Vision for the Second Capital

~Osaka's Mid-to Long-Term Initiatives toward becoming the Second Capital **~**



"The Second Capital Osaka"

that Supports and Leads Japan into the Future

Vision for the Second Capital

A summary of the mid- to long-term policies that Osaka Prefecture, the City of Osaka and the City of Sakai will work on together in order to make the region the "Second Capital" of Japan and help it serve as an engine for the growth of the country as the western center.

This vision shows the basic concepts of "the Second Capital that Osaka aspires to become", strategies to realize them and the future image of Osaka.

Necessity of the Second Capital

Create multiple core metropolitan regions that lead the growth of the whole country

Build national resilience and strengthen Japan's ability to respond to unexpected disasters that hit the capital

Lead the transition to a decentralized system

Roles of the Second Capital Osaka

Serve as the capital of western Japan

The center and hub

Back up the functions of the capital

Become a viable alternative in both normal and emergency situations

Cement its place as an Asian metropolis

Possess new values and an identity distinct from Tokyo

A people-oriented metropolis

Make maximum use of the power of citizens

Promote initiatives that utilize Osaka's potential

The Second Capital Osaka aspires to:

Display its presence in the world by demonstrating new values and an identity distinct from Tokyo

A strength of Osaka lies in its geographical location which allows the area to form a larger metropolitan region with other major cities nearby that each possess their own unique characteristics. The Osaka metropolitan region has become one of the major densely-populated regions in the world. To realize the Second Capital Osaka, we will promote initiatives that also focus on the Kyoto-Osaka-Kobe area and the wider Kansai region.

An Engine of Japan's Growth that Serves as the Western Center of the Country

Strategies for Establishing and Developing the Second Capital Osaka

Establishment of the Second Capital

Osaka's Initiatives

Improve necessary functions for the second capital and realize systems to support them

 \Rightarrow Lay the foundation for the second capital by around 2020

Show the effectiveness of our policies to the national government

⇒ The national government recognizes the need for the second capital and supports our initiatives

Growing Recognition from Home and Abroad

Establish the metropolis as a globally-recognized second capital

⇒ Establish the Second Capital Osaka

Residents' rich lives support growth

Return the fruit of the growth led by the improvement of urban functions to residents

Development as the Second Capital

Improve Global Competitiveness

Promote economic growth simultaneously

 \Rightarrow Sustainably develop as the second capital

Future Image of the Second Capital Osaka

In the world

A hub of industry, culture and science that attracts the world's attention

For residents

Rich and convenient urban life

In Japan

The western core of the super mega-region

1. Basic Concepts for the Second Capital

Why is the second capital necessary for Japan?

Japan's Present Situation

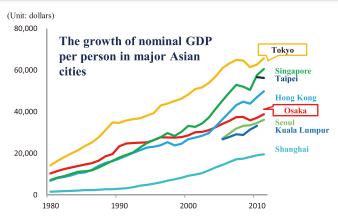
Consistent pattern of unipolar concentration in Tokyo Firmly entrenched centralized system in politics and governance

Sluggish growth in the era of global competition among other metropolises

The need to create globally competitive core metropolitan regions to lead the growth of the whole country

In the era of global competition among metropolises, it is desirable to not depend solely on Tokyo, but to create core metropolitan regions that enhance the growth of the whole country.

Considering Japan's geographical and geopolitical features, it is essential to rebuild Osaka's functions as a central area and the key western region of the country.



*Created based on "Comparison of Global Competitiveness of Osaka with Asian Major Cities" by Osaka Research Center for Industry and the Economy (March 2014)

The need to reduce Tokyo's burdens by building national resilience and to strengthen ability to respond to unexpected disasters

Unipolar concentration in Tokyo is a big risk factor for Japan because the country has a high risk of disasters. It is desirable to strategically establish a core metropolitan region that can support Japan by preparing backup resources in an area unlikely to be hit by a disaster at the same time as Tokyo, as well as take on high-level functions even in normal situations.



