

(3) Environment: proximity to international airports and port facilities (convenient access); well-developed transportation/logistics network; etc.

- Work is underway to enhance access from the central city to Kansai International Airport, Shin-Osaka Station and other transportation gateways.
- Work is also underway to reinforce: the national transportation backbone, particularly as it relates to the growth and development of the Osaka/Kansai region and its ring highways; access to the Bay Area, Kansai International Airport, the national transportation backbone, and disaster-prevention/relief centers; and inter-prefectural roadway networks.

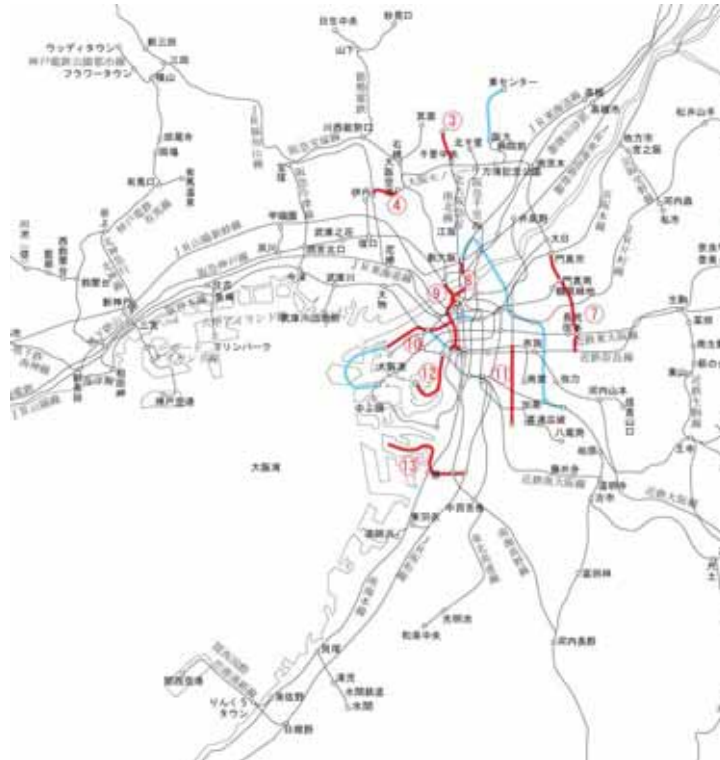


Figure: Kansai railway network¹⁷

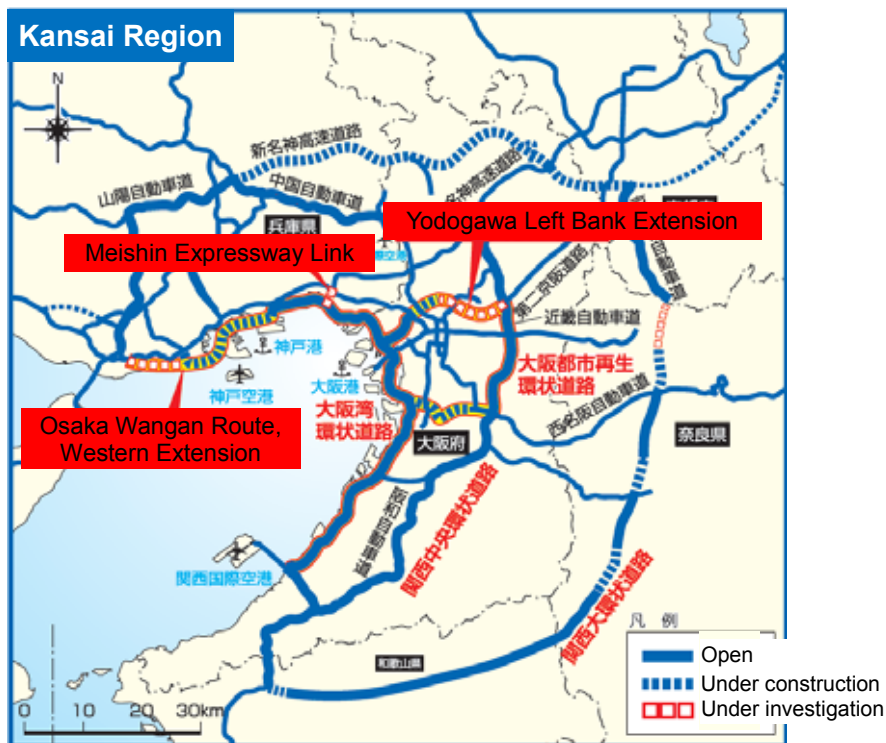


Figure: Kansai expressway network¹⁸

¹⁷ Source : Report No. 8 of the Road Department, Kinki District Transport Bureau

¹⁸ Source : Kansai High-speed Roadway Network Promotion Council, Kansai Economic Federation

