REQUEST FOR CONCEPT

Project for the Establishment and Operation of Specified Complex Tourist Facilities in Nagasaki, Kyushu (provisional project name)

GUIDANCE

The original copy of this 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. The above-mentioned name of the project is provisional and subject to change.

October 2019
Nagasaki Prefecture and Sasebo City Joint Council for the Promotion of IR
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1. Introduction

The Japanese government declares the number of foreign inbound tourist visiting Japan targeted at 40 million by 2020 and 60 million by 2030, recognizing the inbound tourism industry as a pillar of the national growth strategy. In this context, in July 2018, the Act on Development of Specified Complex Tourist Facility 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 of an unseen scale and quality realized through the integrated development of MICE facilities and other various types of facilities for attracting tourists from around the world (hereinafter referred to as “IR”). 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 appealing charms unique to Japan to direct travelers visiting 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, then revitalize the local areas of Japan and stimulate economic growth nationwide.

Amid concerns over the decline in demand and workforce due to the falling 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 Kyushu and Nagasaki.

Under such circumstances, in Kyushu with a decent scale of population and economy as well as attractive tourism attractions such as the world heritages, there are tremendous needs and potential for the tourism industry as indicated by the facts that the growth rate of foreign travelers to Kyushu exceeds the one for the entire Japan with the travel consumption in the region increased significantly.

Especially, Nagasaki is close to Nagasaki Airport, which is surrounded by the sea and has a big potential for expansion of airline routes, Fukuoka International Airport connected with a variety of Asian countries and regions, Saga Airport and Kumamoto Airport. Nagasaki also has the leading cruise itineraries that make it the destination for a number of Asian tourists. In addition to these advantages, a prospected IR Area, Huis Ten Bosch area can provide an opportunity to create an out-of-the-ordinary space by taking advantage of the ocean front location and scenic views demonstrating its high potential.

Nagasaki Prefecture and Sasebo City (hereinafter referred to as “Pref./City”), by following the IR Development Act, aims to take the maximum advantage of potentials in Kyushu and Nagasaki as well as the private sector’s imagination and ingenuity, seek to develop the growing inbound tourism industry into their key industry to realize further growth of the economy of Kyushu with a geographical strength that is close to countries such as Eastern Asian with high economic growth and, ultimately, to stimulate tourism and economy of the entire country, by establishing an IR Area as a gateway of the new era of tourism industry in Japan.
2. Purpose of the RFC

Aiming to realize the development of a Specified Complex Tourist Facilities Area in Huis Ten Bosch area (hereinafter referred to as the “IR Area”) earlier as possible, Pref./City is proceeding with the preparation of various aspects so as to be able to promptly begin the formulation of the Implementation Policies and commencement of the public bidding/selection procedures (Request for Proposal; hereinafter referred to as the “RFP”) of private business operators who will undertake the “Project for the Establishment and Operation of Specified Complex Tourist Facilities in Nagasaki, Kyushu” (provisional project name, hereinafter referred to as the “Project”), which is the project for establishing and operating the Specified Complex Tourist Facilities (hereinafter referred to as “IR Facilities”) once the national government has determined its Basic Policies under the IR Development Act.

This request for concept proposals is to invite private business operators who intend to implement the Project to submit specific project concept proposals based on the “Nagasaki IR Basic Concept Plan (tentative)” released by Nagasaki Prefecture and Sasebo City Joint Council for the Promotion of IR in 2019 (Request for Concept; hereinafter referred to as the “RFC”) and other applicable policies, with the aim of ensuring the successful implementation of the Project by facilitating the mutual understanding between the local stakeholders such as Nagasaki Prefecture and Sasebo City and local business operators at an early stage on how the IR Area should be developed or the issues of and needs for the Project, and ensuring that the RFP will take place promptly after the national government determines its Basic Policies by accelerating the preparation and study for the Project.

3. Summary of the Project

The following is the summary of the Project envisaged at the present stage.

Additional information, such as detailed conditions for the Project and related drawings, will be separately provided to registrants who have been confirmed to be eligible for participation as described in Section 7. (hereinafter referred to as “Participation Registrants”).

The following is subject to changes in accordance with relevant Cabinet Order, Basic Policies, and guidelines provided by the national government and the regulations of Casino Administration Committee and other related laws and regulations including the IR Development Act (hereinafter referred to as “IR Related Laws and Regulations etc.”) or based on the review of the Project by Pref./City and the results of implementation of the RFC.

1. Name of the Project
   Project for the Establishment and Operation of Specified Complex Tourist Facilities in Nagasaki, Kyushu (Provisional Name)

2. Responsible contact office
   The Secretariat of Nagasaki Prefecture and Sasebo City Joint Council for the Promotion of IR (*1) (established in IR Promotion Division, Planning and Promotion Department, Nagasaki Prefecture)
   Address: 4F. 3-1 Onouemachi, Nagasaki, 850-0058
   Phone : 095-895-2540
   E-mail: s36070@pref.nagasaki.lg.jp
3. About the engagement of advisors for Pref./City
   (1) Engagement of advisors to Pref./City
       Pref./City have engaged the following advisors (hereinafter referred to as “Pref./City Advisors”) for assisting them in promoting the development of the IR Area in Nagasaki, Kyushu:
       a. KPMG AZSA LLC. (Shinjuku-ku, Tokyo)
       b. KPMG FAS Co., Ltd. (Chiyoda-ku, Tokyo)
       c. Baker & McKenzie (Gaikokuho Joint Enterprise). (Minato-ku, Tokyo)
       d. Yachiyo Engineering Co., Ltd. (Taito-ku, Tokyo)

   (2) Provision of information to Pref./City Advisors
       We plan to provide Pref./City Advisors with information obtained during the process of the RFC and other necessary information as necessary. Pref./City Advisors may participate in dialogues with applicants as necessary.

4. Upper-level plans, etc. for Nagasaki Prefecture
   The proposals should be based on the following Upper-level plans, etc. in particular based on the “Nagasaki IR Basic Concept Plan (tentative)”.
   (1) Plans related to IR
       a. Nagasaki IR Basic Concept Plan (tentative) (the Nagasaki Prefecture and Sasebo City Joint Council for the Promotion of IR, October 2019)
          *English version will be uploaded until the end of October 2019

       (2) Others
           a. Kyushu Tourism Strategy (Second phase) (Kyushu Tourism Strategic Committee, May 2013)

           b. Nagasaki Comprehensive Planning Challenge 2020 (March 2016)

           c. Nagasaki Creation Comprehensive Strategy for Town, People, Work 2018 (Revised on March 2019)
              https://www.pref.nagasaki.jp/bunrui/kenseijoho/kennkeikaku-project/sousei/

           d. Nagasaki Tourism Promotion Basic Plan (March 2016)
5. Basic framework of the Project

The basic framework of the Project is as follows.

Pref./City shall collaborate in making necessary preparations for developing the IR Area based on mutual cooperation. Filing an application for certification of IR Area Development Plan shall be implemented by Nagasaki Prefecture (hereinafter referred to as “Pref.”).

(1) The Project is to be implemented as an IR Business defined in Article 2, Paragraph 3 of the IR Development Act, and therefore, include cooperation for measures to be implemented by the national government and a Certified Prefecture, etc., 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, etc., and measures related to a certified Area Development Plan to be implemented by a Certified Prefecture, etc. by utilizing profits from casinos (Article 15, Paragraph 3 of the IR Development Act).

(2) After determining the Implementation Policies in line with the national government’s Basic policies, Pref./City will select a private business operator following the public bidding processes, with whom will jointly prepare a plan for the development of the Specified Complex Tourist Facilities Area (hereinafter referred to as “IR Area Development Plan”) and file an application for certification from the national government.