Figure "Envisioning and anticipating possible public risks or damage from a disaster"

*Source: "Guideline for the Continuity of Services by the Central Ministries, First Edition" by the Cabinet Office (June 2007)

The need to provide initiatives that lead the transition to a decentralized system based on the region's self-determination and responsibility

Realizing a new administrative system and regulation reform in the second capital will lead other regions in the country.

If each region aims to develop itself and display its own strengths and unique character, it will lead to maintaining the country's vitality and overall development. [Self-determination, self-responsibility, self-management]

Centralized administrative system



Decentralized administrative system

The national government proceeds with a transfer of authority and financial resources. Each region decides the ways to use money (tax) based on the wisdom, ideas and participation of the residents. Then regions take responsibility for the results.

"Each resident plays a leading role" "We are sovereigns"

*Created based on "Osaka's Vision for Decentralization" (March 2017)

Required roles of the Second Capital Osaka

Osaka is the leading metropolis in western Japan with the second most urban functions after Tokyo. Osaka possesses the all-round competitive power and rich character required to compete with other metropolitan regions in the world.

Utilizing this potential, Osaka will play four roles as the second capital in order to contribute to building national resilience and the growth and development of Japan, as well as leading the way to a decentralized society.

The Four Roles

Serve as the capital of western Japan

Serve as a leader of a region-oriented, multipolar society, and improve key economic functions as an engine for Japan's growth alongside Tokyo.

Cement its place as an Asian metropolis

Create and offer out new values and an identity distinct from Tokyo, and establish its position as an Asian metropolis. Act as Japan's gateway to Asia and display its presence in the world.

Back up the functions of the capital

Develop a system to support Japan in both normal and emergency situations by establishing Osaka and the Kansai region, which unlikely to be hit by a disaster at the same time as Tokyo, as a core backup metropolis.

A people-oriented metropolis

Set the dynamism of the private sector, which is beyond the thinking of the governmental sector, at the center of society, and develop an environment that makes the most of both profit-making and non-profit activities. Osaka sets an example of people-oriented societal development.

The distance between Osaka and Tokyo is equivalent to that between London and Paris



Ranking of the world's metropolises and urban areas (example)

Manager

Accessibility

◆Osaka, Kobe and Kyoto Cities ranked 3rd in scale among those in G8 countries.

Rank	Name of the urban area	Population (Unit: thousand people)	Area (km)
1	Tokyo, Yokohama	37,555	8,547
2	Jakarta	29,959	3,108
3	Delhi	24,134	2,072
4	Seoul	22,992	2,266
5	Manila	22,710	1,580
6	Shanghai	22,650	3,626
7	Karachi	21,585	945
8	New York	20,661	11,642
9	Mexico City	20,300	2,072
10	São Paulo	20,273	2,849
11	Beijing	19,277	3,756
12	Guangzhou, Foshan	18,316	3,432
13	Mumbai	17,672	546
14	Osaka, Kobe, Kyoto	17,234	3,212
15	Moscow	15,885	4,662
16	Los Angeles	15,250	6,299
27	Paris	10,975	2,845
28	Nagoya	10,238	3,820
29	London	10,149	1,738

"Data for the Regional Planning of the Broader Kansai Region" (March 2016, Ministry of Land, Infrastructure,

Transport and Tourism)
*Source of the data: DEMOGRAFIA

What the Second Capital Osaka aspires to

Osaka will live up to its original potential by changing itself into a "top runner" that leads other metropolitan regions together with the capital, Tokyo.

*Outer side of the chart

indicates a higher score.

As the western center of Japan, Osaka will serve as a growth engine that supports and leads the country into the future in both normal and emergency situations, displaying its presence in the world with new values and an identity distinct from Tokyo. This will contribute to greatly changing the pyramidal structure consisting of geographical, social, and value systems that have cemented Tokyo at the top, allowing Osaka to play a leading role in solving Japan's social problems.

2. Strategies to Establish and Develop the Second Capital Osaka (1)

We will proceed strategically with initiatives to make Osaka recognized as a "top runner" that leads other metropolitan regions together with the capital, Tokyo.

