

December 22, 2022

Dream Incubator Signs a Memorandum of Understanding Regarding SIB, a New Public-Private Partnership Scheme for Resolving Social Issues, with Fukuyama City:

Dream Incubator Signs an Agreement with Fukuyama City and YMFG ZONE Planning

Dream Incubator Inc. (headquartered in Chiyoda-ku, Tokyo; Representative Director & COO: Takayuki Miyake; hereinafter "DI") hereby announces that it has decided to sign a memorandum of understanding with Fukuyama City, Hiroshima Prefecture (Mayor: Naoki Edahiro) and YMFG ZONE Planning Co., Ltd. (headquartered in Shimonoseki City, Yamaguchi Prefecture; Representative Director: Yoshinobu Kurashige; "YM-ZOP") for joint investigation and research toward the utilization of social impact bonds, a new type of public-private collaboration scheme aimed at resolving social issues.



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Social impact bonds (SIBs) are a type of impact investment aimed at creating social or environmental impact while also generating financial returns. SIBs are performance-linked projects in which governments utilize private-sector funds to resolve various social issues, and are attracting attention as a new method of public-private collaboration.

Due to Japan's accelerating trend of a falling birthrate and aging population and various changes in the social environment, many social problems are becoming more complex and serious, leading to an increased burden on government finances. Amid these circumstances, outside Japan, primarily in the UK, SIBs are increasingly being used as a means for reducing government spending and resolving social issues. In Japan as well, progress has been made in adopting this new financing scheme in the medicine and healthcare fields.

DI has promoted industry production activities in which it strives to address social issues by organically combining the strengths of various strategies, technology, and government policies. By collaborating with related government agencies and municipalities as well as with multiple private companies, DI has carried out advanced projects. Recently, DI has been focused in particular on establishing a sustainable method of resolving social issues through the utilization of SIBs.

With the signing of the memorandum, DI, in collaboration with Fukuyama City and YM-ZOP, will conduct joint investigation and research toward the utilization of SIBs in various areas. By sharing and utilizing DI and YM-ZOP's expertise and networks, the three parties will work to resolve social issues facing Fukuyama City and aim to expand this joint endeavor into an initiative that can generate even greater social impact.

As Japan's leading* SIB administrator, DI will help expand SIB financing in Japan. At the same time, DI will continue seeking to address social issues by drawing on its track record of bringing together the power to generate ideas and the power to gain partners in the development of new business, thus fulfilling its mission of "creating businesses and changing societies."

* DI's SIB fund is the largest in Japan. The SIB project aimed at reducing the number of seniors requiring nursing care in Toyota City is also the largest in Japan in terms of scale, at around 500 million yen (as of December 21, 2022, based on the pay-for-success business case study report by Japan's Cabinet Office).

■ About Fukuyama City ([official homepage](#))

Located midway along the coast of the Seto Inland Sea in southeastern Hiroshima Prefecture, Fukuyama City is a core city with a population of about 460,000, with an excellent access to expressways and a train station where the Nozomi Shinkansen stops.

The city is blessed with the nature that puts on display the beauty of the four seasons, a mild climate, and treasures of the sea, mountains, and rivers. Also known as the City of Roses where one million roses bloom, it has many well-known historical and scenic sites: Tomonoura, a Japan Heritage site that was once a flourishing port town where seaman waited for favorable tides; Fukuyama Castle, which celebrated its 400th anniversary this year and can be seen from the Shinkansen platform at JR Fukuyama Station; and Myooin, a Buddhist temple housing two national treasures. The city has also developed as a manufacturing town and is home to an array of manufacturers, including steel and textile manufactures. Denim fabrics made in the city are highly regarded for their quality, and are used by high-end brands around the world.

[Press release inquiries]

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