(3) Pref. will, jointly with a private business operator that is selected by the public bidding process to carry out the Project (hereinafter referred to as the “Prospective IR Operator”), prepare an IR Area Development Plan and file with the national government an application for certification. Such Prospective IR Operator shall establish a legal corporation as defined in the Companies Act (Act No.86 of 2005), which will exclusively be engaged in the Project.

(4) After an IR Area Development Plan is certified by the national government, an IR Operator shall enter into an implementation agreement with Pref. (hereinafter referred to as the “Implementation Agreement”) and a contract on the use of the land owned by Pref etc. with Pref./City.

(5) For use in the Project, Sasebo City (hereinafter referred to as “City”) contracts a real estate purchase option contract with the purchase price determined beforehand, for the real estate, owned by Huis Ten Bosch Inc., in the IR Area (hereinafter referred to as the “Prospective IR Area”). The City will transfer its buyer’s status to the IR Operator selected by Pref. (After obtainment of IR area certification, the IR Operator shall exercise the option right.)

(6) An IR Operator shall obtain necessary approvals and licenses at its own responsibility and expense, and implement the Project according to the certified IR Area Development Plan and the Implementation Agreement, etc.

6. Views on the periods of the Project

(1) The operating periods of the Project will be [35 to 45 years] from the date of certification provided in Article 9, Paragraph 11 of the IR Development Act (hereinafter referred to as the “Project Term”).
In the event an extension is requested by the IR Operator at the time of expiration of the initial project term, the project term may be extended with the consent of Pref./City.

(2) The project term shall be specified in the “Implementation Agreement” to be executed between Pref. and the IR Operator.

(3) The details of the views on the project term, and other related matters will be presented in Implementation Policies and through RFP by taking account of the Basic Policies established by the national government. Other conditions envisaged by Pref./City at that point will be presented in the dialogue meeting with whom will participate in RFC and propose project concepts (hereinafter referred to as “RFC Proposer”).

7. Matters related to the location and size, etc. of the Prospective IR Area
   (1) The location, land size and other information on the Prospective IR Area “District A” is planned to be developed as the Prospective IR Area, and its location, size and description are presented in Charts 1 and 2.

[Chart 1 Location of the Prospective IR Area]
### Chart 2 Description of the land for the Prospective IR Area

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of land</strong></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>6-1 Huis Ten Bosch Machi, Sasebo, Nagasaki and other area</td>
</tr>
<tr>
<td>Owner</td>
<td>Huis Ten Bosch Co., Ltd, Mizuho Trust &amp; Banking Co., Ltd.</td>
</tr>
<tr>
<td>Site area of the Prospective IR Area</td>
<td>Total area: ca. 31ha</td>
</tr>
<tr>
<td>Shape</td>
<td>As shown in Chart 1</td>
</tr>
<tr>
<td><strong>Restrictions under laws and regulations</strong></td>
<td></td>
</tr>
<tr>
<td>Classification</td>
<td>Urbanization area</td>
</tr>
<tr>
<td>Land use zones</td>
<td>Neighboring commercial district</td>
</tr>
<tr>
<td>Building coverage ratio</td>
<td>80% (60%) (*1)</td>
</tr>
<tr>
<td>Floor-area ratio</td>
<td>200% (200%) (*1)</td>
</tr>
<tr>
<td>Designated building height limitation</td>
<td>N/A</td>
</tr>
<tr>
<td>Fire Prevention District and Quasi-Fire Prevention District</td>
<td>N/A</td>
</tr>
<tr>
<td>Special use district</td>
<td>Class 1 Recreation Area</td>
</tr>
<tr>
<td>Sewerage</td>
<td>Located in Hario drainage district for the public sewers</td>
</tr>
</tbody>
</table>

(*1) Regulation based on laws relating to Category 2 residential district.

(2) About maintenance and management of the land in Haiki Port (which consists of the public harbor and ocean fronted area) by the IR Operator

The IR Operator may submit a proposal to maintain and manage Haiki Port (which consists of the public harbor and ocean fronted area with ca. 2.3 ha and 11 ha of the total land and water area respectively) located at the Southern side of the Prospective IR Area as shown in Charts 1 and 3, as part of an integrated operation with the Prospective IR Area. The conditions for the IR Operator’s proposal to maintain and manage Haiki Port (which consists of the public harbor and ocean fronted area), shall be separately presented to the Participation Registrants.
### Chart 3 Overview of Haiki Port

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>A part of Huis Ten Bosch Machi, Sasebo, Nagasaki and other area</td>
</tr>
<tr>
<td>Owner</td>
<td>Nagasaki Prefecture, Huis Ten Bosch Co., Ltd.</td>
</tr>
<tr>
<td>Site area</td>
<td>ca. 2.3 ha</td>
</tr>
<tr>
<td>Shape</td>
<td>As shown in Chart 1</td>
</tr>
<tr>
<td>Classification</td>
<td>Urbanization area (the public water surface is classified as an urbanization adjustment area)</td>
</tr>
<tr>
<td>Land use zones</td>
<td>Neighboring commercial district</td>
</tr>
<tr>
<td>Building coverage ratio</td>
<td>80% (60%)</td>
</tr>
<tr>
<td>Floor-area ratio</td>
<td>200% (200%)</td>
</tr>
<tr>
<td>Designated building height limitation</td>
<td>N/A</td>
</tr>
<tr>
<td>Fire Prevention District and Quasi-Fire Prevention District</td>
<td>N/A</td>
</tr>
<tr>
<td>Special use district</td>
<td>Class 1 Recreation Area Class 2 Recreation Area</td>
</tr>
<tr>
<td>Sewerage</td>
<td>Located in Hario drainage district for the public sewers</td>
</tr>
<tr>
<td>Designated Manager</td>
<td>Unimat Precious Co., Ltd.</td>
</tr>
<tr>
<td>Term</td>
<td>April 1, 2019 – March 31, 2024</td>
</tr>
</tbody>
</table>

(3) Others

In addition to the above, the IR Operator can make proposals for the use of the area adjacent to the Prospective IR area and cooperation with surrounding facilities.

8. 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 know-how.

The IR Operator must submit a proposal in accordance with upper-level plans, etc., particularly “Nagasaki IR Basic Concept Plan (tentative)”, with a view to embodying the plans.

The details of the following standards and requirements will be separately provided to Participation Registrants.

(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, exhibitions facilities, attractions enhancement facilities, customer transfer facilities, and accommodation facilities (hereinafter referred to as “Core Facilities”), including “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.

Chart 4 shows the terms used in this Guidance regarding IR Facilities and the provisions of the IR Development Act in which such terms are defined.

<table>
<thead>
<tr>
<th>Terms used in this Guidance</th>
<th>Provision of the IR Development Act in which the term is defined</th>
</tr>
</thead>
<tbody>
<tr>
<td>MICE Facilities</td>
<td>Article 2, Paragraph 1, Item 1</td>
</tr>
<tr>
<td>International convention and conference facilities</td>
<td></td>
</tr>
<tr>
<td>Exhibitions facilities</td>
<td>Article 2, Paragraph 1, Item 2</td>
</tr>
<tr>
<td>Attractions enhancement facilities</td>
<td>Article 2, Paragraph 1, Item 3</td>
</tr>
<tr>
<td>Customer transfer facilities</td>
<td>Article 2, Paragraph 1, Item 4</td>
</tr>
<tr>
<td>Accommodation facilities</td>
<td>Article 2, Paragraph 1, Item 5</td>
</tr>
<tr>
<td>Visitor entertainment facilities</td>
<td>Article 2, Paragraph 1, Item 6</td>
</tr>
<tr>
<td>Casino facilities</td>
<td>Article 2, Paragraph 10</td>
</tr>
</tbody>
</table>

* The term “MICE Facilities” is used collectively referring to “International convention and conference facilities” which defined in Article 2, Paragraph 2, Items 1, combined with “Exhibitions facilities” which are defined in Article 2, Paragraph 2, Item 2 of the IR Development Act.