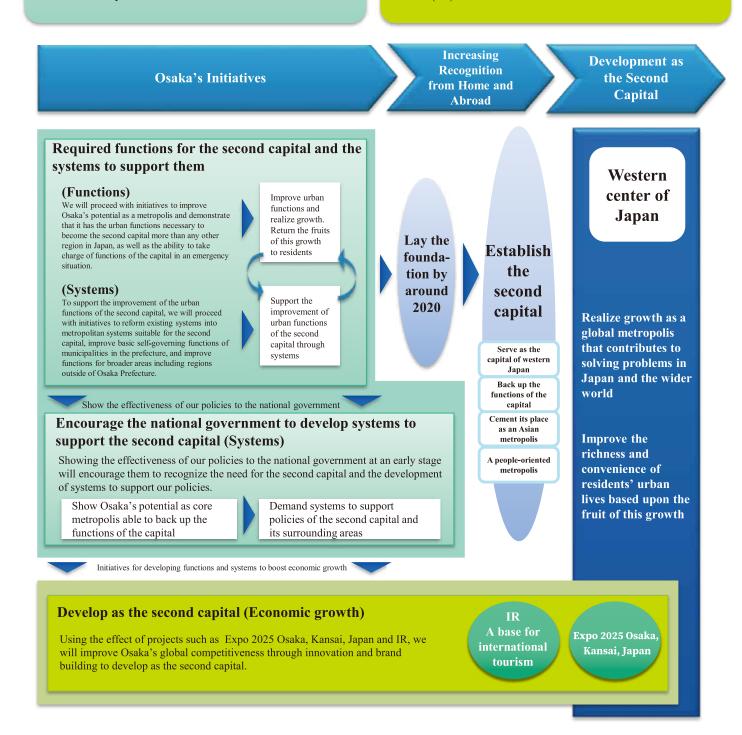
[To establish the second capital]

Considering Osaka's potential, we will lay the foundation for the second capital by around 2020 by proceeding with initiatives to develop the **functions** required and the **systems** to support them.

By showing the effectiveness of these initiatives, we will **encourage the national government** to develop systems to support our efforts in establishing Osaka as the second capital.

[To develop as the second capital]

Osaka must **improve its global competitiveness** in order to serve as the western center and an engine for the growth of Japan with a strong international presence, as well as to ensure its development as the second capital. For this point, we will simultaneously proceed with initiatives for **economic growth** utilizing the effect of the Expo 2025 Osaka, Kansai, Japan and the integrated resort (IR).



[Functions] Improve urban functions necessary for the second capital

Osaka has enhanced its functions as a metropolis thanks to the development of reforms. Steady progress has been made for Osaka to respond to the need to compete with metropolitan regions in the world, as a driver of growth, safety and security in the western region.

For the future, Osaka will continue to brush up its potential as a metropolis, and implement reforms to improve urban functions suitable for a second capital, in both tangible and intangible aspects to realize further advanced urban functions utilizing the Smart City Strategy as the basis for its reforms.

Efforts Until Now

Promoting the Smart City Strategy

Improvement of urban infrastructure

Projects including the introduction of a concession system for airport management, the commercialization of the extension of railways (Kita-Osaka Kyuko Line, Osaka Monorail), and the solution to the problem of the missing link on the Osaka Urban Renewal Loop Road were promoted.

Upgrades to fundamental public functions

Urban functions and services for residents such as those involving safety control and crisis management were strengthened through cooperative initiatives between Osaka Prefecture and the City of Osaka.

Environmental improvement by regulation reform and special zone systems

Environmental development was promoted to make the region "the world's best place for business" by utilizing special zone systems such as the Comprehensive Special Zone System since 2011, and the National Strategic Special Zone system since 2014.

