Facilities in Yumeshma, Osaka (draft) (hereinafter referred to as the “Basic Monitoring Plan (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

6. 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 Plan 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>

7. 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 2-8.-(1), with an extended period included if the Project Term has been extended in accordance with Section 2-8.-(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 the "IR-related Laws and Regulations, etc.") after undergoing prescribed procedures stipulated in IR-related Laws and Regulations, etc. and the Implementation Agreement.

The Applicant 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 7 and in response to the Proposal. 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, refer to the description of Sections 3 to 7 together with the Requirements, Implementation Agreement (Draft), Location Agreement (Draft), Land Lease Contract (Draft), Basic Monitoring Plan (Draft) and related materials (hereinafter collectively referred to as the " Requirements, etc.").

8. 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 Project Term

The IR Operator is entitled to apply for 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 sustainable economic development of Osaka and Kansai region as well as the strengthening of the international tourism site, 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.

9. 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 Osaka Prefecture shall file an application for authorization of 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 includes 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 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 proposal, 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 proposal 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 proposal 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 company³ as defined in the Companies Act (Act No.86 of 2005), which will exclusively be engaged in the Project.
- (4) After receiving the certification of the IR Area Development Plan from the national government, the IR Operator will apply for the 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

³ If the Applicant proposes and Osaka Pref./City approve it, the company may take a form other than a stock company.
(refer to Section 12-2.)

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 “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 the renewal approval to the Minister of Land, Infrastructure, Transport and Tourism, and proceed with procedures necessary for such renewal.

10. 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 for the IR Area Development Plan (except for the parts related to measures and policies that Osaka Pref./City will implement), costs of application for approvals and licenses etc., and any other cost that may be needed for the implementation 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 as stipulated in the Land Lease Contract 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 Requirements, etc.

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

In order to realize the objectives of 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 transportation environment, etc. as described in Section 7-6. As a 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, in accordance with the Basic Agreement and the Implementation Agreement.

(4) Osaka Pref./City's Expenses for the proposal 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)⁴), 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)⁵) after deducting the examination fee that has paid to Osaka Prefecture as stipulated in Section 13-2, and the Prospective IR Operator shall pay such expense to Osaka Prefecture in accordance with the Basic Agreement.

(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)⁶). The Prospective IR Operator shall pay such expense to Osaka Prefecture in accordance with the Basic Agreement.

11. Security deposit for contract performance, etc.

(1) Security deposit for contract performance, etc. in accordance with the Basic Agreement

By the time of the execution of the Basic Agreement, the Prospective IR Operator shall make a security deposit to Osaka Prefecture as a security for performance of its obligation by the Prospective IR Operator under the Basic Agreement, pursuant to the provisions of the Basic Agreement.

If it is recognized that the Prospective IR Operator does not have sufficient financial basis for fulfilling the obligations under the Basic Agreement⁷, in accordance with the provisions of the Basic Agreement, the Prospective IR Operator shall be jointly and severally guaranteed for the obligations owed to Osaka Prefecture by the entity who Osaka Prefecture recognizes as having sufficient financial basis for the implementation of the Project pursuant to the Basic Agreement.

⁴ While the Guidance 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.)

⁵ Same as above.

⁶ While the Guidance 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.)

⁷ This assumes that there may be cases where SPC or a subsidiary of a shareholder that is expected to be allocated with the voting shares will be the signing entity of the conclusion of the Basic Agreement.

(2) Security deposit for contract performance, etc. in accordance with the Implementation Agreement

In accordance with the provisions of the Implementation Agreement, the IR Operator shall make a security deposit to Osaka Prefecture as a security for the performance of the obligations assumed by the IR Operator under the Implementation Agreement.

Provided, however, that in the event a security deposit set forth in paragraph (1) has been paid by the Prospective IR Operator and such deposit has not been forfeited or returned at the time of the execution of the Implementation Agreement, the security deposit shall be deemed to have been made by the IR Operator.

12. Guarantee by the parent company

Shareholders who have one-third or more of the voting shares of the IR Operator or their parent companies (limited to those recognized by Osaka Prefecture as having sufficient financial basis for the implementation of the Project) shall jointly and severally guarantee the obligations owed by the IR Operator to Osaka Prefecture until the opening of the IR Facilities pursuant to the provisions of the Implementation Agreement.

13. 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 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.

14. 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 2-8.-(2); the same shall apply hereinafter) expires, Osaka Pref./City shall make efforts to continue the IR Business through business succession or secondary proposal, etc., and the IR Operator shall cooperate such efforts.

Regardless of whether IR Area development and 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 its to Osaka City.

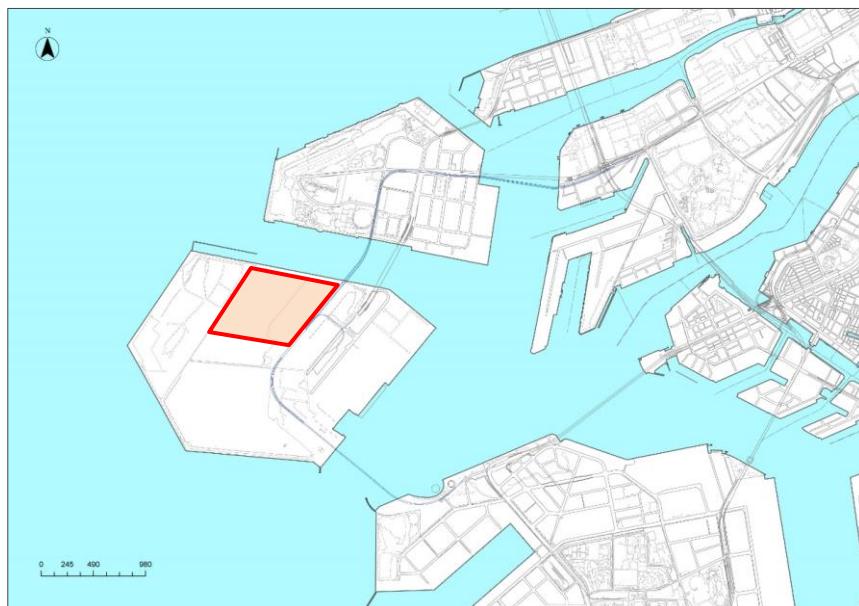
Section 3 Matters related to the location and size of the area where the Specified Complex Tourist Facilities Area will be developed

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

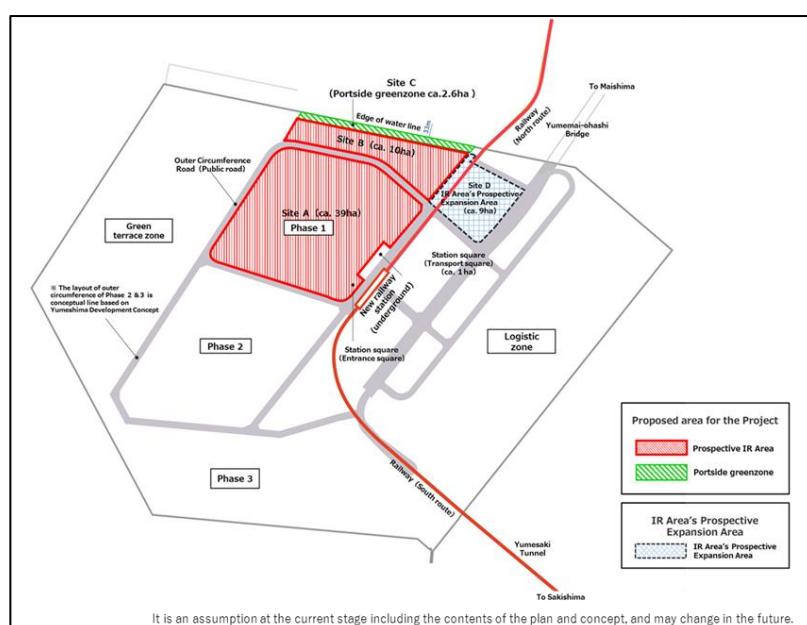
The Charts 1, 2 and 3 show the location, size and the Prospective IR Area shall refer to a group of land consisting of Site A and Site B.