(2) Establishment and Operation of Core Facilities

The IR Operator shall meet the following standards and requirements as well as requirements stipulated in IR Related Laws and Regulations etc. to establish and operate Core Facilities.

a. MICE Facilities

(a) Establish a Japan’s leading MICE hub that represents an island country, Japan with world-level competitiveness and utilizing of marine and remote island to attract international convention /exhibition businesses, realize Asian leading incentive destination, and promote visits by business people from across the world, which should lead to the revitalization of the economy and regions of the entire Kyushu and Nagasaki.

(b) International convention and conference facilities

The IR Operator must construct the largest international convention hall with the capacity of [6,000] people and the facility that can hold more than [12,000] people as a whole.

If it is judged that either of the “Pattern with the capacity of the largest international convention hall of [3,000] people or more, the international convention facility that can hold more than [6,000] people as a whole, and the exhibitions facilities as [60,000] m² or more” or “Pattern with the capacity of the largest international convention hall of [1,000] people or more, the international convention facility that can hold more than [2,000] people as a whole, and the exhibitions facilities as [120,000] m² or more” is more appropriate in this area, the IR Operator may propose with the grounds.

(c) Exhibitions facilities

The IR Operator must secure a total area of [20,000] m² or more for exhibitions facilities.
If it is judged that either of the “Pattern with the capacity of the largest international convention hall of [3,000] people or more, the international convention facility that can hold more than [6,000] people as a whole, and the exhibitions facilities as [60,000] m² or more” or “Pattern with the capacity of the largest international convention hall of [1,000] people or more, the international convention facility that can hold more than [2,000] people as a whole, and the exhibitions facilities as [120,000] m² or more” is more appropriate in this area, the IR Operator may propose with the grounds.

(d) In international convention and conference facilities and exhibitions facilities, the IR Operator shall make ingenious attempts, such as facility design enabling flexible layout, appropriate traffic flows for users and loading/unloading, introduction of convenient ancillary equipment and functions, cutting-edge ICT technologies and the provision of high value-added services in order to ensure IR Facilities’ international competitiveness and enable users to host a wide range of events.

(e) 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.

(f) The IR Operator shall work actively to invite international conferences, large exhibitions, and other events that focus on industries and studies in which Nagasaki and Kyushu have an advantage.

(g) Especially for the incentive tours, the IR Operator shall collaborate with local governments and others that are engaged in attracting cruises and aim to create new MICE demands with cruises by utilizing Kyushu's geographical advantage that is close to Asian countries.

(h) The IR Operator shall cooperate and work together with the All-Kyushu structure for inviting MICE which works through the concerted efforts of Pref./City, the business community, and the Nagasaki Convention and Tourism Bureau.

(i) The IR Operator shall collaborate with the convention bureaus in Kyushu to aim to strength MICE acceptance system in "All Kyushu" such as creation of after-convention events with abundant tourism resources.

b. Attractions enhancement facilities

(a) The IR Operator shall develop facilities disseminating to the world Kyushu/Japan’s tourism attractions, such as Japanese tradition, culture, and art, in an effective manner. The IR Operator shall make ingenious attempts for attracting visitors constantly, for example, by enhancing the entertainment factor of the facilities and employing a cutting-edge technology, etc.

(b) The IR Operator shall engage in creation of new contents, by introducing unique contents of Japan and Kyushu as the show business, 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
Kyushu/Japan in a way that can give a vivid image through the use of cutting-edge technology, etc.

(b) The IR Operator shall aim to form a gateway of Japan tourism by transferring customers to Nagasaki and Kyushu included remote islands, as well as West Japan and other sites across Japan, through proposals fit for users’ interests and one-stop functions with needed services such as reservation and settlement.

(c) The IR Operator shall aim to transfer customers from the IR to Kyushu and other sites across Japan by developing infrastructures, as transportation functions, for both mass and VIP customers.

(d) The IR Operator shall collaborate with 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 with total guest room area of [ca. 100,000] m² and different types of guest rooms to meet the different needs of a broad range of visitors from home and abroad, such as business people, families, the wealthy, long-stay travelers.

(b) The IR Operator shall create an impressive and extraordinary environment that can be a symbol of the worldwide tourism destination utilizing the comfortable seaside environment and its scenic view to 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.

(b) The IR Operator shall appropriately implement such measures as necessary to eliminate harmful effects resulting from the establishment and operation of casino facilities (hereinafter referred to as “Measures against Concerns”) according to “9. Matters related to Measures against Concerns.”

(3) Establishment and Operation of facilities other than 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. Promotion of an experience type tourism

(a) The IR Operator shall create facilities that promote an experience type tourism by utilizing the attractiveness of Kyushu and Nagasaki (for example, nature, tradition, culture and history, hot springs, food culture, and the four seasons).

b. Formation of an entertainment hub

The IR Operator shall seek the formation of an international entertainment hub boosting nighttime economy that can be enjoyed by all people, ranging from business people to families.
c. Formation of a traffic hub for access
   (a) With regard to the use of the IR Area, the IR Operator shall work to form a marine traffic network between Nagasaki Airport by utilizing Haiki Port which is managed by Pref. and Omura Port which is adjacent to Nagasaki Airport and will be repaired and improved in the future. The IR Operator is also able to propose preparing and operating by itself the marine access hub as ancillary services (such as ship operation and development and operation of terminals) as part of a proposal.
   (b) The IR Operator shall be engaged in forming a transportation bus network covering wide areas, by developing hubs for bus transportation in the IR Area.
   (c) The IR Operator shall consider proposing operation of other ancillary services (operation of park-and-ride, a new transportation system between JR Huis Ten Bosch station and the IR Area, etc.) within the scope of IR Development Act, etc. with the objective of reinforcing access to the IR Facilities and expanding the function of Customer Transfer Facilities.

d. Provision of high-quality foods and beverages, shops, services etc.
   (a) The IR Operator shall install facilities, such as restaurants, a shopping mall, and guest service facilities, which shall encourage tourists to visit and stay.
   (b) The IR Operator shall make efforts 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 enhance the Core facilities’ functions and serving to fill the space /time gap during tourists’ stay.

(4) Efforts for enhancing the attractions and sustainability of IR

The IR Operator shall work to further enhance the attractions of the Project and maximize its effects and realize the stable and sustainable operation of the Project by making the following efforts and other efforts that the operator believes necessary in a way harmonized with the establishment and operation of IR Facilities.

a. Efforts to realize a destination resort through the utilization of cutting-edge technology
   Based on the history that Huis Ten Bosch has been developed as an environment-friendly facility, the IR operator shall strive to realize the advanced and sustainable destination resort (a smart city technology, introduction of cutting-edge technology, etc.) This includes efforts, with central and integrated management of data relating the IR and its surrounding area, to provide new services and realize a local revitalization, such as development of security systems, that realize a safe and secure environment, and sustainable energy systems, and utilization of IT technologies for entertainment areas and attractions enhancement facilities.

b. Efforts on traffic measures
   Regarding the traffic demands in the IR Area and its surrounding area, the IR Operator shall conduct appropriate measures for smooth and safe traffic with attention relating the following matters.
   - Adequate plan for parking lots in and out of the IR Area
   - Measures to mitigate traffic congestion in roads surrounding the IR Area
c. Efforts related to building functions for disaster prevention and crisis management
   The IR Operator shall create functions to use large-scale facilities such as MICE facilities
   as evacuation facilities for residents in the vicinity of disasters since disasters such as
   earthquakes and heavy rain due to abnormal weather are frequent in Japan and Kyushu.

d. 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) When employing a large volume of staff in preparation for the inauguration of IR
       Facilities, the IR Operator shall promote well-planned employment measures.

e. 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 Nagasaki and the
       Kyushu region.
   (b) The IR Operator shall proactively fulfill various contributions to the community such
       as development promotions of Omura bay, the remote islands, and other areas as well
       as actively provide supports and cooperation for the resolution of social issues.
   (c) The IR Operator shall strive to procure in Kyushu regarding procurement of
       ingredients used at each facility in the IR Area.

f. Efforts on the improvement 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 deployment 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.