Courses of Major Efforts and their Direction

Lay the foundation for our own "Osaka Model" of Smart City

· Compiled "Osaka Smart City Strategy" Version 1.0 (March 2020)

Lay the foundation for urban infrastructure that supports global competitiveness

- The entire Route 6 Yamatogawa Line was opened (March 2020)
- Permit granted for Naniwasuji Line construction (July 2019)
- · Privatization of Osaka Municipal Subway(April 2018)
- · Started the integrated operations of the three airports located in Kansai by Kansai Airports(April 2018)
- · Commercialized the Yodogawa-Sagan Route (Yodo-River left bank) Extension (April 2017)
- · Make an effort to integrate the management of ports of Osaka Prefecture and the City of Osaka





Lay the foundation for a livable and sustainable metropolis

Revised the Osaka Prefecture Wider Area Firefighting Project (March 2019)

- · Set up a council to discuss water supply, aiming to create an integrated supply system in Osaka (August 2018)
- Integrate Osaka Prefectural Institute of Public Health and Osaka City Institute of Public Health and Environmental Sciences
 - Osaka Institute of Public Health was established in April 2017



■ Osaka Institute of Public Health

Lay the foundation to support global competitiveness from an intangible perspective

· Utilize National Strategic Special Zone system

Projects certified under the National Strategic Special Zones: Exceptional measures on regulations for the number of hospital beds and Private Lodging Business (Minpaku) Act, air conditioning projects utilizing aquifer thermal energy storage systems, etc.

· Develop an environment for social demonstration and implementation of new businesses

Enhancement of functions and systems to support industries and research and development

Support for industries was improved through integrating growth strategies and deepening policy collaboration.

Lay the foundation to produce new business activities in Osaka

- · Integrate Osaka Foundation for Trade and Industry and Osaka Urban Industry Promotion Center
 - →Establish Osaka Business Development Agency(April 2019)
- · Integrate Technology Research Institute of Osaka Prefecture and Osaka Municipal Technical Research Institute
 - →Establish Osaka Research Institute of Industrial Science and Technology (April 2017)



Osaka Research Institute of Industrial Science and Technology

Strengthening the environment for human resource development

With an emphasis on improving education, the development of global human resources was promoted by enhancing English education at elementary, junior and senior high schools and other means.



Lay the foundation to develop highly specialized human resources to lead the growth of Osaka Established University Public Corporation Osaka(April, 2019)

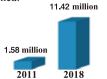
Integrate Osaka Prefectural University and Osaka City University(Scheduled to be integrated

· Established an integrated junior and senior high school that has an international baccalaureate course (Osaka City Suito Kokusai Jr. & Sr. High School opened in April 2019.)

spread information

A system to promote art, culture, and tourism in a new framework was established.

From 2011 to 2018, the number of foreign visitors increased about sevenfold.



JNTO "Foreign Visitor Arrivals" Estimated by Osaka Convention and Tourism Bureau based on "Consumption Trend Survey for Foreigners Visiting Japan" by Japan Tourism Agency

Formation of a base to create culture and Lay the foundation to build the Osaka brand and enhance advertising skills

- · Open Nakanoshima Museum of Art, Osaka (FY2021)
- · Held the G20 Osaka Summit (June, 2019)
- · Transformed Osaka City Museums into Local Incorporated Administrative Agencies (April, 2019)
- Improve and enhance the system to promote the tourism of Osaka by establishing Osaka Convention & Tourism Bureau as the leader
- · Improve information dissemination functions through IR and the holding of international meetings, sporting events and the World Expo 2025



2. Strategies to Establish and Develop the Second Capital Osaka (2)

[Systems] Realize systems that support the improvement of urban functions

To realize Osaka's growth as the second capital and enrich residents' lives with the fruits of that growth, we will proceed with initiatives concerning systems from the following viewpoints:

- How functions for the broader area should be in order to deal with associated challenges such as maintaining Osaka's urban competitiveness and the safety and security of the second capital area, as well as backing up of the functions of the capital.
- How the basic self-governing functions should be to support residents' lives and serve as the foundation of further growth.
- How relations with the national government should be.

Realize a new metropolitan system suitable for the Second Capital Osaka (Osaka Prefecture and Osaka City)

In order to lay the foundation for the second capital and its development, it is necessary to dramatically reform the urban systems (broader area functions) managed by Osaka Prefecture and the City of Osaka.