3. Osaka: Challenges

- **Economy** : Osaka residents—a lower per-capita GDP than their Tokyo compatriots, an unemployment rate above the national average. A slump in corporate tax revenues
- **Society** : A need to tie an increase in “inbound” tourism to an increase in business opportunities; a need for more facilities capable of accommodating large-scale MICE (Meetings, Incentives, Conventions, Exhibitions) events.
- **Environment** : Required—more luxury accommodations for wealthy travelers; etc.

(1) Economy: a lower per-capita GDP than Tokyo

- The per-capita GDP of Osaka is only about 60% of that of Tokyo.

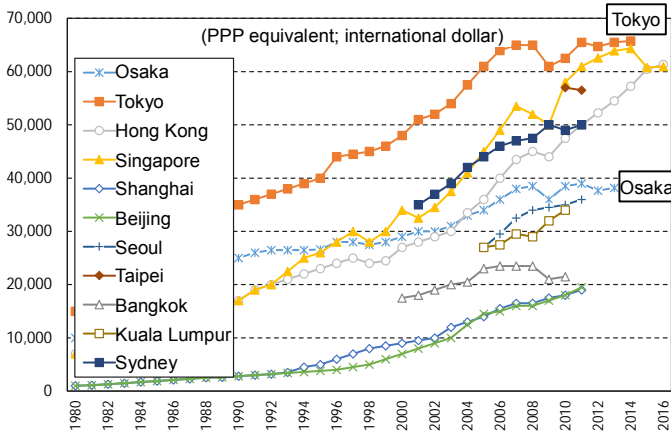


Figure: Per capita nominal GDP for major cities¹⁹

(2) Economy: unemployment rate above the national average

- The unemployment rate in Osaka Prefecture was 4.2% in 2015, versus a national average of 3.4%.

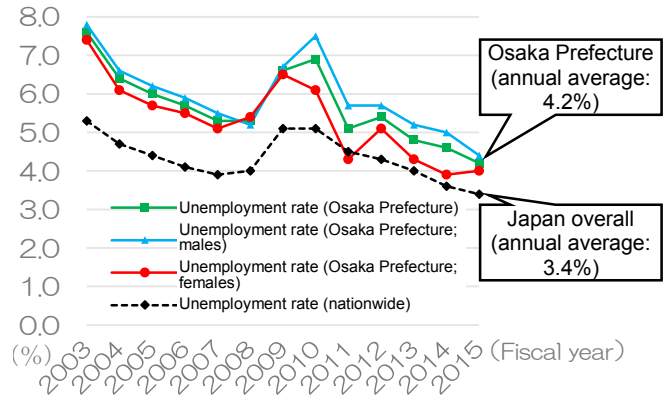


Figure: Proportional unemployment²⁰

(3) Economy: corporate tax revenues remain in a slump

- The Lehman shock (2008) drove both overall and corporate tax revenues even lower, where they have since remained.