(5) Cooperation by Huis Ten Bosch Inc.
   Pref./City and Huis Ten Bosch Inc. concluded the “Basic Agreement” on April 8, 2019 and, based
   on the “Basic Agreement”, conclude the “Basic Agreement Among Three Parties”. It stipulates that
   each party shall be engaged in the related matters such as traffic access or operational collaborations,
   on mutual cooperation.
   More detailed specific conditions for cooperation by Huis Ten Bosch Inc. will be presented
   separately to the Participation Registrants.

(6) Other matters for attention
   The IR Operator shall pay attention to the following matters in carrying out the Project.
The detailed items on what the IR Operator needs to implement and conditions for project implementation will be presented in the RFP.

a. The IR operator shall be closely engaged in the construction process and construction method so that safe and efficient construction progress can be made for construction related to the infrastructure development around the IR facilities (railway, public road, traffic plaza, supply infrastructure, etc.)

9. Matters related to Measures against Concerns

The IR Operator shall meet the following standards and requirements in addition to complying with IR Related Laws and Regulations etc. and carry out the Project by making maximum use of its own originality, ingenuity and know-how.

The IR Operator also must make a proposal in accordance with upper-level plans, etc., particularly the “Kyushu/Nagasaki IR Basic Concept Plan (tentative)”, with a view to embodying these plans.

The details of the following standards and requirements will be separately provided to the Participation Registrants.

(1) Countermeasures against gambling addiction

The IR Operator shall implement the following as necessary action to eliminate appropriately harmful effects resulting from establishment and operation of casino facilities.

a. Comply with relevant laws and regulations, such as the IR Development Act and the Basic Act on Countermeasures against Gambling Addiction;
b. Take a proactive approach for responsible gaming as a casino business operator;
c. Closely collaborate with the national government and Pref./City and support measures taken by the national government and Pref./City; and
d. Carry out measures for prevention of gambling addiction including implementation of preventive enlightenment in the IR Area, performance of strict entrance management for the casino facilities, setting the upper limit of the amount of stakes, etc. based on self-declaration, introduction of a counseling system available for 24 hours a day and 365 days a year, and coordination and cooperation with relevant organs, and cooperation for the fostering of professional human resources and promotion of study and research.

(2) Measures for security maintenance etc. (security maintenance, measure of organized crime prevention, and sound development of youth)

The IR Operator shall implement the following items to secure good public safety and maintain good local public morals and environment:

a. Comply with the IR Development Act and other relevant laws and regulations;
b. Take independent measures for crime prevention and voluntary security and build a system for crime prevention and security;
c. Share information with the police and Pref./City;
d. Provide assistance to measures conducted by the police and Pref./City; and
e. Implement all possible measures for security maintenance (measures on crime prevention, regional moral and environment, and terrorism prevention), or organized crime prevention, and sound development of youth.

10. Matters related to the utilization of profits from a casino

The IR Operator shall endeavor to use profits from the casino business to improve IR Facilities and other aspects of the Project and to cooperate measures taken by Pref./City regarding certified Prospective IR Area Development Plan, based on the results of the assessment specified in Article 37, Paragraph 1 of the IR Development Act. Our specific view on this matter will be presented in our Implementation Policies and RFP by taking account of the Basic Policies established by the national government.

11. Matters related to ensuring the smooth implementation of the Project

Matters related to ensuring the smooth implementation of the Project by the IR Operator (risk allocation, monitoring, rights and obligations of the IR Operator, our views on measures to be taken when the IR Operator faces some difficulties in continuing the Project.) will be presented in our Implementation Policies and RFP by taking account of the Basic Policies formulated by the national government.

   Also, in the dialogue with the RFC Proposers, fundamental views envisaged by Pref./City at that point will be presented.

12. Matters related to the real estate contract for the Prospective IR Area

For use in the Project, the City contracts a real estate purchase option contract (hereinafter referred to as the "Purchase Option Contract") with the purchase price determined beforehand, for the real estate, owned by Huis Ten Bosch Inc., in the Prospective IR Area. The City will transfer its buyer's position to the IR Operator selected by Pref. (The IR Operator shall exercise the right after obtainment of IR area certification.)

(1) Chart 5 shows the purchase price and main contract terms and conditions. The purchase price is not subject to proposal evaluation in the RFP.

(2) The method of transfer of the status under the contract and the detailed contract terms and conditions will be presented in the Implementation Policies and RFP.

   The Purchase Option Contract is a sale and purchase option held by one party as prescribed in Article 556 of the Civil Code, and when the buyer exercises the option right, the contract shall be automatically confirmed without the seller's manifestation of intention.

   After obtainment of IR area certification, the IR Operator shall exercise the option right.

   The title to the real estate shall be transferred to the IR Operator at the time when the IR Operator paid the purchase price.
<table>
<thead>
<tr>
<th>Contract method</th>
<th>The purchase price</th>
<th>Key contract conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sell</td>
<td>20,500,000,000 yen (excluding consumption tax)</td>
<td>• Land and buildings (including subordinates and structures attached to the land and buildings) • Sales contracts will cease to be effective when IR area certification is not obtained.</td>
</tr>
</tbody>
</table>

13. Cost to be borne by the IR Operator for the Project
   (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 Prospective IR Area Development Plan, cost of application for approvals and licenses, and any other cost that may be needed before the commencement of the Project.
   (2) Cost of the land, etc.
   The IR Operator shall pay the cost associated with the purchase of the land, etc. that is necessary to implement the Project.
   (3) Other Cost
   Pref./City etc., plans to implement projects for transportation infrastructure improvements and MICE promotion etc., as a means to contribute to the realization and promotion of IR Area development. Pref./City etc., also plans that the IR Operator (partially) bears the expenses related to these initiatives.
   The details of the requirements will be presented in the Implementation Policy and RFP by taking account of the Basic Policies established by the national government. Also, Pref./City etc., plans to present the assumed requirements in the course of dialogue with Participation Registrants and RFC Proposers.

14. Project schedule
   With an aim to open the IR Facilities in the middle of 2020’s, and to realize a world-class IR, Pref./City request business operators for proposals that specifies the development schedules including the opening period.
   While Pref./City plans to set its Implementation Policies and proceed with the RFP promptly after the national government has determined its Basic Policies, the date of formulation of the Basic Policies and the date of accepting applications for the Area Certification by the national government have not been decided at the current inception stage of the RFC.
   Thus, RFC Proposers are requested to assume and propose the time necessary for the design and construction works etc. and schedules for implementation of the Project by referring to the expected schedule shown in Chart 6.
   This expected schedule is subject to changes depending on the national government’s Basic Policies, Pref./City’s review of the Project, and the results of the RFC.
### Chart 6 Expected schedule

<table>
<thead>
<tr>
<th>Date/Period</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Around February 2020</td>
<td>Formulation and publication of the Basic Policies (national government)</td>
</tr>
<tr>
<td>↓</td>
<td>Formulation of our Implementation Policies</td>
</tr>
<tr>
<td>From around Spring 2020</td>
<td>Public bidding of public business operators (RFP)</td>
</tr>
<tr>
<td>Around Autumn 2020</td>
<td>Selection of the Expected IR Operator</td>
</tr>
<tr>
<td>↓</td>
<td>Certification of the IR Area Development Plan (national government)</td>
</tr>
</tbody>
</table>

15. Compliance with laws and regulations, etc.

IR Operator must comply with laws and regulations, etc. necessary for the implementation of the Project as well as with IR related laws and regulations etc.