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 Restrictions under laws and regulations (City plan, etc.)	Location The site is partially located in 1 Chome, Yumeshima-naka, 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
	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, Yumeshima 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 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 Requirements.

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

Item	Description	
Description of land		
Location	The site is partially located in 1 Chome, Yumeshimana-ka, 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) and the Requirements, etc. for the concept of 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 (Sites 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 Requirements, etc. so that the IR operator can use those for the Project during the Project Term.

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

To lease the land in the Prospective IR Area (sites A and B) to IR Operator, Osaka City will make a Land Lease Contract under Article 23 of Act on Land and Building Leases on the following terms and conditions. For details of the contract conditions, refer to the Land Lease Contract (Draft).

(1) Contract method

- a. Osaka City and the IR Operator shall execute the Land Lease Contract by means of a notarial deed.
- b. All expenses necessary for the preparation of the notarial deed shall be borne by the IR Operator.

(2) Leased area

ca. 492,000 m² (Site A: ca. 392,000 m², Site B: ca. 100,000 m²)

* For details of the area, refer to the Requirements, etc.

(3) Duration

- a. The duration shall be from the delivery date of the land until the day before the date of the 35th anniversary of the date of certification of the IR Area Development Plan pursuant to Article 9, Paragraph 11 of the IR Development Act.
- b. If the Project Term is extended in accordance with Section 2-8.-(2), Osaka City will enter into a new land lease contract with the IR Operator for a lease period that is the same as the extended period.

(4) Lease fee, etc.

- a. The lease fee is 428 yen/m² per month and shall be paid annually.
- b. In the event that one year or more has elapsed from the time of setting the land price (February 28, 2021) for calculation of the lease fee set forth in (a) before the time of execution of the Basic Agreement, or in the event of a drastic and significant change in the socioeconomic conditions, the lease fee to be set forth in the Land Lease Contract may be adjusted at the time of the execution of the Basic Agreement.

* Because 1 year or longer has passed since the date when the Lease Fee was estimated (October 31, 2019), the Lease Fee (428 yen/ m² per month) shown in the Guidance (December 2019 (first year of the Reiwa era)) is adjusted to reflect the market condition, etc.

(5) Security deposits, etc.

In accordance with the Land Lease Contract, the IR Operator shall make a security deposit the amount equivalent to six-month lease fee to Osaka City as a security deposit to secure the fulfillment of the obligations assumed by it under the Land Lease Contract, and shall make the shareholders who has/have one-third or more of the voting shares of the IR Operator or parent companies of such shareholders (limited to those recognized by Osaka Prefecture as having sufficient financial basis for the implementation of the Project) become the joint and several guarantor.

Provided, however, that in the event that the IR Operator provides security deposit for performing the obligations under the contract performance to five years of lease fee to Osaka City in addition to the contract guarantee equivalent to six-month lease fee or provides security (including guarantee, by a financial institution) that fulfills requirement stipulated in Article 10 of the Civil Execution Act and satisfies the following requirements, the IR Operator may substitute such security for a joint and several guarantor.

- i. The amount of the security deposit is the amount equivalent to the lease fee for a period of five years.
- ii. A financial institution that is the guarantor shall have a credit rating of A- or A3 or higher at the time of issuance of the Letter of Guarantee according to the credit rating from credit rating agencies registered with the Commissioner of the Financial Services Agency.
- iii. The Letter of Guarantee is governed by the laws of Japan and subjects to the exclusive jurisdiction of the Osaka District Court as the court of first instance.
- iv. The Letter of Guarantee remains in effect for the duration of the Land Lease Contract.
- v. The Letter of Guarantee does not contain any terms and conditions which may hinder smooth exercise of security interest.

(6) Timing of the delivery of the land

At this stage, the timing of the land delivery is expected to take place after fiscal year 2023. However, after the Prospective IR Operator has been selected, Osaka Pref./City and the Prospective IR Operator shall consult with each other and determine the timing, considering the timing of the certification of the IR Area Development Plan by the national government and the Project schedule proposed by the Applicant, etc.

The delivery of the land is premised on the completion of the certification of the IR Area Development Plan and the execution of the Implementation Agreement.

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 Requirements 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 enhancement attractiveness , 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 5 shows the terms used in this Guidance and the provisions of the IR Development Act in which such terms are defined.

[Chart 5 Specified Complex Tourist Facilities (IR Facilities)]

Terms used in the Guidance		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 Article2, Paragraph 1, Items 1 and “Facilities for exhibitions and fairs” which are defined in Article2, 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 business people 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 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 IR Operator shall secure a total area of [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 and incentive tours, etc.) in order to ensure IR Facilities' international competitiveness and hosting a wide range of events.

- (f) The IR Operator shall 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 and 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 a 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 for creating 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 the 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 Yumeshma 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 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 attractions and sustainability of the IR

The IR Operator shall work to further enhance the attractions of the Project and maximize its effects 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 the 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 various 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's location and visitors to the IR Facilities and take 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 self-sustainable urban function 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 comfortable work environment so that diverse human resources, including women and elderly people can expand their job opportunity.
- (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 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 environment of accepting foreign travelers to Japan
The IR Operator shall create an environment where foreign travelers to Japan can fully enjoy sightseeing and staying 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 providing service taking into account diverse religious/cultural background of the travelers.

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 Measures against Concerns.

- a. Compliance with the related laws and regulations, including the IR-Related Laws and Regulations, etc. and 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 actives in the IR Area, rigorous entrance management of the casino facilities, setting the upper amount of stakes, etc. based on customer's request, organizing a counseling system available for 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 a 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 effort 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 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 Requirements 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, including but not limited to change of the certification of the IR Area Development Plan and

establishment of the IR Operator's rights 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 6.

With regard to the opening of 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.

In view of the current situation, for instance, the construction period based on the Plan for facilities and the construction conditions related to the Expo and infrastructure and other work are not necessarily clear, the Applicant shall set period during which Applicants plans opening of IR Facilities (including full opening, partial opening and prior opening (with operation of some facilities before full opening)). Such opening period shall include the period before the Expo. And the Applicant shall propose such opening period together with the entire Project process.

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 6 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 the Reiwa era)	Execution 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 by the prefectoral 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 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, 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 the Osaka Convention & Tourism Bureau to promote excursions that takes 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 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 (so-called “the 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 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. Strengthen regional support network
- f. Promoting advanced research on countermeasures against addiction including use of ICT / AI technology
- g. Investigating the actual situation in the prefecture, etc.

2. Measures for security and district public morals

To ensure good security and maintain good district public morals, Osaka Pref./City and Osaka Prefectural Public Safety Commission shall endeavor to enhance the capability of

the police and promote the 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 Yumeshma.

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 Yumeshma
- 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 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) Obligations to implement the IR Business in accordance with relevant laws and regulations, etc., the Implementation Agreement, Certified IR Area Development Plan, 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 measure 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

Restrictions and procedures concerning the rights and obligations, etc. of the IR Operator shall be as follows. For details, refer to the Implementation Agreement (Draft), the Location Agreement (Draft) and the Land Lease Contract (Draft) (hereinafter collectively referred to as the "Implementation Agreement (Draft), etc.").