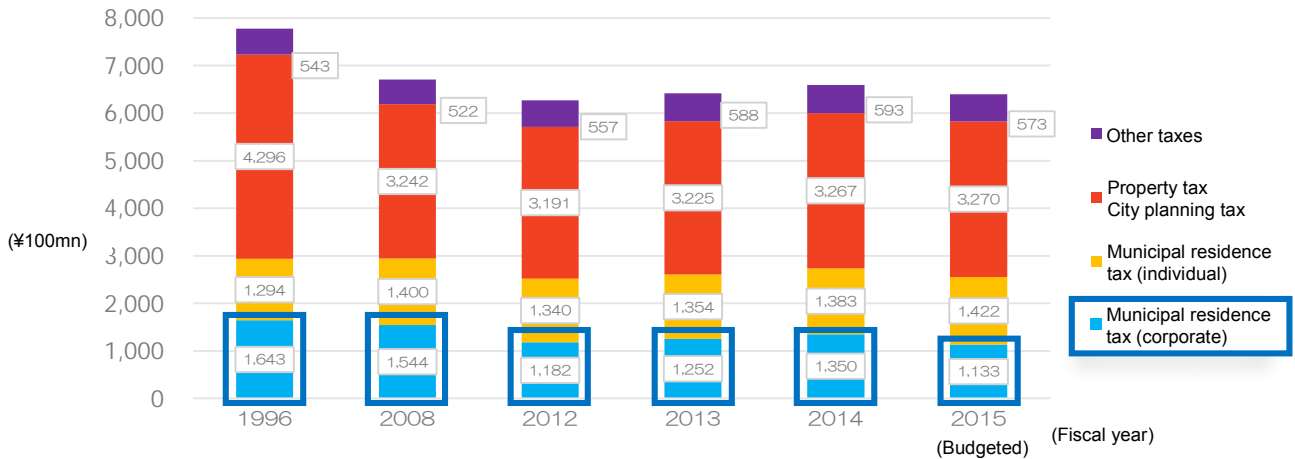


Figure: Progression of city tax revenues²¹

(4) Society: an arrangement that ties an increase in “inbound” tourism to business opportunities

- An increase in “inbound” tourism would support an increase in consumption and, by extension, in prefectural gross product (gross regional product) and furthermore in the economic growth of Osaka as a whole.
- With “inbound” tourism expected to continue to grow, it is becoming necessary to make arrangements to accommodate such traffic within Osaka, which has much potential (a variety of capabilities) to do so.

¹⁹ Source : A comparison of the inter-urban competitiveness of Osaka and major Asian cities—company siting (basic survey, March 2014), Department of Commerce, Industry and Labor, Osaka Prefectural Government (updated with data from 2012 onwards)

²⁰ Source : *Osaka Growth Strategy*, Osaka Prefectural Government and Osaka City Government (2016)

²¹ Source : *Budgetary outline and financial overview*, City of Osaka (April 2016)

(5) Society: a need for facilities capable of accommodating large-scale MICE (Meetings, Incentives, Conventions, Exhibitions) events

- Numerous cities throughout Asia, and even in Japan, have been bolstering their ability to accommodate large-scale MICE events.
- There is a particular need for “all-in-one MICE” facilities, which, while offering a degree of exhibition and conference space, are within walking distance of hotels, restaurants, and shopping/entertainment areas.

Area	Facility	Opened	Capacity of largest conference hall	Exhibition area	Major facilities
Osaka	Osaka International Convention Center	2000	2,800 people	2,600 m ²	Conference, exhibition spaces; hall
	International House Osaka	1987	1,000 people	165 m ²	Conference space; hall; gallery; hotel
	Congrès Convention Center	2013	1,800 people	1,700 m ²	Conference space; hotel; shops
	INTEX OSAKA	1985	300 people	70,000 m ²	Conference, exhibition spaces
	ATC HALL	1994	150 people	5,600 m ²	Conference, exhibition spaces; shops
	MyDome OSAKA	1987	150 people	4,800 m ²	Conference, exhibition spaces; gallery; hotel
Tokyo	TOKYO INTERNATIONAL FORUM	1997	5,000 people	5,000 m ²	Conference, exhibition spaces; hall; gallery; lounge
	TOKYO BIG SIGHT	1996	1,000 people	81,000 m ²	Conference, exhibition spaces
Yokohama	PACIFICO Yokohama	1991	5,000 people	20,000 m ²	Conference, exhibition spaces; hall; hotel
Chiba	Makuhari Messe	1989	1,700 people	75,000 m ²	Conference, exhibition spaces
Singapore	Singapore EXPO	1999	8,000 people	100,000 m ²	Conference, exhibition spaces; hall
	Suntec Singapore	1995	12,000 people	23,000 m ²	Conference, exhibition spaces; hall; shops
	Marina bay sands	2010	11,000 people	39,000 m ²	Conference, exhibition spaces; hall; hotel; casino; shopping mall; art museum
Seoul	COEX	1979	7,000 people	36,000 m ²	Conference, exhibition spaces; hall; hotel; casino; shopping mall
	KINTEX	2005	6,000 people	100,000 m ²	Conference, exhibition spaces; hall

Table: Major conference/exhibition facilities in Osaka and elsewhere²²

(6) Environment: a need for accommodation for wealthy travelers

- Osaka City has many business hotels, which are relatively inexpensive but have few guest rooms, and some higher-end luxury hotels. There are not many ultra-luxury hotels/ryokans (traditional Japanese-style inns) for wealthy visitors.