### 4. Items requested in the RFC Proposal Documents

Proposal documents submitted by the RFC Proposers to Pref./City (hereinafter referred to as the “RFC Proposal Documents”) must include all items listed below.

The RFC Proposal Documents must be submitted in accordance with upper-level plans, etc., particularly the “Nagasaki IR Basic Concept Plan (tentative)”, with a view to embodying this plan.

The details of items on which we request applicants to make the RFC Proposal Documents and the format of the proposal will be separately provided to Participation Registrants. In a dialogue to be held for RFC Proposers, we may request participants to submit supplemental materials or an additional proposal.

<table>
<thead>
<tr>
<th>(1) Overall strategy of the project</th>
<th>General project strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project implementation organizations, tracking records of operating resort facilities</td>
</tr>
<tr>
<td>(2) Overview of master plan</td>
<td>Development concept</td>
</tr>
<tr>
<td></td>
<td>Land use policy</td>
</tr>
<tr>
<td></td>
<td>Entire layout of the facilities, plan of traffic flows</td>
</tr>
<tr>
<td></td>
<td>Urban landscape design</td>
</tr>
<tr>
<td>(3) Plan for facilities</td>
<td>Concept of each facility</td>
</tr>
<tr>
<td></td>
<td>Size and function of each facility</td>
</tr>
<tr>
<td>(4) Operation plan</td>
<td>Operation policy for each facility</td>
</tr>
<tr>
<td></td>
<td>Marketing strategy</td>
</tr>
<tr>
<td>(5) Efforts for enhancing the attractions and sustainability of the IR</td>
<td>Efforts to realize a destination resort through the utilization of cutting-edge technology</td>
</tr>
<tr>
<td></td>
<td>Policy regarding the efforts on traffic measures</td>
</tr>
<tr>
<td></td>
<td>Policy regarding the efforts on crisis management/disaster prevention measures</td>
</tr>
<tr>
<td></td>
<td>Policy regarding the efforts on promoting local economies and contributing to local communities</td>
</tr>
</tbody>
</table>
5. RFC Schedule

Schedule for the RFC is as follows.

The period for the dialogue with RFC Proposers is, however, subject to change depending on the date of formulation of the national government’s Basic Policies, etc.

<table>
<thead>
<tr>
<th>Schedule (tentative)</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday, October 2 – Friday, October 11, 2019</td>
<td>Period of accepting questions on participation registration</td>
</tr>
<tr>
<td>Wednesday, October 16, 2019 (tentative)</td>
<td>Announcement of answers to questions on participation registration</td>
</tr>
<tr>
<td>Wednesday October 2 – Friday, November 22, 2019</td>
<td>Period of accepting applications for participation registration</td>
</tr>
<tr>
<td>To Friday, November 29, 2019</td>
<td>Notification of the results of the application for registration</td>
</tr>
<tr>
<td>Tuesday, November 5 – Friday, November 29, 2019</td>
<td>Period of accepting questions on the Guidance for RFC Proposals, etc.</td>
</tr>
<tr>
<td>Tuesday, November 5 – Wednesday, December 25, 2019</td>
<td>Period for dialogues with Participation Registrants (Pre-submission dialogues)</td>
</tr>
<tr>
<td>Friday, December 6, 2019 (tentative)</td>
<td>Answers to questions on the Guidance for RFC Proposals, etc.</td>
</tr>
<tr>
<td>Friday, January 10, 2020</td>
<td>Due date for submission of the RFC Proposal Documents</td>
</tr>
<tr>
<td>Tuesday, January 14 – Friday, February 21, 2020</td>
<td>Period for dialogues with RFC Proposers</td>
</tr>
</tbody>
</table>

6. Applicants’ participation qualification requirements

1. Composition of Applicants

The composition of the Applicant who should be able to apply for the RFC shall be as follows:

(1) The Applicant must fall within either of following conditions: (i) a company who is capable to submit a proposal on all items listed in “4. Items requested in the RFC” by itself (hereinafter
referred to as the “Applicant Company”), or (ii) a group, composed by multiple companies with
intention to make an investment for the IR Operator, who are capable to submit a proposal on all
requested items (hereinafter referred to as the “Applicant Group”).

(2) The Applicant shall specify the name of the Applicant Company or the names of the companies
composing of 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 “Pledge for compliance with confidentiality obligations”
in accordance with Exhibit 2 “Formats and Instructions on Documentation” (hereinafter referred
as “Formats etc.”), and such Representative Company will conduct the application procedures.

2. Participation qualification requirements to be satisfied by both of the Applicant Company and
Applicant Group Members

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

In case an Applicant Company or an Applicant Group Member is an overseas business operator, it is
necessary that Pref./City can confirm that such overseas business operator meets with the qualification
requirements equivalent to those listed in the following (5) and (6) b. through g. in light of applicable
laws and regulations.

(1) Having the intention of carrying out the Project (it means the expected role for the Applicant Group
Members), capability to implement the Project appropriately in light of the personnel structure and
physical and mental conditions, and adequate social credibility;

(2) Having sound financial foundation to implement the Project (it means the expected role for the
Applicant Group Members);

(3) Its director(s) must have adequate social credibility and ability to implement the Project
appropriately in light of physical and mental conditions;

(4) The holder of its voting rights, shares, or equity (hereinafter referred to as “Voting Rights, etc.”)
that is equal to or greater than the major shareholder threshold provided for in Article 2, Paragraph
12 of the Development Act have adequate social credibility and in case such holder is corporate
entity, its directors have adequate social credibility;

(5) Having not filed or having not been filed for a petition for bankruptcy proceedings (in case that
bankrupt’s rights are restored under Article 255, Paragraph 1 of the Bankruptcy Act (Act No. 75,
2004), the bankrupt is deemed as not filed or not been filed for a petition for bankruptcy
proceedings), civil rehabilitation proceedings, corporate reorganization proceedings, special
liquidation, or any other similar legal insolvency proceedings.; and

(6) Any of the following event is not applicable:
   a. It is regarded that casino business license will not be granted pursuant to Article 41, Paragraph 2,
   Items 1-5 (excluding Item 1 i. and Item 5) of the IR Development Act, if it should apply for casino
   business license itself (it is applied that each Applicant Members are regarded as a casino business
   license applicant for the case of Applicant Group application);
   b. Meeting 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. Being 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 documents for the application for participation registration;

d. Meeting 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 Nagasaki Prefectural Ordinance for Eliminating Organized Crime Groups, or any of the Items 1 through 3 of Article 2 of the Sasebo City Ordinance for Eliminating Organized Crime Groups;

e. Being subject to exclusion from participation in the bidding based on the Nagasaki Prefectural Guidelines for Eliminating Organized Crime Groups regarding Public Works, etc. or the Sasebo 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. Being subject to suspension of participation in bidding based on the Nagasaki Prefectural Guidelines for Suspension of Participation in Bidding or the Nagasaki City Guidelines for Suspension of Participation in Competitive Bidding or falls under any of the requirements listed in the appendices to the Guidelines;

g. Having a director who falls under the above-mentioned (d) or (e).

3. Requirements to be satisfied by the Applicant Company or the Applicant Group

The Applicant Company or the Applicant Group shall meet either of the following standards (1) or (2).

(1) As of October 1, 2019, an Applicant Company, an Applicant Group Member, or the company who is a parent company or a consolidated subsidiary of the Applicant Company or the Applicant Group Member shall have a track record in operating casino facilities either of the followings.

a. A casino facility or multiple casino facilities with more than [200] tables and more than [1,000] slot machines; or

b. A casino facility or multiple casino facilities whose Gross Gaming Revenue (GGR) is greater than [100] billion yen, in the recent financial results for the entire Applicant Group (*1).