(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 agreement and contracts, without obtaining Osaka Prefecture's prior approval for contracts entered into with Osaka Prefecture, and without obtaining Osaka City's prior approval for contracts entered into with Osaka City.

In the event that the IR Operator desires to establish a security interest on its rights under the Implementation Agreement, etc., in order to borrows money from financial institutions 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 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 evaluation, reporting, and advice, etc., by an evaluation committee composed of external experts, etc., as stipulated in the Requirements, etc. as well as cooperation with financial institutions as necessary.

Refer to the Basic Monitoring Plan (Draft) for specific methods of monitoring, etc.

(1) Establishment of 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 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 the 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 result of self-monitoring to Osaka Prefecture periodically, and as required by Osaka

Prefecture.

- c. Among the methods and results of 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 Agreement, etc., and may hold improvement discussions on 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 Operators is found with the status of implementation of the Project, and in this case, the IR Operator shall take the 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 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 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 impacts and effects, 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 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 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 on the IR Operator (hereinafter referred to as “Specific Ordinance Changes, etc.”), and in the event that the 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. Refer to the Requirements, etc. for further details.

(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 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 supply (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. Coordination and adjustment with the development of infrastructure surrounding IR Area and the Expo

The IR Operator shall keep the following in mind regarding the implementation of the Project.

Refer to the Requirements for specific items which the IR Operator is required to implement and conditions for such implementation.

(1) Coordination and adjustment with the development of infrastructures surrounding IR areas

The IR Operator shall closely coordinate and adjust its construction schedule or method of construction, etc., with Osaka Pref./City and relevant people, etc. and sincerely cooperate with the safe and efficient development of infrastructure (including train, public roads, transportation space and supply infrastructure, etc.) to be carried out around the IR Area.

(2) Coordination and adjustment with the Expo

The IR Operator shall closely coordinate and adjust with the Osaka Pref./City and the Japan Association for the 2025 World Exposition, etc., and sincerely cooperate with

them keeping following in mind so that construction, transportation measures and operation of facilities, etc. for the Expo will be smoothly carried out.

- a. Opening date of an IR Facilities shall not be set within the opening period of the Expo.
- b. Osaka Pref./City plans to make best effort to adjust the schedule of the Expo and IR without sacrificing the either project, since both the Expo and IR are important projects. However, if the schedule of the construction for each project overlaps, the construction for the Expo and infrastructure for the Expo will be prioritized since the Expo is national project which has a fixed deadline.
- c. If the construction of the Project continues during the period of the Expo, the IR Operator shall take appropriate measures to prevent interference of transportation, noise, vibration, dust and other adverse effect on the site of the Expo.
- d. The IR Operator is required to adjust the schedule and method of construction which has especially strong influence on the sites of the Expo.
- e. On the dates and times when traffic jam is expected in the nearby roads due to many visitors to the Expo, the passable number, route and time for construction vehicles and commuting vehicles for construction workers may be limited after some adjustment.

8. Cooperation with Yumesima community development

With a view to the development of Yumesima 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. Refer to the Requirements, etc. for the specific conditions and considerations, etc. that the IR Operator should comply with.

9. 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 8 Matters related to measures when the continuance of the Project becomes difficult

The measures to be taken when it becomes difficult to continue business shall be as follows. Refer to the Implementation Agreement (Draft), etc. for details.

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 renewal of certification for the IR Area Development Plan and may apply for cancellation of certification if deemed necessary from the point of public interest, including the following cases. Osaka City may not give a consent to renewal by its council (which is a consent to 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 the public interest, including the following cases.

If Osaka Prefecture does not apply for renewal of the certification for the IR Area Development Plan or applies for 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 severe hindrance to the operation due to the 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 IR Business Evaluation Committee

Osaka Prefecture shall consult with the IR Business Evaluation Committee in advance when deciding whether or not to apply for 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 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 proposal, 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 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 the 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 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 of 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 the 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 termination, etc.

If Osaka Prefecture does not apply for 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 8-1.-(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 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 8-1.-(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 termination

Damage incurred by Osaka Pref./City and the IR Operator due to Force Majeure will be borne by each party and neither of them shall claim for damage each other.

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

a. Reason for termination

In the event that enactment or change of the laws or regulations which exclusively applies to the Project or has special impact on the IR Business (hereinafter such enactment or change are referred to as a "Specific Regulation Changes, etc.") occur and cause the IR Operator may terminate the Implementation Agreement subject to the conditions set forth in the Implementation Agreement.

b. Effect of termination

The damage incurred by Osaka Pref./City, or the IR Operator due to Specific Regulation Changes, etc. shall be borne by each party and neither of them shall claim for damage each other.

3. Consultations 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 a 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 9 Method for the selection of the Prospective IR Operator

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

Osaka Pref./City shall arrange a proposal to attract private business operators who wish to participate in the Project through proposal pursuant to the Guidance, and select the Prospective IR Operator among the Applicants 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. Examination structure

Osaka Pref./City shall establish the Osaka Prefecture and Osaka City IR Operator Selection Advisory Committee which consists of experts, etc. (hereinafter, the “Selection Advisory Committee”) and conduct the examination to ensure an objective and fair examinations and to refer to opinions from the professional point of view in selecting the Prospective IR Operator.

The Selection Advisory Committee consists of seven members in Chart 7, and the Selection Advisory Committee is closed to the public.

(Chart 7 Osaka Prefecture and Osaka City IR Operator Selection Advisory Committee)

Name of committee members	Affiliation	
INOUE Koki	Osaka City University Graduate School of Medicine, Professor	Member
UCHIZONO Hitomi	PricewaterhouseCoopers Arata LLC, Partner	Member
KANA Koichi	Osaka City University Graduate School of Engineering, Professor	Member
TAKAHASHI Toru	Vice Mayor of Osaka City	Member
TANAKA Seigo	Vice Governor of Osaka Prefecture	Member
NISHIZAWA Yoshiki	University Public Cooperation Osaka, Chairperson	Chairperson
MIZOHATA Hiroshi	Osaka Convention & Tourism Bureau, President	Vice Chairperson

(Japanese alphabetical order, Titles omitted)

3. Procedures and methods for the selection of the Prospective IR Operator

(1) Qualification screening

- a. Applicants who wish to participate in the participation qualification screening (hereinafter referred to as the "Applicant for Participation") shall prepare the Qualification Screening Documents and submit these to Osaka Pref./City in accordance with Exhibit 4 "Formats and Instructions on Documentation regarding Participation Qualification Screening" (hereinafter referred to as the "Formats").
- b. After the submission of the Qualification Screening Documents, Osaka Pref./City will check whether the Applicant satisfies the requirements for participation qualification specified in Section 10-2 and 3, and notify the Applicant of the results.

(2) Proposal examination

- a. Osaka Pref./City shall, after giving an opportunity for a competitive dialogue with those who have met the qualification requirements and passed the participation qualification screening (hereinafter referred to as the "Successful Qualified Applicant"), receive their Proposal Examination Documents, and select the Prospective IR Operator from those Successful Qualified Applicants who submitted the Proposal Examination Documents.
- b. 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.
- c. The proposal examination will be conducted in two stages: basic examination and examination of the contents of the proposal.
- d. 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").
- e. 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 (including questions and answers) in accordance with the Selection Criteria for the Prospective IR Operator specified in exhibit 3.

(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 result 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.