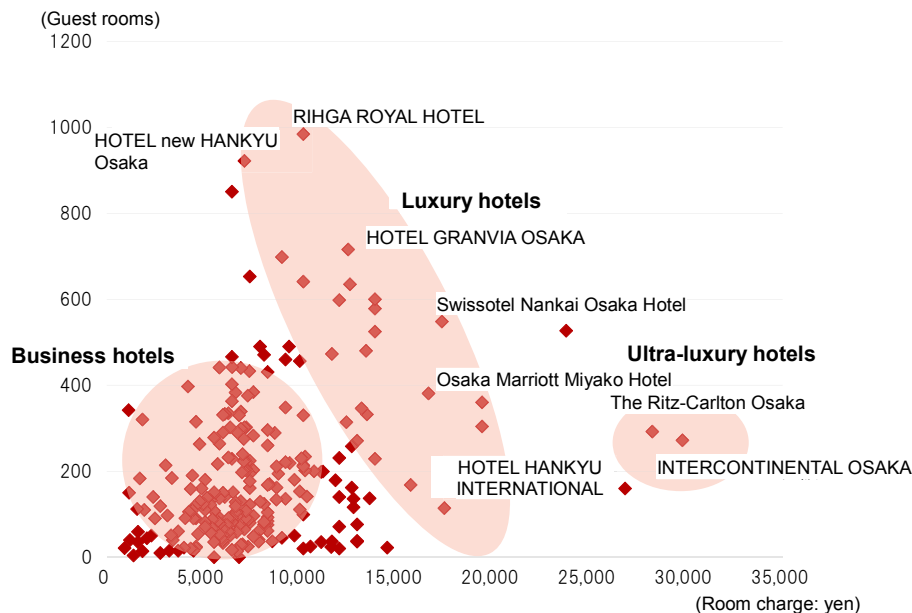


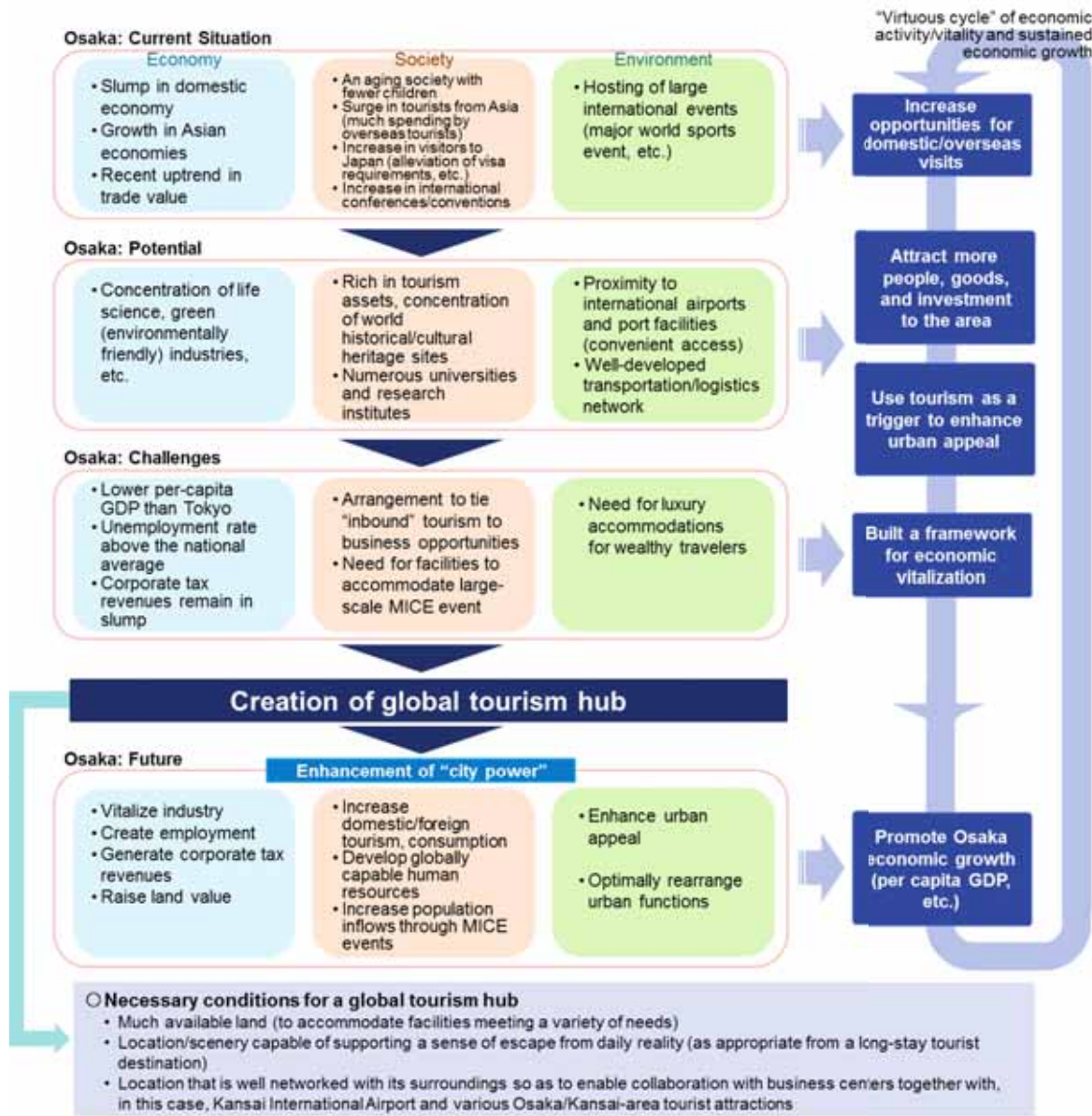
Figure: Osaka City—distribution of hotels by no. of rooms, price²³