*1. “Gross Gaming Revenue” means the amount before deduction of casino tax / payment paid by the state / province / local government.

(2) An Applicant Company, an Applicant Group Member, or the company who is a parent company or 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 October 1, 2009. The above track record is not limited to projects in Japan.

a. Complex Facilities with a Gross Floor Area of [300,000] m² or more (*1) (*2); or

b. Complex Facilities that are built in the District (*3) with an area of [10] ha or more and have a Gross Floor Area within the District of [150,000] m² or more.

*1. “Gross Floor Area” means the total of the floor area of complex facilities, etc. built within the district.
2. “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.

3. “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.

4. Restrictions on relationship with Pref./City and Pref./City Advisors
   A person or corporate entity who falls under any of the following or a person or corporate entity having a certain level of relationship in regard to capital ties or personnel affairs, etc. (*1) with a person or corporate entity falls under any of the following is not entitled to become an Applicant Company, Applicant Group Member, a Cooperating Company (*2), or Applicant Advisor (*3) of the RFC.
   (1) Pref./City or a person or corporate entity having a certain level of relationship in regard to capital ties or personnel affairs, etc. with Pref./City.
   (2) Pref./City Advisor or a person or corporate entity having a certain level of relationship with Pref./City Advisor with respect to capital ties or personnel affairs, etc.
   (3) A person or corporate entity who receives advice regarding the Project (regardless of whether or not a formal agreement is concluded) from Pref./City Advisor or a person or corporate entity having a certain level of relationship in regard to capital ties or personnel affairs, etc. with Pref./City Advisor.

*1. “A person or corporate entity having a certain level of relationship in regard to capital ties or personnel affairs, etc.” means a person or corporate entity described below: (the scope of parent company, etc. and subsidiary company, etc. are as provided by the Companies Act).
   a. A person or corporate entity having a relationship of a parent company, etc. and a subsidiary, etc.;
   b. A person or corporate entity having a relationship of subsidiaries, etc. under the same parent company, etc.;
   c. A person or corporate entity having a relationship that a director of one party holds the position of a director of the other party.; and
   d. A person or corporate entity having a relationship that one party substantially controls or is controlled by other party in terms of business policy.

*2. “Cooperating Company” means a person or corporate entity that was selected by the Applicant Company or Applicant Group Member and listed in the RFC Proposal Documents as one who is to be commissioned or subcontracted with respect to the Project (including a person who intends to be commissioned).

*3. “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 RFC for the Applicant Company or the Applicant Group Member.

5. Change of applicants
   An Applicant Company or an Applicant Group is entitled to change Applicant Group Member(s) during a period from the submission of documents for application for participation registration until
the submission of the RFC Proposal Documents (this includes a case where an Applicant Company that applied for participation registration by itself makes participation registration as an Applicant Group comprised of multiple companies; the same applies hereinafter).
7. Registration for participation

1. Registration for participation

An Applicant Company or an Applicant Group that satisfies “6. Participation qualification requirements for applicants” is qualified to register for participation.

2. Acceptance and answers to questions on the registration for participation

(1) Period of application
From Wednesday, October 2, 2019 to 17:00, Friday, October 11, 2019

(2) Submission method
a. Any questions on the registration for participation are to be sent to the responsible contact by email by specifying such questions simply in the “Questions on the registration for the participation” in accordance with the Formats etc.
b. Fill in “Questions on the registration for participation” as the subject of the email.
c. In case that rights of the person who poses the question, his/her competitive status, and any other legitimate interests of such person may be threatened when the questions are disclosed, specify such fact.

(3) Announcement of answers, etc.

a. Scheduled date for the announcement of answers
   Wednesday, October 16, 2019(tentative)

b. Apart from any contents that might place at risk the rights of the person who poses the question, his/her competitive status, and any other legitimate interests, questions and relevant answers that Pref./City accept and recognize as in need of being commonly disclosed to all entities that intend to register shall be announced on the website of Promotion Unit in the Nagasaki IR Promotion Bureau (http://www.pref.nagasaki.jp/section/IR-shitsu/).
c. Except for those questions and answers that Pref./City accept and recognize as in need of commonly disclosed to all entities that intend to register, Pref./City will answer individually to those who raised relevant questions by the scheduled date for the announcement of answers.
d. Names of those who questioned will not be disclosed.
e. Any irrelevant questions to the registration for the participation will not be answered.

3. Procedures for the registration for participation

(1) Period of application
From Wednesday, October 2, 2019 to not later than 17:00, Friday, November 22, 2019 (Postmark valid on Friday, November 22)

(2) Venue and method for the submission

a. Those who wish to register the participation are requested to prepare an "Application of the registration for participation" in accordance with the Formats etc., and to submit the application by bringing or sending it and, in advance, send it by email to and contact the responsible contact person by phone.
b. After the above procedures in (a), the original copy of the “Application of the registration for participation” and supplementary documents are requested to be submitted by bringing or mail in a way that secures delivery record such as a registered mail, to the responsible contact person with prior notice.
c. Acceptance hours in case of bringing 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 registration for participation, fulfillment of the participation qualification requirements of the applicant that are stipulated in “6. Participation qualification requirements of applicant” shall be confirmed. Only the confirmed company shall be registered as Applicant Group Members.

b. As for the results of the confirmation of the participation qualification of the applicant, a “Notification on the results of the registration for participation” shall be sent sequentially by email from the responsible contact by 17:00, Friday, November 29, 2019.

c. In case that the November 29, 2019 on of the participation qualification of the applicant, a “Notification on the results of by 17:00, Friday, November 29, 2019, please inquire with the responsible contact over the phone.

4. Procedure to change the Participation Registrants

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

(1) Period of application

From the date of the participation registration documents submission to the date of the RFC Proposal Documents submission.

(2) Venue and method for the submission

a. Those who wish to change the Participation Registrants are requested to prepare an “Application for the change in the registration for participation” in accordance with the Formats etc., and to submit the application by bringing or sending it and, in advance, send it by email to and contact the responsible contact person by phone.

b. After the above procedures in (a), the original copy of the “Application for the change in the registration for participation” and supplementary documents are requested to be submitted by bringing or mail in a way that secures delivery record such as a registered mail, to the responsible contact person with prior notice.

c. Acceptance hours in case of bringing 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 results

a. Based on the Application for the change in the registration for participation, fulfillment of the participation qualification requirements of the applicant that are stipulated in “6. Participation qualification requirements of applicant” shall be confirmed. Only the confirmed company shall be registered as additional Applicant Group Members.

b. With regard to the confirmation results of the participation qualification, a “Notification on the results of the change in the registration for participation” shall be sent by email from the responsible contact within around 10 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 the registration for participation” is not sent from the responsible contact within 10 days (excluding Saturday, Sunday, and holidays) from the day when the Application for the change in the registration for participation is accepted, please inquire with the responsible contact over the phone.

5. Lending of Confidential Documents

Pref./City shall lend confidential documents with the submission of the “Application for lending of Confidential Documents” and the “Pledge regarding confidentiality obligations” (hereinafter referred to as “Confidential Documents”), as updated information and other additional documents, to the Participation Registrants.

(1) Submission of the pledge, etc.

a. The Participation Registrants who wish to lend the Confidential Documents shall be confined to the Applicant Company or the Representative Company. For lending the Documents, they are requested to prepare an “Application for lending of Confidential Documents” and a “Pledge regarding confidentiality obligations”, in accordance with the Formats etc., and to submit these by email, and then with prior notice to the designated contact, bring or send these by mail in a way that secures delivery record such as a registered mail, to the designated contact. The data of these application forms shall be sent by email to the responsible contact person in advance. Please refer to the Formats etc. for data and documents that are required to be submitted.

b. The acceptance hours in case of bringing documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays.