It is also necessary to establish systems that improve the City of Osaka's basic self-governing functions so as to develop administrative services together with residences and in accordance with the needs of the area.

We are aiming to realize the special ward system based on the Act for the Establishment of Special Wards, as a new metropolitan system that meets the challenges mentioned above.

	(Existing) Osaka City	Special ward system
Basic self- governing functions	Governed by the Mayor and city assembly while adhering to the needs of residents	Osaka City will be abolished and replaced by special wards. Ward residents will be governed by the ward assembly and head of each ward who will be selected by them.
Functions for the broader area	Managed by Osaka Prefecture and the City of Osaka through discussion at the coordination meeting between designated city and prefecture	Integrated into Osaka Prefecture

Improve the basic self-governing functions (municipalities in the prefecture) that support residents' lives in the Second Capital Osaka

The population of the country is decreasing and the birthrate is declining, while demand for social security is increasing and administrative issues are being diversified. In these circumstances, it is necessary to enhance administrative systems that enable municipalities in the prefecture to have basic self-governing functions at the same level as core cities, in order to provide services readily accessible by local residents in accordance with their demands.

Through active coordination by the prefecture, we provide opportunities for discussion to promote new cooperation, examine and research how self-governing functions should be, and approach the national government.

Image of the relationship between functions for the broader area and basic self-governing functions



Enhance functions for the broader area that support urban functions of the Second Capital area (Kyoto-Osaka-Kobe area and the Kansai region) Purpose of establishment

Taking the Kyoto-Osaka-Kobe area and the Kansai region in the Second Capital area into consideration, we will work step-by-step on realizing a transfer of administrative functions and authority from the national government, and a transfer of the national governmental agencies themselves in cooperation with the Union of Kansai Governments, in order to improve our urban functions further.

Create a new era starting from
Kansai!

- Realize a decentralized society

- Main body responsible for the administration of the entire
Kansai area

- Develop functions to host local operations of agencies of the national government



Source: Osaka Prefecture "Vision for Decentralization Reform Starting from Osaka, Revised Version" (March 2017)

Initiatives to encourage the relocation of national governmental agencies and other organizations

We will improve functions for operations of national governmental agencies in Osaka and the Kansai region in cooperation with the Union of Kansai Governments and the business community, focusing on agencies scheduled to relocate to Osaka through regional revitalization and those that already have bases in Osaka and the Kansai region.

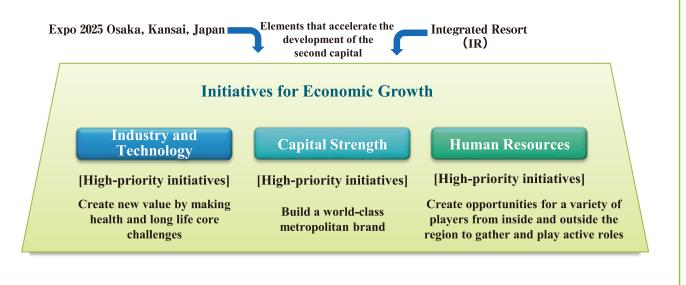
In addition, we will consider further possibilities in light of fulfilling our backup functions.

Appeal for systems to support initiatives to realize the second capital

We will appeal to make Osaka and the Kansai region a core area to back up the functions of the capital and have the region recognized as an independent metropolitan area that leads the growth of Japan. In doing so, we will encourage the national government to develop systems that support our initiatives to realize the second capital. (a transfer of authority and financial resources, regulation reform, etc.)

[Economic growth] Initiatives for sustainable economic growth (1)

In order to enhance global competitiveness and achieve continuous economic growth as the Second Capital Osaka, we will address the challenges and courses of action surrounding the following three elements: "industry and technology," "capital strength," and "human resources", and concentrate our efforts around them. In addition, we will utilize the ongoing efforts for Expo 2025 Osaka, Kansai, Japan and Integrated Resort (IR) as factors to help accelerate the development of the second capital.



Industry and Technology

Given that next-generation and high value-added industries are being actively developed around the world, we will create new value by making health and long life core challenges and through developing leading industries and promoting innovation.