²² Source : Report of a working group on improving the functional attractiveness of MICE facilities as pertains to urban revitalization, Office for Promotion of Regional Revitalization, Cabinet Secretariat (partially modified)

²³ Source : Survey of accommodation facility operators in four Kansai cities, Development Bank of Japan

4. Directionality, Approaches

- To revitalize economic growth and stem an impending decline in the local population, we will stimulate domestic demand by, among other efforts, tapping the energy of the countries/regions within greater Asia. For one, we envision the creation of a “global tourism hub” to drive economic growth within the Osaka area by attracting people, goods and investment.
- Through this formation of a new hub for global tourism, we envision the enhancement of the urban appeal of Osaka and stimulate its economy.
- We envision the creation of a virtuous circle of activity/vitality and sustained economic growth.
- And, for the creation of a global tourism hub, Yumeshima offers much potential, most notably vast tracts of undeveloped land.



[Yumeshima and its broad land expanses]

- Landfill work is still underway. When it is complete, we will vast tracts of land on which to advance the project.
- Located on bayfront land on the western side of the Port of Osaka and with a view out toward the Setouchi (Inland Sea), the site supports a sense of “escape from the ordinary.”
- The location is well positioned for building a network to link Kansai International Airport, the Osaka Bay area and city center, nearby cities and even the regions of West Japan.

With its vast tracts of land and a location amenable to “escape from daily reality,” Yumeshima is capable of serving as a global tourism hub.

03 Yumeshima: Current Situation, Positioning

1. Waterfront: Potential

- Several projects are underway within which the locational features of the waterfront area (large landfill tracts, substantial urban blocks, etc.) to verify and commercially apply leading-edge technologies.
- The site will host one of the largest logistics centers in West Japan, to serve as a gateway to the world.
- Through a highway network, the waterfront offers convenient access to the Osaka city center and other nearby cities as well.
- Many tourism assets are located nearby, such as Osaka Aquarium Kaiyukan, Universal Studios Japan(R) (USJ), a baseball stadium, a basketball arena, and other sports venues.

(1) Overall Potential

Locational, space potential

- Surrounded by sea
- Potential to support substantial town development
- Clear land utilization/zoning regulations
- Amenity to overall urban functions and to advanced urban policies

Infrastructural potential

- Highway access to the city center and Kansai International Airport is almost complete.

