



PRESS RELEASE

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Kikai Town
Chiyoda Corporation
Sumitomo Mitsui Banking Corporation
Sumitomo Mitsui Finance and Leasing Company, Limited

Collaboration Agreement Promoting Regional Decarbonization in Kikai Town ~Towards the realization of a 'Zero Carbon Island'~

Kikai Town, Chiyoda Corporation, Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Finance and Leasing Company Limited signed a 'Comprehensive Collaboration Agreement', effective July 17, 2024, promoting the revitalization and regional decarbonization vision of Kikai Town. By utilizing local resources, and preserving and inheriting the island's culture, nature and landscape under the agreement, Kikai Town will aim to realize a 'Zero Carbon Island' by 2050.

1. Background

Formed over a period of 100,000 years through the spread of coral reefs and repeated crustal uplift (one of the fastest in the world, averaging about 2mm per year), Kikai Island, where the town of Kikai Town is situated, is located within the Amami Islands, stretching between Kagoshima and Okinawa Main Island. The island's environmental characteristics are extremely rare, making its preservation and development environmentally significant from both research and tourism perspectives.

Kikai Island is culturally unique and natural features, such as rare agricultural underground dams, intersect with historical sites and remnants of war. As a producer of black sugar shochu and as the top producer of sesame in Japan, the island also showcases the distinctive vegetation of the Amami Islands, represented by the majestic banyan trees (Gajumaru).

Impacts of climate change, such as the increasing frequency and intensity of typhoons and the rise of heavy rainfall events, have also affected Kikai Island, which is not connected to the electrical grid of mainland Kyushu or Amami Oshima and relies on external sources for energy and daily necessities. There is therefore a concern that Kikai Town may experience more pronounced negative effects from climate change compared to other regions.

Kikai Town's population has been declining since 1985, resulting in economic stagnation and inadequate public infrastructure, endangering its prosperity for future generations.

By uniting their unique strengths, combining their extensive domestic and international networks and through regional cooperation, the signatories to the 'Comprehensive Collaboration Agreement' aim to resolve Kikai Island's complex and interconnected challenges in energy, transportation, the economy and the natural environment. Their shared experience in meeting the challenges of the island will be key to conquering similar difficulties shared by other inhabited Japanese islands.

2. Collaboration and Cooperation Items

The ‘Comprehensive Collaboration Agreement’ will proceed as follows:

- (1) Initiatives to improve energy efficiency through the introduction and dissemination of renewable energy, aiming to enhance regional revitalization and improve the convenience of residents.
- (2) Business utilizing local characteristics.
- (3) Promotion of projects aimed at decarbonization and enhancing disaster resilience within the region.
- (4) Matters related to public transportation and other means of transportation in the daily lives of residents, which also contribute to decarbonization.
- (5) Matters related to the implementation of public-private partnership projects conducted by Kikai Town.

The signatories will cooperate with local power companies, financial institutions, infrastructure companies, transportation/travel companies and key facilities within the island and neighboring municipalities to execute these specific initiatives.



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