A cluster formation of a world-class health and medicine facilities

Through industry-academia cooperation, we will promote practical application and commercialization of regenerative medicine and innovative drug design that has been developed through world class research. We will also promote the development of medical devices utilizing one of Osaka's strengths, that is, its monozukuri (manufacturing) skills, and create new industries in the field of health. Through these, we will proceed with forming a cluster of world-class health and medicine facilities.

■ Establish the new Hub for Health and Healthcare Innovation(KENTO)



Promote innovation utilizing the foundation for manufacturing

We will reform the plentiful accumulation of industries, which are mainly manufacturing industries, in Osaka and the Kansai region into industrial infrastructure that supports innovation.

As a catalyst, we will promote innovation mainly through the promotion of research and development of health- and medicine-related content, utilizing technology including IoT, artificial intelligence, robots and batteries.

■ Establish the International Hub for Healthcare Innovation





■ In collaboration "Umekita Second Development", we will form a hub of innovation to help create new industries, technology and intellectual property by gathering human resources and technology from around the world and have them interact with each other.

2. Strategies to Establish and Develop the Second Capital Osaka (3)

[Economic growth] Initiatives for sustainable economic growth (2)

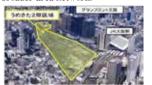
Capital Strength

To further enhance our global competitiveness, we will strengthen material and non-material infrastructure to a level comparable to those of other major cities in the world.

Create urban spaces that we can proudly present to the world

To vitalize the flow of people and materials into Osaka, we will promote the creation of urban spaces that represent Osaka through the urban development of "Umekita Second Development", "Broader Bay Area Town Development" and other places, as well as strengthen regional traffic networks such as expressways and railways.

In addition, we will enhance the functions of international airports, improve the competitiveness of ports in Osaka Bay, and promote the early start of the operation of broader area traffic networks (Chuo Shinkansen using the Superconducting Maglev System and Hokuriku Shinkansen.) Through these, we aim to enhance cooperation with cities in Japan and other countries as a junction point of a broader area network.



"Umekita Second Development where new urban development is



Chuo Shinkansen that connects metropolitan areas in eastern and

Establish a world-leading metropolis of creativity and international entertainment

We will improve functions as a tourism destination and a tourism hub that ensures the access of inbound tourists to other regions in Japan. At the same time, we will promote the formation of an international tourism base by attracting Integrated Resort (IR) that has functions for MICE, international entertainment and so on. Further, we will hone the metropolitan brand and advertising skills to promote Osaka to the world by making the most of the region's appealing characteristics such as culture, history, traditional arts, sports, art and cuisine.



Increasing appeal of Midosuji area



Mozu-Furuichi Kofungun, inscribed on the World Heritage



traditional performance art, Nose joruri puppet theater troupe Rokkakuza

Human Resources

Considering that the competition to acquire human resources has intensified around the world, we will develop and attract a variety of human resources, and create opportunities where various players gather from home and abroad to play active roles.

Develop an open and challenging environment where Develop systems to promote people's activities various human resources play active roles

We will actively promote the development of a business environment utilizing special zone systems and other elements, and initiatives to support new attempts such as business start-ups, in order to attract a variety of human resources from inside and outside the region.

We will also cooperate with universities, research institutions, business communities and other bodies to acquire and develop high-level human resources and retain them in Osaka. At the same time, from the viewpoint of diversity, we will develop an environment where various human resources such as women and highly skilled foreign workers can play active roles in society.



Osaka Global School



A global innovation conference

In order to promote the active participation of various human resources, we will revitalize people's activities through regulation reform and other approaches. At the same time, we will enhance cooperation between public and private sectors so that the two sectors may cooperatively provide services for residents and revitalize local regions, while solving social problems.

Taking into consideration reforms including the national government's establishment of a Public Interest Agency, we will proceed with initiatives to establish a core international philanthropic metropolis.