(2) Period of application

From the date of the notification on the confirmation results for the qualification for participation that is stipulated in 3. (3) to 17:00, Monday, December 2, 2019

(3) Method for lending the documents

a. As for Confidential Documents, it is envisaged that these are lent mainly through CD-R.

b. Upon the acceptance of the “Application for lending of Confidential Documents” and the “Pledge regarding confidentiality obligations”, the responsible contact person shall send the CD-R by mail.

(4) Disclosure to a third party

a. When an Applicant Company or a Representative Company intends to disclose all or part of the information that was provided by Pref./City through the Confidential Documents that are Subject to Confidentiality Obligations or through dialogues (hereinafter referred as the “Confidential Information, etc.”), to any Applicant Group Members other than the Representative Company, Cooperating Company, or Application Advisors (hereinafter referred to as the “Secondary Disclosed Party”) , it is requested to fill in necessary matters in the “Submission of the Name of the Secondary Disclosed Party”, in accordance with the Formats etc., and to submit this by bringing or sending this by mail in a way that secures delivery record such as a registered mail, to the responsible contact person. The data in the Submission form shall be sent by email to the designated contact in advance. Please refer to the Formats etc. for the data.

b. In such case, the Applicant Company and the Representative Company are obligated to make
the Secondary Disclosed Party submit a written pledge that is similar to the Pledge regarding confidentiality obligations, before the disclosure of the Confidential Documents to the Secondary Disclosed Party. A copy of this written pledge must be submitted together with the “Submission of the name of the Secondary Disclosed Party” to the responsible contact.

(5) Destruction of lent documents

The Applicant Company and the Representative Company that are lent any Confidential Documents, and the Secondary Disclosed Party that receives the disclosure of all or part of the Confidential Information, etc., are requested to destroy the disclosed printed documents (including but not limited to the printed materials of all or a part of the Confidential Documents, copies, duplications and recordings in recording medias such as hard disks etc., and materials produced by processing the Confidential Information, etc.) of the Confidential Information, etc., at their responsibilities, before the date it becomes evident that they will not submit RFC Proposal Documents or the date that is specified as a deadline for the destruction, that is planned to be a day before the starting of the RFP, by Pref./City, whichever is earlier. They must submit a “Pledge regarding the compliance with the destruction obligation” by bringing or sending this by mail in a way that secures delivery record such as a registered mail, to the designated contact.

6. Implementation of dialogues with Participation Registrants

For the purpose of enhancing the quality of the contents of the RFC proposals, Pref./City shall conduct dialogues with the Participation Registrants (hereinafter referred to as “Dialogue prior to the RFC Proposal”) to confirm mutual understanding of the proposed contents in the Guidance and the Confidential Documents (hereinafter referred to as “Guidance on the RFC Proposal, etc.”).

(1) Subject applicants

- All those who wish to engage in a dialogue prior to the RFC Proposal among the Participation Registrants.

(2) Period and method for the dialogue

- The dialogue shall be coordinated between the period from Tuesday, November 5, 2019 to Wednesday, December 25, 2019.
- The dialogue will be held at the Nagasaki Prefectural office.

(3) Procedures for the Dialogue prior to the RFC proposal

a. Submission of the application for the Dialogue prior to the RFC Proposal and agenda

The Participation Registrants who wish to have a Dialogue prior to the RFC Proposal are requested to fill in the required information in the “Application for the Dialogue prior to the RFC Proposal” and “Agenda for the Dialogue prior to the RFC Proposal”, in accordance with the Formats etc., and submit these to the responsible contact person by email, during the period from the date when the results of the participation registration is notified that is stipulated in 3. (3) to 17:00, Wednesday, December 18, 2019.

b. Notification on the Dialogues prior to the RFC Proposal and additional agenda by Pref./City

The date of the dialogue and additional agenda, if necessary, shall be emailed to the applicants who wish to have a Dialogue prior to the RFC Proposal. As for the dialogue schedule, it is assumed that a specific dialogue period is set from the above schedule.

(4) Method of the Dialogue prior to the RFC Proposal
a. The Dialogue prior to the RFC Proposal will be planned once or twice per Participation Registrant.
b. The Dialogue prior to the RFC Proposal shall be conducted in Japanese. When an interpreter is needed, the Participation Registrants are requested to make the arrangement at their own expense. In case of using an interpreter, the Participation Registrants are required to arrange for simultaneous interpretation, as much as possible, including the preparation of relevant equipment.
c. In addition, as for the details of the method for proceeding with the Dialogue prior to the RFC Proposal, applicants for the Dialogue prior to the RFC Proposal shall be separately notified later.

(5) Handling of the results of the Dialogue prior to the RFC Proposal

a. As for questions and answers between the responsible departments and the Participation Registrants, that Pref./City acknowledge the necessity to answer in a written form, records of the details of the dialogue shall be sent individually to the Participation Registrants who participated in such dialogue by email.
b. In addition, as for relevant items and contents out of such written records of the details of the dialogue, that Pref./City acknowledge the necessity to share with all the Participation Registrants in light of fairness, excluding any contents that may risk the rights of the Participation Registrants, their competitive status, and any other legitimate interests, these shall be shared with all the Participation Registrants by email.

8. Application for RFC

1. Application for RFC

   Those who are able to apply for the RFC shall be the Participation Registrants.

2. Acceptance of and answers to questions on the RFC Application Guidance, etc.

   (1) Period of application
   
   From Tuesday, November 5, 2019 to 17:00, Friday, November 29, 2019

   (2) Submission method

   a. In case of any questions on the Guidance for Proposals, etc., the Participation Registrants shall send the responsible contact an email with the attachment of “Questions on the Guidance for Proposals, etc.” that are stipulated in the Formats etc.

   b. Please fill in “Questions on Guidance for Proposals, etc.” as the subject of the email.

   c. In case that rights of the person who poses the question, his/her competitive status, and any other legitimate interests of such person may be threatened when the questions are disclosed, specify such fact.

   (3) Announcement of answers, etc.

   a. Scheduled date for the announcement of answers
      
      Friday, December 6, 2019 (tentative)

   b. Available answers for received questions will be announced in a timely manner.

   c. In addition, as for relevant items and contents out of the written records of the dialogue, that Pref./City acknowledge the necessity to share with all the Participation Registrants in light of fairness, excluding any contents that may risk the rights of the Participation Registrants, their
competitive status, and any other legitimate interests, these shall be shared with all the Participation Registrants by email, before the scheduled date for the answers to be announced.

d. As for questions and answers other than those that Pref./City acknowledge the necessity to answer to all the Participation Registrants in common, these shall be answered to individual Participation Registrant that questioned before the given scheduled date for the announcement of answers.

e. Names of the Participation Registrants who questioned shall not be announced.

f. Any irrelevant questions to the Guidance for Proposals, etc. shall not be answered.

3. Procedures for the application

(1) Period of application, etc.

The submission deadline of the RFC Proposal Documents is scheduled for Friday, January 10, 2020, and submission period for the RFC Proposal Documents, required documents to be submitted, and proposal formats shall be separately noticed to the Participation Registrants.

(2) Venue and method for the submission

a. RFC Proposers are requested to prepare an “Application for RFC Proposals” and the RFC Proposal Documents in accordance with the Formats etc., and to submit these by bringing or sending these by mail in a way that secure delivery record such as a registered mail, after informing the responsible contact person of the submission in advance.

b. Acceptance hours in case of bringing the documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays, the period from Monday, December 30, 2019 to Friday, January 3, 2020.