4. Supplementary opinions of the Selection Advisory Committee

The Selection Advisory Committee may, within the scope of the Requirements stipulated in the Requirements, etc., attach opinions, etc. regarding the improvement of the quality of the proposal and issues, if any, to the Prospective IR Operator and the runner-up Prospective IR Operator in order to improve the Project.

In the event that opinions on the contents of proposal are expressed by the Selection Advisory Committee, Osaka Pref./City may consult and coordinate with the Prospective IR Operator with regard to the improvement of the quality of the proposal and a review of proposals based on such opinions, etc., and the Prospective IR Operator shall cooperate to the extent reasonable.

Section 10 Applicants' participation qualification requirements

1. Composition of Applicants

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

- (1) 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 Company¹⁰, and an Applicant Advisor¹¹ are collectively referred to as the "Applicant".
- (2) 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.
- (3) 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 the Formats etc., and the Representative Company shall conduct Procedure for submitting application.
- (4) In the Application Group, assuming that a 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.
- (5) The Applicant Company and the Applicant Group Members plan to invest in the IR Operator and receive the allocation of all the 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 12-2). If an Applicant wishes to hold SPC shares indirectly, etc., such an Applicant shall follow the procedures described in the 2nd sentence of Section 12-2 shall.

2. Participation qualification requirements for an Applicant Company and an Applicant Group Members

Each Applicant Company and Applicant Group Member must meet the participation qualification requirements listed below, and, if so requested, shall forthwith submit to Osaka Pref./City a document in which its qualification for participation is certified.

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

¹⁰ "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).

¹¹ "Applicant Advisor" means a lawyer, certified public accountant, tax accountant, consultant, or any other specialist who was selected by an Applicant Company or an Applicant Group Member as a person who reviews and supports the Proposal responding to the Proposal for the Applicant Company or the Applicant Group Member.

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 the 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 following (5) and (6) b through g in light of applicable laws and regulations.

- (1) 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. and
- (2) Itself and its director(s) have sufficient social credibility;
- (3) It has the financial foundation to implement the Project soundly;
- (4) In the event that an Applicant intend to implement the Project itself, the holder of Voting Rights 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 corporate entity, its directors have adequate social credibility;
- (5) There is no petition field or applied or reason to file or apply for its bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, special liquidation, any other similar legal insolvency proceedings, business rehabilitation ADR, or other voluntary liquidation.; and
- (6) It does not fall under any of the following :
 - a. Person or entity who falls under any items of 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.

- (1) Complex Facilities¹² with a Gross Floor Area within the District^{13,14} of approximately 500,000 m² or more; or
- (2) 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.¹⁵ with such person or entity 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 for the Proposal.

- (1) 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.
- (2) 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.
- (3) A person or entity who receives advice regarding the Project (regardless of whether or not an agreement is concluded) from a Osaka Pref./City Advisor or a person or entity having a certain level of relationship in terms of capital ties or personnel structure, etc. with such Osaka Pref./City Advisor.

¹² “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.

¹³ “Gross Floor Area within the District” means the total of the floor area of complex facilities, etc. built within the district.

¹⁴ “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.

¹⁵ “A person or entity having a certain level of relationship in terms of capital ties or personnel structure,etc.” 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.; and (3)A person or entity having a relationship that a director of one party holds the position of an 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 the parent company, etc. and subsidiaries, etc. shall be subject to the definition stipulated the Companies Act).

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

A person or 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 Proposal.

- (1) A Members of the Selection Advisory Committee
- (2) An Organization to which members of the Selection Advisory Committee belong
- (3) A person or corporate entity who has a certain level of relationship with a member of the Selection Advisory Committee¹⁶

6. Prohibition of multiple applications

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

- (1) 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 Section 2, and 4 to 6. Refer to Section 11-4. for procedures for adding Applicant Group Member.
- (2) After submission of the Qualification Screening Documents, the Applicant Group Member shall not transferred between the Applicant Groups and an Applicant Companies shall not become a member of the other Applicant Group.
- (3) Except the case of (1), 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.
- (4) When an Applicant Company or Applicant Group Member no longer satisfies the participation qualification requirements set forth in 2 to 6, or when the person or entity

¹⁶ "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.

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.

Section 11 Procedures concerning the Proposal

1. Schedule

Osaka Pref./City plans to select the Prospective IR Operator according to the schedule in Chart 8. However, Osaka Pref./City shall be entitled to change the schedule in the future as necessary, 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 8 Schedule for the future (tentative)]

Schedule (tentative)	Content
December 24, 2019 (First year of the Reiwa era)	Announcement of the Guidance
December 24, 2019 (First year of the Reiwa era) to January 10, 2020 (Second year of the Reiwa era)	Period of application for questions on the Guidance
January 17, 2020 (Second year of the Reiwa era)	Answers to questions on the Guidance
January 6 to February 14, 2020 (Second year of the Reiwa era)	Period of application of Qualification Screening Documents
~Around February, 2020 (Second year of the Reiwa era)	Notification of examination results regarding participation qualification screening
December 2020 (Second year of the Reiwa era)	Announcement of the Basic Policy
March 19, 2021(Third year of the Reiwa era)	Formulation and announcement of the Implementation Policy Amendment of the Guidance
March 19 to March 26, 2021 (Third year of the Reiwa era)	Period of application for questions on the Guidance [for additional application]
March 31, 2021 (Third year of the Reiwa era)	Answer to the questions on the Guidance [for additional application]
March 19 to April 6, 2021 (Third year of the Reiwa era)	Acceptance of Qualification Screening Documents [for additional application]
Around April 2021(Third year of the Reiwa era)	Notification of the examination results regarding participation qualification screening [for additional application]
Around January 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 prefectoral 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
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.

2. Acceptance of and answers to questions on the Guidance

The following questions regarding the contents of the Guidance will be received from the Applicant for Participation. Provided, however, that questions concerning Confidential Documents shall not be accepted.

(1) Period for receiving questions

Initially planned : From December 24 (Tuesday), 2019 to 17:00 January 10 (Friday), 2020

Additional : From March 19 (Friday), 2021 to 17:00 of March 26 (Friday), 2021

(2) Submission method of questions

- a. Any questions on the Guidance are to be sent to the contact office by email by specifying such questions in a simple manner, using the “Questions on the Guidance” as stipulated in the Formats, etc.
- b. Fill in “Questions on Guidance” as the subject of the email.
- c. In case where the rights of the person, competitive status, and any other legitimate interests of the person who poses the question may be threatened when the questions are disclosed, specify such fact.

(3) Announcement of answers, etc.

- a. Scheduled date for the announcement of answers

Initially planned : January 17 (Friday), 2020 (tentative)

Additional : March 31 (Wednesday), 2021 (tentative)

- b. Excluding any contents that Osaka Pref./City has judged may threaten the rights, competitive status, and any other legitimate interests of the person who poses the Questions, etc., relevant answers that Osaka Pref./City acknowledge as necessary to disclose to all Applicant for Participation shall be announced on the website of the Promotion Department, the Integrated Resort Promotion Bureau by the scheduled date for the announcement of answers.
(<http://www.pref.osaka.lg.jp/irs-suishin/osakair-jigyou/index.html>)
- c. Except for questions and answers that Osaka Pref./City acknowledge the necessity to disclose to all the Applicant for Participation, Osaka Pref./City will individually provide answers to the Applicant for Participation who posted the relevant questions by the scheduled date for the announcement of answers.
- d. While final answers are planned to be provided on the scheduled date of the announcement of the answers, questions that are accepted will be disclosed accordingly before the scheduled date.
- e. Names of the Applicant for Participation who questioned shall not be announced.
- f. Questions that are not directly related to the Guidance will not be answered.

