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

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 Utsunomiya City, Tochigi Prefecture (Mayor: Eiichi Sato; hereinafter “Utsunomiya City”) 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.



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 Utsunomiya City, will conduct joint investigation and research toward the utilization of SIBs in various areas. By sharing and utilizing DI’s expertise and networks, the two parties will work to resolve social issues facing Utsunomiya 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 February 1, 2023, based on the pay-for-success business case study report by Japan’s Cabinet Office).

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

Utsunomiya City, known throughout Japan as the city of gyoza dumplings, is a city rich in diverse culture and ancient history. Long ago, it flourished as the temple town of Futaarayama Shrine and later as the castle town of Utsunomiya Castle. Its Oya Stone Culture has been recognized as a Japan Heritage site. The city has continued to develop as one of Japan's leading industrial cities, constituting a core hub of the northern Kanto region with a concentration of high-tech industries centering on the manufacturing industry. Its population of about 520,000 people enjoys excellent transportation access. The Tohoku Expressway runs north-south and the Kita-Kanto Expressway runs east-west through the city, and the Shinkansen conveys travelers to Tokyo in as little as 49 minutes.

Now, with the opening of the Light Rail Transit (LRT) system on the horizon—the nation's first all-new railway line—, Utsunomiya City is promoting development of future urban structure to transform into what it calls a “networked compact city.” Its initiatives working together with the surrounding communities have been selected by the Japanese government under its SDGs Future City and Decarbonization Leading Area designations. While receiving positive evaluations in surveys for its childrearing environment, livability, financial soundness and others, Utsunomiya City is promoting various initiatives to ensure that the citizens of today and the children of the next generation can live with affluence, convenience, and peace of mind.

[Press release inquiries]

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