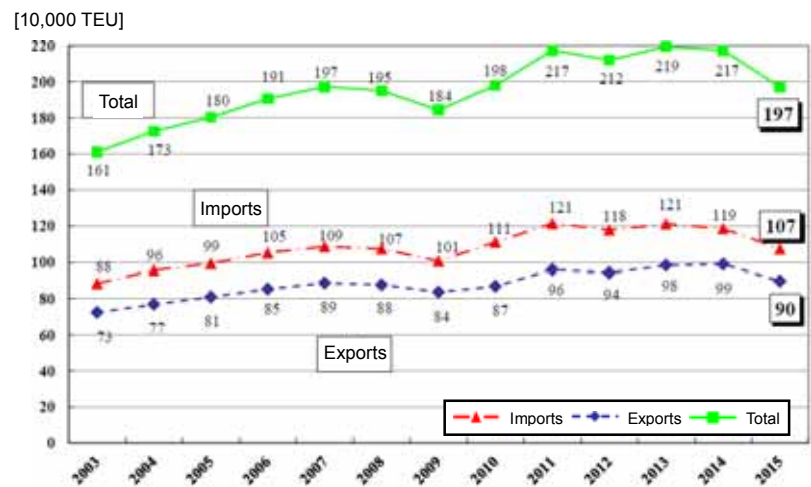


Figure: Container handling volume²⁴

International logistics potential

- To be a part of one of the largest logistics facilities in West Japan (Strategic International Container Port)
- The Kinki region supported by the Port of Osaka accounts for roughly 17% of nationwide GDP.
- To serve as a "gateway to the world"

Functional potential

- To support a variety of functions by utilizing the features of large-scale urban blocks.
 - Environmental & energy related; medical cluster (Maishima, Sakishima)
 - Sports cluster; entertainment (Maishima, Tempozan, West Konohana District)
 - Large exhibition and accommodation facilities; large commercial establishments; etc. (Sakishima)
 - Container or passenger ship terminals (Sakishima, Yumeshima, Tempozan)

²⁴ Source : Port of Osaka by graph 2015, the Port & Harbor Bureau, City of Osaka

Ample tourism assets

- The Tempozan/Chikko District, the West Konohana District, the Sakishima Cosmosquare District, and Maishima have numerous tourism resources and draw many visitors each year.²⁵
- Tour cruise boats show the sites of Osaka Bay and adjacent canals.
- A number of professional sports teams call Maishima home (Osaka Evessa (basketball), Orix Buffaloes (baseball), Cerezo Osaka (soccer)).

Many visitors

- Tempozan/Chikko District: Osaka Aquarium Kaiyukan drew 2.45 million visitors in FY2015
- West Konohana District: Universal Studios Japan(R) drew 14 million visitors in FY2015



Figure: Universal Studios Japan overview²⁶

Many events

- Intex Osaka: a convention/exhibition center that hosts a variety of events, such as the Osaka Motor Show. In FY2015, it hosted 199 events that together attracted 2.76 million visitors.
- Asia and Pacific Trade Center (ATC): a commercial complex that, mainly during “Golden Week” and summer holiday season, hosts a variety of family-oriented events. It drew 6.65 million visitors in FY2015.



Figure: An event ²⁷

Striking seaside views

- Ferris wheel, tour cruise boats show the sites of Osaka Bay and nearby canals



Figure: Tempozan from the water²⁸

Pro sports

- Basketball, baseball, soccer—professional sports teams practice and play at Maishima



Figure: Maishima Baseball Stadium²⁹

Potential for technological verification, commercialization

- Sakishima District
 - Sakishima Smart Community Project (2012-15)
 - NLAB: one of the world’s largest testing and evaluating facilities for large-scale battery energy storage systems
- Yumeshima District
 - Installation of a large-scale (10 MW) megasolar power generation plant
 - FY2013 Osaka City Yumeshima “World’s First Large-Scale Reused EV Battery System” Demonstration Project

◆ Yumeshima megasolar power generation



◆ EV battery reuse



Figure: Megasolar power generation, EV battery reuse³⁰

25 Source : Sogo Unicom ranking of visitor attendance at major leisure and other facilities throughout Japan (2016)
 26 Source : *White Paper on Land, Infrastructure, Transport and Tourism in Japan*, Ministry of Land, Infrastructure, Transport and Tourism
 27 Source : Intex Osaka homepage
 28 Source : City of Osaka homepage
 29 Source : Osaka Convention & Tourism Bureau homepage
 30 Source : *Osaka Growth Strategy*, Osaka Prefectural Government and Osaka City Government, August 2014

(2) Potential of specific areas

Maishima

- Extensive sports and recreation areas.
- A concentration of logistical and environmental facilities.
- Home ground (practice and games) to Osaka Evessa (basketball), the Orix Buffaloes (baseball), and Cerezo Osaka (soccer).



Tempozan/Chikko District, West Konohana District

- Many attractions, including Osaka Aquarium Kaiyukan, Tempozan Marketplace and Universal Studios Japan(R) (USJ), make this area one of the leading tourist attractions in Osaka, attracting visitors from Japan and overseas.
- Osaka Aquarium Kaiyukan and USJ are situated on opposite banks and linked by shuttle boats (10-minute trip).
- Tempozan can handle ultra-large passenger ships.