4. Implementation of a dialogue with RFC Proposers

For the purpose of enhancing the quality of the entire Project, Pref./City shall confirm ideas and opinions of the RFC Proposers and any challenges with the Project, based on the RFC Proposal Documents. In addition, dialogues shall be arranged on project conditions, etc. between Pref./City and the RFC Proposers (hereinafter, referred to as “RFC Dialogue”).

(1) Subject applicants

• All RFC Proposers.

(2) Period and method of the dialogue

• Dialogues are scheduled during the period from Tuesday, January 14, 2020 to Friday, February 21, 2020; dates, time, and topics for the dialogues shall be coordinated with the RFC Proposers later.

As for the dialogue schedule, it is assumed that a specific dialogue period is set from the above schedule.

• The dialogue will be held at the Nagasaki Prefectural office.

(3) Method of the holding the RFC Dialogue

a. The RFC Dialogue is planned once or twice per Participation Registrant.

b. The RFC Dialogue shall be conducted in Japanese. When an interpreter is needed, the Participation Registrants are requested to make the arrangement at their own expense. In case of using an interpreter, the Participation Registrants are required to arrange for simultaneous interpretation, as much as possible, including the preparation of relevant equipment.
c. In addition, as for the details of the method for proceeding with the RFC Dialogue, the RFC Proposers shall be separately notified later.

(4) Handling of the results of the RFC Dialogue
a. As for questions and answers between the responsible departments and the RFC Proposers, that Pref./City acknowledge the necessity to answer in a written form, records of the details of the dialogue shall be sent individually by email to RFC Proposers who participated in such dialogue.
b. In addition, as for relevant items and contents out of such written records of the details of the dialogue, that Pref./City acknowledge the necessity to share with all the RFC Proposers in light of fairness, excluding any contents that may risk the rights of the RFC Proposers, their competitive status, and any other legitimate interests, these shall be shared with all the RFC Proposers by email.

9. Matters to be noted in applying for the RFC proposal
1. The positioning of the RFC with respect to the RFP
   (1) The participation in the RFC is not a requirement needed to participate in the RFP. In addition, the application record for the RFC shall not be taken into account in the appraisal process for the RFP.
   (2) Independence of the contents of the proposal
      a. Contents of the proposal for the RFC shall not be taken into account in the appraisal process for the RFP.
      b. Contents of the proposal for the RFP shall not be confined to the contents of the proposal to be submitted for the RFC.
      c. Contents of the proposal for the RFC are not legally binding.
   (3) Independence of the composition of the Applicant Group
      The composition of an Applicant Group for the RFC does not need to be identical with that of the Applicant Group for the RFP.

2. Cost allocation
   All expenses necessary for the procedures for the RFC shall be borne by the Applicants.

3. Intellectual property
   Copyright, portrait right, trademark right, and other intellectual property rights regarding the RFC Proposal Documents shall belong to the RFC Proposer or any other right holder who possesses such rights.

4. Disclosure, etc. of the contents of the RFC Proposal
   (1) Proposal summary and indication of rights and interests
      a. The RFC Proposer is requested to clarify, at the time of submitting their RFC Proposal Documents, any material which includes contents that may risk their rights, competitive status, and any other legitimate interests if their proposal is disclosed (such as special technology or know-how, etc.).
      b. The RFC Proposer is requested to prepare and submit a Proposal Summary for the contents that can be disclosed by Pref./City to the public. The format shall be announced to the Participation Registrants later. In the event that Pref./City consider the contents contained
in the Proposal Summary to be insufficient or inappropriate in light of the accountability that Pref./City have to their citizen, they are able to request the RFC Proposer to add or modify such contents.

(2) Disclosure, etc. of the contents of the RFC
Pref./City shall not announce, disclose, or provide (hereinafter referred to as “Provisions, etc.”) names of the RFC Proposers and contents of the RFC Proposal Documents to a third party other than Pref./City, except for any of the following events or the events stipulated in “5. Announcement of RFC Results”:

a. In the event that such contents have been already known to the public
b. Contents which either Pref./City already possessed or independently developed/obtained
c. In the event that the applicant agrees
d. In the event that the contents are required for Provisions, etc. pursuant to laws and regulations
e. In the event that the contents are required for Provisions, etc. to a related administrative organization of either Pref. or City, or Pref./City Advisors, to the extent necessary for the accomplishment of the purposes of the RFC

5. Announcement of RFC results

(1) Announcement prior to the decision of the Prospective IR Operator
Considering the securing of fairness and justice in the RFP that is planned for the future, together with the consideration for not harming the Applicant’s own rights, its competitive status, and any other legitimate interests that it may possess, Pref./City may announce the number of applicants and the summary of the RFC implementation results, when necessary, even before the decision of the Prospective IR Operator at the RFP is made.

If it is deemed necessary when the summary of the RFC implementation results is announced, the names of the Applicant Company and representative company may be announced with the consent of the applicant.

(2) Announcement after the decision of the Prospective IR Operator

a. Announcement of the Proposal Summary
Pref./City may announce the “Proposal Summary” referred to in 9. 4(1)b to a third party, without prior approvals of the Applicants, after the Prospective IR Operator is determined.

b. Provisions etc., of the RFC Proposal Documents
After the decision of the Prospective IR Operator for the RFP, when no issues are envisaged for the implementation of Pref./City’s business, and when the RFC Proposal Documents are disclosed, Pref./City may proceed with the Provisions, etc. of a part of the RFC Proposal Documents, if necessary, to a third party other than Pref./City. This shall exclude any contents that may risk the rights of the Applicant, competitive status, and any other legitimate interests, such as special technology or know-how, etc.

6. Language used
The languages used for written forms of proposal documents, questions and answers, dialogues, etc. shall only be Japanese.
Meanwhile, as for verbal correspondences such as dialogues, languages other than Japanese can be used on the condition to arrange interpreters to interpret into Japanese. In case of using an interpreter, it is desirable to arrange a simultaneous interpreter, as much as possible, including the preparation of relevant equipment.

7. Currency and units
Currency and units that are used in the proposal documents, questions and answers, dialogues, etc. shall be the Japanese Yen and units that are stipulated under the Measurement Law (Law No. 51 in 1992).

8. Submission of documents in case of withdrawing from participation
When the Participation Registrants wish to withdraw from participating in the RFC, it is requested to submit a “Notification on the withdrawing of participation”.
(1) A “Notification on the withdrawing of participation” should be prepared in accordance with the Formats etc., and submitted by bringing or sending this by mail in a way that secure delivery record such as a registered mail, to the responsible contact person. The data in the Notification shall be sent by email to the responsible contact in advance. Please refer to the Formats etc. for data that are required to be submitted.
(2) Acceptance hours in case of bringing the documents in person shall be from 9:30 to 17:00 every weekday, excluding Saturday, Sunday, and holidays.

9. Confidentiality
The Applicant for the RFC shall ensure confidentiality not only of the Confidential Documents, but also of relevant information provided by Pref./City. The Applicant is responsible for the management of such information, and must not use the Confidential Information, etc. for any purposes other than for the implementation of the RFC or the Project. In addition, the applicant must not disclose the Confidential Information, etc. to a third party without the prior approval by Pref./City, except as otherwise provided.

10. Other matters to be noted
In the event that an Applicant has doubts or questions on the RFC or the Project, it shall question or confirm through the procedures as provided in this Guidance for Proposals, etc. The Applicant must not make any individual inquiry to any related organizations or related departments other than the designated contact.
10. List of Exhibits
   • Exhibit 1 Definition of Terms in the Guidance for the RFC
   • Exhibit 2 Formats and Instructions on Documentation

11. Documents distributed to the Participation Registrants
   Documents shall be presented separately to the Participation Registrants.

12. Documents distributed to RFC Proposers
   Documents shall be presented separately to the RFC Proposers.