3. Qualification screening

The Applicant for Participation shall prepare and submit the Qualification Screening Documents in accordance with the Formats, etc.

(1) Period of application of Qualification Screening Documents

Initially planned : From January 6 (Monday), 2020 to no later than 17:00, February 14 (Friday), 2020 (must arrive)

Additional : From March 19 (Friday), 2021 to 12:00 noon of April 6 (Tuesday)2021(must arrive).

(2) Place and method of submission of the Qualification Screening Documents

- a. The Applicant for Participation shall prepare an “Statement of Participation and Report of Qualification Screening Documents” in accordance with the Formats, etc., with the necessary documents attached, and submit them by handing over in person or sending by mail in a way that secures delivery record such as a registered mail, to the Contact office after prior notice, while the data required to be sent shall be sent by email to the Contact office in advance (refer to the Formats, etc. for data formats and documents which require submission as data).
- b. Open hours for handing the documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays. (Note: On April 6 (Tuesday) 2021, Open before 12:00 noon)

(3) Payment of the examination fee

- a. The Applicant for Participation shall pay the examination fee (10,000,000 yen) set forth in Section 13-2 to Osaka Prefecture in accordance with the payment slip issued by Osaka Prefecture.

- b. Osaka Prefecture plans to issue a payment slip within three business days after the receipt of the Qualification Screening Documents, and the due date for the payment is scheduled to be 20 days within issuance of the payment slip.
 - c. In the event that there are special circumstances where the payment slip issued by Osaka Prefecture cannot be used, the Applicant for Participation shall inform the Contact office of this in advance, and the payment shall be made by a method separately designated by Osaka Prefecture.
 - d. The Applicant for Participation who has paid the examination fee pursuant to a or c above shall submit a copy of the document confirming the completion of such payment to the Contact office by email after advance notice of the submission to the Contact office.
- (4) Confirmation of the qualification for participation and notice of the result of qualification screening
- a. Based on the Qualification Screening Documents, Osaka Pref./City shall confirm that participation qualification requirements of the Applicant as stipulated in "Section 10 Applicants' Participation qualification requirements" are fulfilled and that the examination fee has been paid.
 - b. The Osaka Pref./City shall proceed the qualifications screening of participants in sequence from the Applicants for Participation who have submitted the Qualification Screening Documents. To the Applicant for Participation whose qualifications and the payment of examination fee have been confirmed, the Osaka Pref./City will send a copy of the Notification of the results of qualification screening to the Applicant for Participation by email in advance, and send the original copy of the same to them within 10 business days from submission of the Qualification Screening Documents.
 - c. In case that the "Notification of registration results" is not sent from the Contact office within about 10 business days from submission of the Qualification Screening Documents, please inquire the Contact office over the phone.
 - d. In the event that the Successful Qualified Applicant submits an "Application for disclosure and Access to Confidential Documents" and a "Pledge regarding Confidentiality Obligations," Osaka Pref./City shall disclose to such Successful Qualified Applicant the documents specified in Section 2-5.-(6), (8), (10) and (11) (hereinafter referred to as "Confidential Documents"). Upon receipt of the submission of the "Application for List of Persons Subject to Disclosure and Access to Important Confidential Documents" and the "Pledge Regarding the Handling of Materials Subject to Important Confidentiality," the documents set forth in Section 2-5.-(2) to (5) and (7) (hereinafter referred to as "Important Confidential Documents") shall be disclosed to the Successful Qualified Applicant.

4. Procedures for adding Applicant Group Members

In case of adding an Applicant Group Member, an application shall be required through the following procedure.

- (1) Period of application
To be separately notified.
- (2) Place and method for the submission
 - a. Those who wish to add an Applicant Group Member shall prepare an "Application for the change in the Applicant Group Member" in accordance with the Formats, etc., with the necessary documents attached, and submit these by handing over them in person or sending by mail in a way that secures delivery record such as a registered mail, to the Contact office after prior notice, while the data required to be sent shall be sent by email to the Contact office in advance (refer to the Formats, etc. for data formats and documents which require submission as data).
 - b. Open hours for handing the documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays.
- (3) Confirmation of the qualification for participation and announcement of the results
 - a. Based on the Application for the change in the Applicant Group Member, fulfillment of the participation qualification requirements that are stipulated in "Section 10 Applicants' participation qualification requirements" will be confirmed.
 - b. With regard to the results of the confirmation for the participation qualification, "Notification on the Results of the Change in Applicant Group Member" will be sent by email from the Contact office within around 10 business days (excluding Saturday, Sunday, and holidays) from the date that the "Application for the change in the registration of participation" is received.
 - c. In case that the "Notification on the Results of the Change in Applicant Group Member" is not sent from the Contact office within 10 business days (excluding Saturday, Sunday, and holidays) from the day when the Application for the change in the Applicant Group Member is accepted, please inquire with the Contact office over the phone.

5. Procedures, etc. for Adding Cooperating Companies or Applicant Advisors

To add a Cooperating Company or an Applicant Advisor (hereinafter referred to as "Cooperating Company, etc."), the following procedure shall be taken.

- (1) Acceptance period
To be separately notified to the Successful Qualification Applicant.
- (2) Place and method of submission
 - a. To add a Cooperating Company, etc., a "Notification of Change of Cooperating Company, etc." (including attachment of necessary documents) shall be prepared in accordance with the Formats, etc., and submitted to the Contact office by handing over in person or sending to the Contact office by mail in a way that secures the delivery record such as a registered mail, while the data required to be sent shall be sent by email to the Contact office in advance (refer to the Formats, etc., for data formats and documents which require submission as data).
 - b. The Open hour for handing the documents in person shall be from 9:30 to 17:00 on

each day except Saturdays, Sundays, and national holidays.

6. Lending of Materials Subject to Confidentiality

The Successful Qualified Applicant (limited to the Applicant Company or Representative Company (hereinafter referred to as the "Applicant Company, etc.")) that wishes to borrow the Materials Subject to Confidentiality shall follow the application procedures as follows.

(1) Submission of the pledge, etc.

- a. After preparing an "Application for Borrowing and Access to Documents Subject to Confidentiality" and a "Pledge regarding Confidentiality Obligations," in accordance with the Formats, etc., these shall be submitted by handing over the documents in person or sending by mail in a way that secures delivery record such as a registered mail, to the Contact office, while the data (refer to the Formats etc. for data formats) shall be sent by email to the Contact office in advance.
- b. Open hours for handing the documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays.

(2) Period of application

To be separately notified.

(3) Materials Subject to Confidentiality (Lent documents)

- a. Requirements
- b. Collection of related documents
- c. Formats and Instructions on Documentation
- d. Collection of reference materials

(4) Method for lending the documents

- a. It is planned that Materials Subject to Confidentiality will be lent mainly through the Virtual Data Room (hereinafter referred to as the "VDR").
- b. Upon the acceptance of the "Application for Borrowing and Access to Documents Subject to Confidentiality" and the "Pledge regarding Confidentiality Obligations" of an Applicant Company, etc., Osaka Pref./City will check if there is no defect, etc., and notify how to access the VDR, etc. to the Applicant Company etc.

(5) Management of lent Documents and Disclosed Information

- a. The Applicant Companies, etc. shall keep confidentiality of the Material Subject to Confidentiality and information related to the Material Subject to Confidentiality disclosed by Osaka Pref./City in the Proposal (hereinafter referred to as "Confidential Information, etc."). The Applicant Company shall not use Confidential Information, etc. for the purpose other than the preparation or implementation of the Proposal or dialogue (dialogue means competitive dialogue set forth in Section 11-11, the same shall apply in this section and the next section) of the Project.
- b. The Applicant Companies, etc. shall not disclose the Confidential Information, etc.

to its directors or employees other than the minimum number of directors or employees who need to know the Confidential Information, etc.