Sakishima

- Sought to become a venue of business and trade *vis-a-vis* East and South Asia.
- Cluster of research & development facilities in such advanced and rapidly growing fields as environment & energy, medicine and nursing/elderly care.
- Sakishima is notable for Seaside Cosmo and other green spaces, along with its canals, amenity-rich accommodation and housing neighborhoods, and accommodation facilities.



Yumeshima

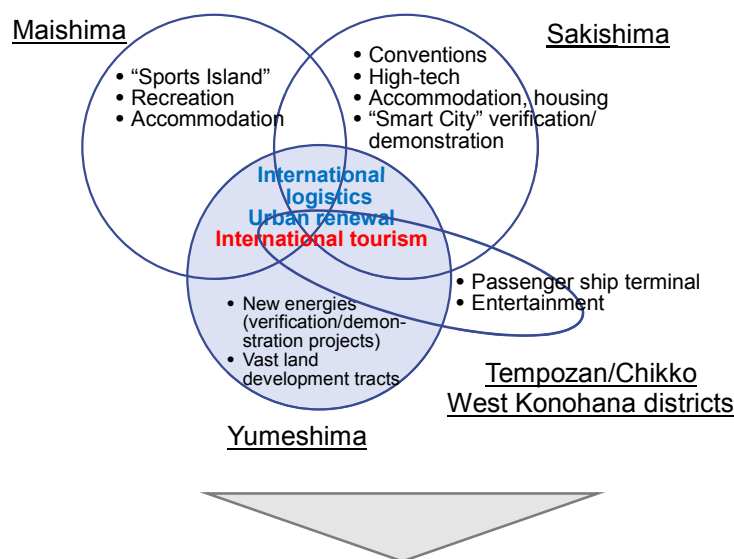
- Capable of supporting large town development into the future.
- Waterfront location supports a sense of “escape from the ordinary.”

2. Waterfront: Challenges

- Development must be such that it meets the demands of the era while bringing out the full potential of the waterfront area.
- Access along the waterfront (particularly up to Yumeshima) must be improved, as must connections to transportation networks throughout Kansai.
- Functional collaboration among waterfront districts (Yumeshima, Sakishima, Maishima, Tempoan/Chikko, West Konohana) must be reinforced.
- Also necessary are: zoning to bring out the full capabilities of both tourism facilities and logistical facilities within the area; and introduction of functions capable of driving the next generation of growth.

3. The Yumeshima of the Future

- Development must be such that it brings out the full potential of Yumeshima, most notably the vast expanses that it offers.
- Yumeshima, through collaboration with other waterfront districts, is to contribute to efforts to advance economic prosperity and enhance urban attractiveness.



○ A new driver of Osaka growth - Global Tourism Hub -

- Yumeshima is to contribute to efforts to revitalize the Osaka economy through the formation of a highly attractive global tourism hub, one that plays on the potential of this location for its (a) broad tracts of land capable of supporting extensive development into the future and (b) seafront positioning capable of supporting a sense of escape from daily reality.
- It is also to contribute to efforts to revitalize the economy of West Japan through the formation of a network that links to not only other waterfront districts, Osaka City and its surroundings, but also to locales throughout West Japan, thereby broadly distributing its benefits.

○ Enhancement of existing growth drivers - International Logistics Hub -

- The Port of Osaka has been designated as a Strategic International Container Port, and Yumeshima, with its advanced container terminal, is to play major role within it, as are the supporting/peripheral industries and international logistic facilities associated with the terminal. All told, Yumeshima is to contribute to Osaka/Kansai economic activities and, by extension, support the livelihoods of area residents.

○ Appropriate zoning, urban infrastructure, etc.

- Yumeshima is to be zoned in such a way that its global tourism aspect and its international logistics aspect can both operate to their full potential. Work will be done to, among other preparations, provide good transportation access and create attractive urban spaces.

4. Toward the Formation of a Global Tourism Hub

- Following an analysis of the potential and challenges of Osaka and the waterfront, we next derive a directionality for the formation of a global tourism hub.

