

February 25, 2020

## **Signing of Memorandum with Toyota City Related to Social Impact Bonds, a New Type of Public–Private Partnership for Solving Social Issues**

Dream Incubator Inc. (headquartered in Chiyoda-ku, Tokyo; Takayoshi Yamakawa, President and Representative Director; “DI”) hereby announces the signing of a memorandum with Toyota City, Aichi Prefecture (Mayor Toshihiko Ota) related to research and studies for the purpose of utilizing social impact bonds, which are a new type of public–private partnership aimed at solving social issues.



Social impact bonds (SIBs) have garnered attention as a new type of public–private partnership aimed at solving social issues in which governments conduct social projects using private funding on a pay-for-success basis. The government leverages funding and ingenuity from one or more private companies to operate a project and pays the private sector partner(s) based on the success of the project. The arrangement is an innovative way of addressing social issues.

Overseas, SIBs have been increasingly introduced to solve social issues, especially in the UK. Recently, SIBs have begun to be deployed in the field of healthcare in Japan as well. DI and Toyota City will move forward with research and studies with the aim of employing SIBs to address a host of social issues in Japan, including issues in healthcare, infrastructure maintenance and repair, disaster mitigation, recycling, children’s education, and urban planning and development.

DI has been promoting its “industry producing” activities, which organically combine strategies, technologies, and policies to solve social issues. The Company has a track record of collaborating with the relevant government agencies and municipalities, as well as with private companies, to conduct advanced projects such as a social verification system for Toyota City, revitalization and community planning support for Kamaishi (Iwate Prefecture), and urban planning focused on integrating energy access, mobility, and community activities.

Now DI and Toyota City will apply their expertise to design a plan to address social issues including working toward the sustainable development goals (SDGs) and leverage SIBs to work toward its realization.

This year DI commemorates twenty years since its establishment. The entire Company will work toward its mission with ever more dedication.

■ **About Dream Incubator Inc.** (<https://www.dreamincubator.co.jp/>)

DI works not only to develop services for client companies, but also to produce businesses that transform society and infuse energy into the Japanese economy. DI achieves this by combining strategic consulting skills—the most universal, valuable, and fundamental skills in the business sphere—with managerial abilities honed by a pragmatic and ownership-spirited mindset fostered through our incubation initiatives.

■ **About Toyota City** (<https://www.city.toyota.aichi.jp/index.html>)

Toyota City is located in the center of Aichi, and occupies 17.8% of the prefecture. It is known as a “car town,” boasting an impressive domestic shipping volume of manufactured goods. Although the city is widely recognized as a world leader in manufacturing, it is also endowed with abundant greenery: over 70% of the urban area is covered in verdant woods, the majestic Yahagi River runs through the city center, and fields bearing seasonal fruits and vegetables extend for miles. Toyota City aims to leverage these various local characteristics to achieve further growth as a city that accommodates a variety of lifestyles and provides a high degree of satisfaction to its residents.

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