

**Dream Incubator Signs a Memorandum of Understanding Regarding SIB,
a New Public-Private Partnership Scheme for Resolving Social Issues, with Matsue City:
Dream Incubator Signs an Agreement with Matsue City,
San-in Godo Bank, and Development Bank of Japan**

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 Matsue City, Shimane Prefecture (Mayor: Akihito Uesada), The San-in Godo Bank, Ltd. (President & Representative Director: Toru Yamasaki; hereinafter “San-in Godo Bank”), and Development Bank of Japan Inc. (President & CEO: Seiji Jige; hereinafter “DBJ”) 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 outcome-based financing schemes in which a government utilizes private-sector funds. They have drawn attention in recent years as a new impact finance scheme for addressing social issues.

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 conclusion of the memorandum of understanding, DI, together with Matsue City, San-in Godo Bank, and DBJ, will conduct joint investigation and research with an eye toward utilizing SIBs in the areas of long-term care and preventative medicine, public facilities, infrastructure, and disaster prevention. In doing so, by sharing and drawing on the expertise and networks of DI, San-in Godo Bank, and DBJ, the parties involved will work to tackle various social issues facing Matsue City and aim to expand the joint initiative into one that creates an 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 July 20, 2022, based on the pay-for-success business case study report by Japan’s Cabinet Office).

■ About Matsue City (<https://www.city.matsue.shimane.jp/index.html>)

Located roughly in the center of the San-in region (primarily comprising Shimane and Tottori Prefectures), Matsue City has been thriving since ancient times as the center of the Izumo region. During the Nara Period, administrative and government offices as well as provincial temples were built in the city. In 1951, Matsue was designated as a City of Culture and International Tourism with the enactment of the law to build Matsue into such a city, and in 1995, the city was named the center of Izumo Plain, Lake Shinji, and Lake Nakaumi. Through these developments, Matsue has grown into the core city of the San-in region. Currently, Matsue is undertaking various initiatives to realize its vision of becoming “a city where dreams are realized, a city one can take pride in.”

[Press release inquiries]

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