- (6) Disclosure to Persons Other Than the Applicant Company, etc.
 - a. When an Applicant Company, etc. wishes to disclose all or part of the "Confidential Information, etc." to a minimum number of people who need to know Confidential Information, etc. such as their affiliated companies¹⁷, Applicant Group Members other than the Representative Company, Cooperating Companies, financial institutions which plans to provide loans for the Project, rating agencies which provide rating service for the Project, Applicant Advisors, or translators or interpreters who provide their service for the Proposal (hereinafter collectively referred to as "Secondary Disclosed Party"), the Applicant Company shall prepare "Notification of Names, etc. of Secondary Disclosed Parties" with necessary items filled out in accordance with the Formats, etc., and submit these by handing over in person or sending by mail in a way that secures delivery record such as a registered mail, to the Contact office and the data (refer to the Formats etc. for data formats) shall be sent by email to the Contact office in advance.
 - b. In such case, the Applicant Company, etc. shall, prior to the disclosure of the Confidential Information, etc. to the Secondary Disclosed Party, have the Secondary Disclosed Party pledge in writing to fulfill its obligation of confidentiality equivalent to or greater than the "Pledge regarding Confidentiality Obligations" (for details, refer to the "Pledge regarding Confidentiality Obligations") and submit a copy of the said document to the Contact office at the time of submission of the "Notification of Names, etc. of Secondary Disclosed Parties" as the attachment.
 - c. Osaka Pref./City shall, upon receiving the "Notification of Names, etc. of Secondary Disclosed Parties" from an Applicant Company, etc., check that there is no defect, etc. in the submitted documents, and shall promptly issue a Notice of Acceptance. The Applicant Company, etc. shall not disclose the Confidential Information, etc., to the Secondary Disclosed Party until a Notice of Acceptance is issued from the Contact office.

(7) Destruction of Materials Subject to Confidentiality Obligation

The Applicant Company, etc. that has borrowed Materials Subject to Confidentiality, and the Secondary Disclosed Party that has received the disclosure of all or part of the Materials Subject to Confidentiality Obligation, shall destroy the Materials Subject to Confidentiality Obligation (including, but not limited to, printed materials, copies, duplications and recordings in recording medias such as hard disks etc., and materials produced by processing the information) into a state incapable of being restored at their costs and responsibilities, before the date it becomes evident that they do not submit the Proposal Examination Document, the date it becomes evident that they have not been selected as the Prospective IR Operator, or the date that is specified as a deadline

¹⁷ An organization that controls, is controlled by, or is under common control with the Applicant Company, etc., and no organization shall be deemed to be an affiliated company unless a controlling interest subsists. "Control" shall mean the holding of a majority of the interests with voting rights.

for the destruction by Osaka Pref./City, whichever comes earlier, and submit a “Report of compliance with the destruction obligation of Materials Subject to Confidentiality” by handing over in person or sending by mail in a way that secures delivery record such as a registered mail, to the Contact office, while the data (refer to the Formats, etc. for data formats) shall be sent by email to the Contact office in advance.

7. Lending of Materials Subject to Important Confidentiality

The Successful Qualified Applicants (limited to Applicant Company, etc.) who wish to borrow the Materials Subject to Important Confidentiality shall follow the application procedure described below.

(1) Submission of the pledge, etc.

- a. The Successful Qualified Applicants (limited to the Applicant Company, etc.) who wish to borrow the Materials Subject to Important Confidentiality shall prepare an “List of Persons Subject to Disclosure of Materials Subject to Important Confidentiality and Application for Access” and a “Pledge Regarding the Handling of Materials Subject to Important Confidentiality,” in accordance with the Formats, etc., and submit these by bringing in person or sending by mail in a way that secures delivery record such as a registered mail, to the Contact office, while the data (refer to the Formats etc. for data formats and which documents require submission as data) shall be sent by email to the Contact office in advance.
- b. Open hours for handing the documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays.

(2) Period of application

Successful Qualified Applicants will be informed separately.

(3) Important Confidentiality Information (Lent documents)

- a. Basic Agreement (Draft)
- b. Implementation Agreement (Draft)
- c. Location Agreement (Draft)
- d. Land Lease Contract (Draft)
- e. Basic Monitoring Plan (Draft)

(4) Method for lending the documents

- a. It is planned that Materials Subject to Important Confidentiality are mainly lent by VDR.
- b. Upon the acceptance of the “List of Persons Subject to Materials Disclosure of Materials Subject to Important Confidentiality and application for Access” and the “Pledge Regarding the Handling of Materials Subject to Important Confidentiality,” Osaka Pref./City will check there is no defects, etc. in the submitted documents and promptly notify how to access the VDR, etc.

(5) Management of lent documents and disclosed information

- a. With regard to Materials Subject to Important Confidentiality and information related to such material by Osaka pref./City in the Proposal (hereinafter referred to as "Important Confidential Information, etc."), Applicant Company, etc. shall keep the important confidentiality and shall not use Important Confidential Information, etc. for the purpose other than preparation or implementation of the Proposal or dialogue for the Project.
- b. No disclosure of Important Confidential Information, etc. shall be permitted to person other than the Person listed in the List of Person Subject to Disclosure of Material Subject to Important Confidentiality and Application for Access (hereinafter collectively referred to as "Person Subject to Disclosure"). Applicant Company, etc. shall not disclose any Important Confidential Information, etc. to any person inside or outside of the company other than Person Subject to Disclosure.

(6) Disclosure to Persons Other Than the Applicant Company etc.

- a. Applicant Company, etc. may disclose Important Confidential Information, etc. only to the person falls under any of the following or the person to whom Osaka Pref./City permit the disclosure in accordance with b, provided, however, that such disclosure shall be limited to the minimum extent necessary to know for the purpose of disclosure.
 - i. Corporate lawyer of the Applicant Company, etc.
 - ii. Officers, employees and corporate lawyers of affiliated companies of Applicant Company, etc.
 - iii. Officers, employees and corporate lawyers of the Applicant Group Member other than the Representative Company
 - iv. Applicant Advisor or an attorney registered as a Cooperating Company
 - v. Financial institutions which plans to provide loans or guarantees for the Project
 - vi. Translator or Interpreter who provide their service for the Proposal
- b. Osaka Pref./City may permit the disclosure of Important Confidentiality Information, etc. to persons other than those set forth in a to the minimum extent necessary for the purpose of disclosure, and the details shall be separately notified to the Successful Qualified Applicants.
- c. The Applicant Company, etc. must make the entity which Person Subject to Disclosure belongs to fill in the "Pledge Regarding the Handling of Materials Subject to Important Confidentiality" and submit this as the attachment of the "List of Persons Subject to Disclosure of Materials Subject to Important Confidentiality and Application for Access" to the Contact office by handing over in person or sending by mail in a way that secures delivery record such as a registered mail, while sending the data by email in advance (for data format, refer to Formats, etc.).
- d. Upon the receipt of the "List of Persons Subject to Disclosure of Material Subject to Important Confidentiality and Application for Access" and Pledge Regarding the Handing of Materials Subject to Important Confidentiality filled in by Applicant

Company, etc., and each Person Subject to Disclosure, the Contact office shall promptly issue a Notice of Acceptance after there is no defects in the submitted documents. The Applicant Company, etc. shall not disclose Important Confidential Information, etc. to the Person Subject to Disclosure until the Notice of Acceptance is issued from the Contact office.