Osaka Philanthropy and The International



Philanthropy Symposium

< Efforts accelerating the development of the Second Capital Osaka >

Expo 2025 Osaka, Kansai, Japan

Expo 2025 Osaka, Kansai, Japan would serve as a trigger for Japan's growth after the Tokyo Olympic

and Paralympic Games. Holding the World Expo in Osaka and the Kansai region would be an opportunity to gather knowledge from around the world and contribute to human society. From this, it would enable the Second Capital Osaka to further improve its standing as a metropolis and accelerate the vitalization of economy.

☐ Overview of the Expo

From April 13 to October 13, 2025 (184 days) Theme of Expo Theme of Expo Designing Future Society for Our Lives Expected Total Number of Visitors 28 million 28 million



Establishment of Integrated Resort (IR)

Introducing IR that possess MICE and international entertainment functions among others, would allow Osaka to further accelerate the establishment of the Second Capital's world-class brand.



☐ Actions for promoting the establishment of IR

July 2018 : IR Promotion Act was enacted
December 2019 : Osaka IR Fundamentals Plan was formulated
Osaka launched its Request for Proposal (RFP)
process allowing operators to submit their ideas.

2020 onwards
(projected)

Selection of IR operator

Formulation of IR Area Development Plan

Assembly decision —Application for area

The Second Capital Osaka

Develop sustainably as a world-class metropolis that supports and leads the future of Japan and the world with cutting-edge innovation and the power of its citizens

Realize a safe, secure, rich and convenient urban life for residents using the fruits of the development of the second capital

In the world

A hub of industry, culture and science that attracts the world's attention

We will make Osaka and the Kansai region's wide-ranging, rich potential in the fields of industry, culture and science flourish so that the area can display the brand power that attracts companies and human resources from around the world. At the same time, the region will overcome the global competition with other metropolitan regions as a leading problem-solving metropolis that contributes to solving worldwide challenges, not to mention problems in the health and long life field.

In Japan

The western core of the super mega-region

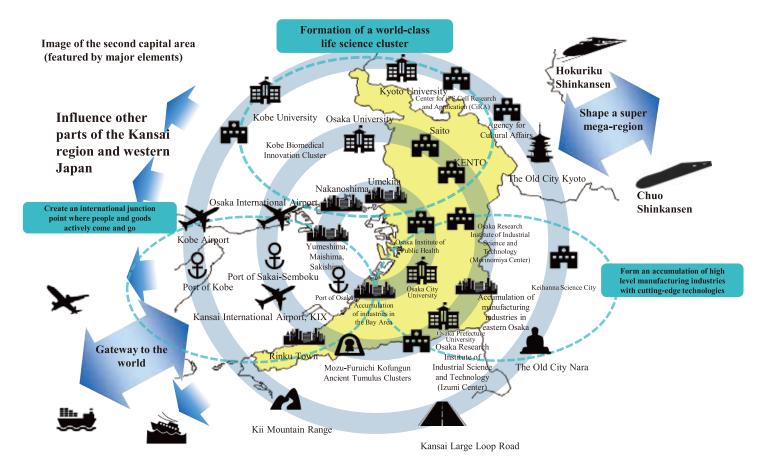
The planned opening of the Linear Chuo Shinkansen will help the second capital metropolitan area centered around Osaka to become one of the largest super mega-regions in the world. Consequently, it will develop its own unique economy and culture independently and strengthen its world presence as Japan's western gateway, comparable to Tokyo.

For residents

Rich and convenient urban life

Using the results of our world-class cutting-edge innovation, we aim to devise solutions to various challenges faced by society, including ensuring healthier and longer lives of citizens.

In addition, we will drive sustainable economic growth, and utilize the people's dynamism. Based on the fruits of these efforts, we will realize a safe, secure, rich and convenient living environment.





(Kansai)

**Sum of member prefectures of the Kansai Government Union

Area (2020)	1,905 Km /	35,005 Km²
Population (2015)	8.84 million /	22.05 million
GRP (2016)	39.0 trillion yen /	89.1 trillion yen

Sources

Area: "Statistical reports on the land area by prefectures and municipalities in Japan" by Geospatial Information Authority of Japan

Population:2015 National Census GRP: Annual Report on Prefectural Accounts by the Cabinet Office

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