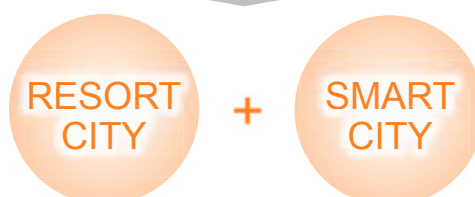
	Osaka	Waterfront
Potential	<ul style="list-style-type: none"> • A concentration of life science, green (environmentally friendly) and other industries • Rich in tourism assets; a concentration of world historical/cultural heritage sites; numerous universities and research institutes • Proximity to international airports and port facilities (convenient access); well-developed transportation/logistics infrastructure; etc. 	<ul style="list-style-type: none"> • Site of several projects to verify leading-edge technologies • To become one of the largest logistics centers in West Japan • Convenient access • Many tourism/sports facilities
Positioning	<ul style="list-style-type: none"> • Strategic International Container Port (August 2010) Hanshin Port: contributes to prosperous/pleasant livelihoods by supporting economic activities its service area and providing employment. • Kansai Innovation Comprehensive Global Strategy Special Zone (December 2011) Yumeshima, Sakishima, Hanshin Port: concentration of investment on life sciences and on environment & energy to encourage innovation for the greater world. • Osaka Grand Design (June 2012) Yumeshima, Sakishima: to serve as a "sea gateway" to attract new energy industries and international tourism/entertainment. • Kansai National Strategic Special Zone (NSSZ; May 2014) The Kansai NSSZ is to follow on deregulation to promote innovation in, mainly, the medical field and to foster an environment supportive of private sector challenges/initiatives. • Kansai Broad-area Regional Plan (March 2016) Kansai: interaction with Asia through history and innovation • Osaka Urban Attractiveness Strategy 2020 (November 2016) Image of Osaka in 2020 is described as a "world-class creative city" that will "provide world-class entertainment." • Osaka Grand Design (December 2016) Calls for the creation of an international tourism/entertainment space. • Osaka Growth Strategy (December 2016) Outlines five strategies for growth (tourism; human resources; industries/technologies; logistics/transportation and Asian vitality; urban revitalization) • Act on Promoting Development of Areas for Specified Integrated Resort Facilities (December 2016) Sets forth "basic principles and fundamental policies and other basic matters concerning the promotion of the development of areas for specified integrated resort facilities." 	

Analysis

Directionality toward the formation of a global tourism hub

- Form an international, highly creative entertainment center to serve as a cornerstone for tourism in Osaka, Kansai and Japan as a whole.
- Both at home and abroad, present Yumeshima as a showcase centering on world-class MICE facilities and its role in transforming new technologies, know-how and other advances into business opportunities.
- Provide a forum in which to create and experience innovative new technologies, including those for the enjoyment of long and healthy lives.
- Support a network that taps the energy of Osaka/Kansai to drive broad regional synergies.
- Develop globally prominent towns/communities.
- Create technologically intensive "smart cities."
- Create pleasant living environments by merging earth/natural environments with "smart" technologies.
- Create pleasant, high-quality spaces through artistic design.
- Develop towns/communities that combine safety/security with 'round-the-clock amenities.
- Develop towns/communities under private sector initiative.

Concept



[Concept]

SMART RESORT CITY

Dreams, Creations and the City of the Future

[Urban functions]

An international, highly creative entertainment hub to serve as a cornerstone for tourism in Osaka, Kansai and Japan as a whole

Ripple effects
extending to Kansai,
West Japan

Formation of
a mega-region

JAPAN ENTERTAINMENT

YUMESHIMA

BUSINESS MODEL
SHOWCASEACTIVE LIFE
CREATION

NETWORK

Network that taps the
energy of
Osaka/Kansai to drive
broad regional
synergies

Gateway
to the world

Ripple effects
extending to Kansai,
West Japan

A showcase centering on world-class MICE facilities and creating new business opportunities through the display of technologies/know-how to domestic and overseas audiences

Creating and experiencing innovative new technologies, including those for the enjoyment of active and healthy lives

[Development policies]

Land use

- ▶ Develop globally prominent towns/communities

Urban infrastructure

- ▶ Create technologically intensive "smart city"

Environmental coexistence

- ▶ Create pleasant living environments by merging earth/natural environments with "smart" technologies

Space design

- ▶ Create pleasant, high-quality spaces through artistic design

[Support systems]

Safety, Security

- ▶ Develop towns/communities that combine safety/security with 'round-the-clock' amenities

Development, Management

- ▶ Develop towns/communities by using the energy of the private sectors