(7) **Destruction of Material Subject to Important Confidentiality**

The Applicant Company, etc. and Person Subject to Disclosure shall destroy the Materials Subject to Important Confidentiality (including, but not limited to, the printed materials, copies, duplications and recordings in recording medias such as hard disks etc., and materials produced by processing the information) into a state incapable of being restored at their cost and responsibilities before the date it becomes evident that they do not submit the Proposal Examination Documents the data it becomes evident that they have not been selected as the Prospective IR Operator or the date that is specified as a deadline for the destruction by Osaka Pref./City, whichever comes earlier, and submit a "Report compliance with the destruction obligation of Materials Subject to Important Confidentiality" by handing over in person or sending by mail in a way that secures delivery record such as a registered mail, to the Contact office.

8. Questions and answers concerning Materials Subject to Confidentiality, etc.

- (1) Osaka Pref./City will accept questions from those to whom Materials Subject to Confidentiality and Materials Subject to Important Confidentiality have been lent regarding the Materials Subject to Confidentiality, Materials Subject to Important Confidentiality, and other documents that make up the Guidance, etc., and will present responses to such questions.
- (2) Except for questions that may harm the questioner's rights, competitive position, or other legitimate interests, any questions that Osaka Pref./City consider necessary to give responses to all Successful Qualified Applicants in common shall be shared by all Successful Qualified Applicants together with their answers.
- (3) The Successful Qualified Applicants shall be separately notified of the period for submitting their questions and the method of submission as well as the method of responses, etc. from Osaka Pref./City.

9. Publication of Supplementary Materials, etc.

Osaka Pref./City may publish, distribute, or lend materials to supplement the Guidance, etc. (hereinafter referred to as the "Supplementary Materials"), provided, however, that the publication, distribution, or lending shall be made by around June, 2021 (the details shall be notified to the Successful Qualified Applicant), and no new Supplementary Materials shall be announced, distributed, or lent thereafter.

The Publication of Supplementary Materials shall be made on the websites of Osaka Pref./City, but when the Supplementary Materials are disclosed only to those who have submitted the "Pledge regarding Confidentiality Obligations" or the "Pledge Regarding the Handling of Materials Subject to Important Confidentiality," such materials shall be disclosed by the VDR, etc.

10. On-site inspection

After obtaining Osaka Pref./City's approval and going through necessary procedure, the Successful Qualified Applicant may conduct on-site inspections (on-site inspections, boring inspections, etc.) to the extent that Osaka Pref./City cooperate.

A Successful Qualified Applicant who desires to conduct an on-site inspection, shall state the necessary items (their desire and together with the outline of the desired investigation items) in the "On-site Investigation Request Form" in accordance with the Formats, etc., and shall submit it to the Contact office by email at the time of submission of the Qualification Screening Documents as specified in 3.-(2).

In conducting on-site inspections, instructions by Osaka Pref./City shall be followed, and it should be noted that on-site inspections may not be conducted as requested, with respect to items and timing and other conditions of the inspections. Further details concerning the conduct of the on-site inspection shall be separately notified to the Successful Qualified Applicants.

11. Conducting competitive dialogues

Osaka Pref./City shall conduct competitive dialogues with Successful Qualified Applicants before the submission of the Proposal Examination Documents by the Successful Qualified Applicants, and will adjust the Basic Agreement and the Implementation Agreement, etc., if necessary, based on the results of such dialogues.

(1) Qualified Applicants

Applications for participation in competitive dialogues may be made by the Applicant Company, etc., among the Successful Qualified Applicants.

(2) Period and method for the dialogue

- a. The competitive dialogue will be separately scheduled between around January, Around January 2020 to July, 2021 (tentative).
- b. The venue of the dialogue is planned to be the Sakishima Cosmo Tower, Osaka Prefecture.

(3) Procedures for conducting competitive dialogues

- a. Submission of an application for participation in a competitive dialogue

The details about application for competitive dialogue including but not limited to the procedures and period for application will be separately notified to Successful Qualified Applicants.

- b. Conducting of competitive dialogues and notification of the agenda by Osaka Pref./City

The Applicant for participation in competitive dialogues shall be notified of the schedule and agenda (as appropriate) by email.

(4) Method of conducting competitive dialogues

- a. Competitive dialogues are planned to be conducted several times per Applicant.
- b. Competitive dialogues will be conducted in the following order.

- i. Setting up a dialogue(s) for an exchange of opinions between the Successful Qualified Applicants and Osaka Pref./City
- ii. Adjustment for the Basic Agreement and the Implementation Agreement, etc. by Osaka Pref./City
- c. Competitive dialogues shall be conducted in Japanese. Where interpretation is required, the Applicant for Participation in competitive dialogues shall arrange for interpreters (including the bearing of such cost). In case of using an interpreter, the Applicant for Participation in a competitive dialogue are required to arrange for simultaneous interpretation, to the extent possible, including the preparation of relevant equipment.
- d. In addition, details such as the method for conducting and proceeding with the competitive dialogues will be separately notified to the Applicant for participation in competitive dialogues.

12. Proposal examination

The Successful Qualified Applicants who wish to participate in the proposal examination shall prepare and submit the Proposal Examination Documents in accordance with the Formats and Instructions on Documentation.

(1) Period for the submission of the Proposal Examination Documents

Around July, 2021 (to be separately notified to Successful Qualified Applicants)

(2) Location and method of submission for the Proposal Examination Documents

- a. The Successful Qualified Applicants shall, in accordance with the Formats and Instructions on Documentation, notify the Contact office in advance, and submit them by handing over in person or sending by mail (by registered mail, or other method that secures a record of delivery).
- b. Open hours for handing over the documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays.

13. Notification and publication of the examination results

Osaka Pref./City will inform all Applicant Companies, etc. that have participated in the proposal examination of the results of the proposal examination around September 2021 (tentative).

Promptly after the selection of the Prospective IR Operator, the name of the Prospective IR Operator and the outline of the results of the proposal examination will be published on the websites of Osaka Pref./City as well as by other appropriate methods.

Section 12 Procedures after the selection of the Prospective IR Operator

The procedures after the selection of the Prospective IR Operator shall be as follows. For details, refer to the Requirements and the Basic Agreement (Draft).

1. 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 is not 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.

2. Establishment of 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 can establish the SPC in the form approved by Osaka Pref./City based on the discussion with Osaka Pref./City through competitive dialogues to be held after passing the participation qualification screening.

3. 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 survey (boring surveys, measurement surveys, etc.) procedures to obtain various approvals and licenses, etc., and coordination of construction related to the Expo and infrastructure development, etc. in the surrounding areas, 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 Implementation Agreement.

4. Preparation and application for approval of 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

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.

5. 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 cooperation 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 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 competitive dialogue).

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

Section 13 Matters to be noted for application

1. Preconditions for application

(1) Acceptance of the Guidance, etc.

The Applicants shall fully understand and accept the terms and conditions set forth in the Guidance, etc. The Applicant may not file an objection on the grounds that there is uncertainty matters regarding the Guidance, etc.

(2) Cost allocation, etc.

All procedures in the Proposal, including the preparation and submission of Proposal Documents, which should be performed by the Applicant, shall be conducted at the Applicant's own responsibility and expenses.

(3) Document-centric policy and the language used

- a. All indication of intention to Osaka Pref./City regarding the Proposal shall be made in writing, unless otherwise stipulated in the Guidance, etc., and the language used shall be Japanese.
- b. If the Applicant is comprised of companies outside Japan, Japanese and English shall be allowed to be used together, but if the contents are different, the Japanese statements shall take precedence. The printed materials provided by the Applicant as supplemental materials to the documents regarding qualification screening may be in foreign languages, but in such cases, accurate Japanese translations of the relevant parts shall be attached.
- c. Meanwhile, as for verbal correspondences 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.

(4) Currency and unit

The currency and units that are used in the Proposal Documents, questions and answers, examinations, etc. shall be the Japanese Yen and units that are stipulated under the Measurement Act (Act No. 51 in 1992).

2. Payment of examination fee

Applicants to the Proposal 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. (See Section 11-3.-**(3)** for the payment method, etc.)

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 the Advisory Services entrustment (contract amount: 377,193,845 yen).

3. Restricted matters in connection with application

(1) Solicitation to Osaka Pref./City

Applicants (including but not limited to the entity who intends to be an Applicant) shall not directly or indirectly, outside the procedure for the Proposal, solicit staffs and special service of Osaka Pref./City, an Osaka Pref./City Advisors, a member of the Selection Advisory Committee, organizations to which a member of the Selection Advisory Committee belong, or a person or an entity who has certain level of relationship with a member of the Selection Advisory Committee for a favor in connection with the Proposal.

(2) Donation to Osaka Pref./City, etc.

a. The Applicant Company and Applicant Group Member (excluding those who plan to invest less than one-third of voting shares of the IR Operator) shall not, in principle, directly or indirectly provide donation or the like (except the donation or the like which have been provided regularly or continuously since before the commencement of the Proposal) to Osaka Pref./Cities, etc. during the period of restriction set forth in b.

b. Prohibition of Period

From the date when the result of the qualification screening set forth are notified to an Applicant pursuant to Section 11-3. (for Applicant Group Member added pursuant to Section 11-4, from the date of notification of the approval for the addition of Applicant Group Member) until the date when it becomes evident that the Applicants do not submit the Proposal Documents or the date when the result of proposal examination are notified to the Applicants as set forth in Section 11-13.)

4. Handling of proposal documents

Proposal Documents will be handled as follows.

(1) Intellectual property right

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 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 Document, 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. When a presentation of proposal is made. The same shall apply to questions asked in connection with the proposal and answers to such questions at the time of presentation.

5. Provisions, etc. of the contents of the Proposal

(1) Indication of rights and interests, and proposal summary

- a. Each Applicant shall clarify, at the time of submitting its Proposal Documents, any material which includes contents that may risk their rights, position in competition, and any other legitimate interests if its proposal is disclosed (such as special technology or know-how, etc.).
- b. Each Applicant shall prepare a Proposal Summary (the form shall be presented separately to the Successful Qualified Applicant) containing the contents that may be used by Osaka Pref./City for public disclosure and shall submit this as part of the Proposal Examination Documents. In the event that Osaka Pref./City consider the contents of the Proposal Summary to be insufficient or inappropriate in light of the accountability to Osaka Pref./City's citizens, Osaka Pref./City may request the Applicant to add or modify the contents of the Proposal Summary.

(2) Provision, etc. of the contents of the Proposal

Osaka Pref./City shall not make announcement, disclosure, or provision (hereinafter referred to as "Provision, etc.") of names of Applicants and contents of the Proposal Documents to any third party other than Osaka Pref./City, except for any of the following events or the events stipulated in "6. Announcement of the selection results":

- a. The contents are known to the public, or publicly available
- b. The contents are already possessed by Osaka Pref./City already possessed or independently developed/obtained by Osaka Pref./City
- c. In the event that the Applicant agrees to the Provisions, etc.
- d. In the event that the contents are required for Provisions, etc. pursuant to laws and regulations

- e. In the event that the Provision, etc. is made to a related administrative organization of Osaka Pref./City, or Osaka Pref./City Advisors, to the extent necessary for the accomplishment of the purposes of the Proposal

6. Announcement of the selection results

- (1) Announcement prior to the selection of the Prospective IR Operator
 - a. After Qualification Screening

Osaka Pref./City may announce the number of Applicants and the names of the Applicant Group, Applicant Companies, etc. to third parties without obtaining prior consent of the Applicants, at any time, as necessary, after the notification of the result of qualification screening as set forth in Section 11-3, even before the selection of the Prospective IR Operators.

- b. After Acceptance of Proposal Examination Documents

After the acceptance of submission of Proposal Examination Documents set forth in Section 11-12, Osaka Pref./City may announce the number of Applicants, the name of the Applicant Group and the Applicant Company, etc. related to the Proposal Examination.

- (2) Announcement of the Proposal Documents

- a. Provision, etc. of the Proposal Summary

Osaka Pref./City may make Provision, etc. of the Proposal Summary set forth in 5.-(1)-b to a third party at any time after the Selection of the Prospective IR Operator without the prior consent of the Applicants.

- b. Provision, etc. of a part of the Proposal Documents

After the selection of the Prospective IR Operator through the Proposal, when no issues have been envisaged for the implementation of Osaka Pref./City's business, Osaka Pref./City may make the Provision, etc. of a part of the Proposal Documents to a third party other than Osaka Pref./City as necessary except the contents that may risk the rights, position in competitive, and any other legitimate interests (special technology or know-how, etc.) of the Applicant if Provision, etc. is made.

- c. Other Conditions

The Treatment related to the Provision, etc. of Proposal Documents of the Prospective IR Operator selected will be stipulated in Formats and instructions on Documentation.

7. Inquiries to relevant departments in Osaka Pref./City

In the event Applicants have any questions or inquiry in connection with the Proposal and the Project, they shall follow the procedures set forth in the Guidance, etc., and shall not individually inquire of relevant departments other than the Contact office (Promotion Section, The Integrated Resort Promotion Bureau, Osaka Prefecture and Osaka City).

8. Invalidation of Application

In the event that any of the following cases occurs, the Applications shall be null and void, provided, however, that if the occurrence of such case is found after the execution of

Basic Agreement or the Implementation Agreement, the terms and conditions on such case set forth in the Basic Agreement or the Implementation Agreement shall apply:

- (1) An Applicant who does not satisfy the requirements set forth in Sections 10-2 to 6 applies
- (2) Proposal Documents are not prepared in accordance with Formats, etc. or Formats and Instructions on Documentation or lacks information required thereby
- (3) Proposal Documents are not submitted in accordance with the provisions of the Formats, etc. or Formats and Instructions on Documentation, in terms of manner, address or deadline of the submission:
- (4) An Applicant (including but not limited to the entity who intends to be an Applicant) directly or indirectly, outside the procedure of the Proposal, solicit staffs and special service of Osaka Pref./City, an Osaka Pref./City Advisor, a member of the Selection Advisory Committee, organization to which a member of the Selection Advisory Committee belongs, or a person or an entity has certain level of relationship with a member of the Selection Advisory Committee for a favor in connection with the Proposal.
- (5) There is misrepresentation or wrongful act in the Proposal based on the Guidance, etc.
- (6) Proposal Documents contain false information; or
- (7) There is any other violation of the conditions set forth in the Guidance, etc.

Section 14 Others

1. Cancellation of the Proposal

In the event that Osaka Pref./City determines that it is inappropriate to implement the Project, Osaka Pref./City may cancel the Proposal even after the commencement of the Proposal, not selecting a Prospective IR Operator.

In such case, Osaka Pref./City shall publish such information on the websites of Osaka Pref./City and by other appropriate means.

2. 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-jigyou/index.html>

Section 15 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)
- Exhibit 3 Selection Criteria for the Prospective IR Operator for Specified Complex Tourist Facilities in Yumeshima, Osaka
- Exhibit 4 Formats and Instructions on Documentation regarding Participation Qualification Screening
- Exhibit 5 Definition of Terms in the Guidance