

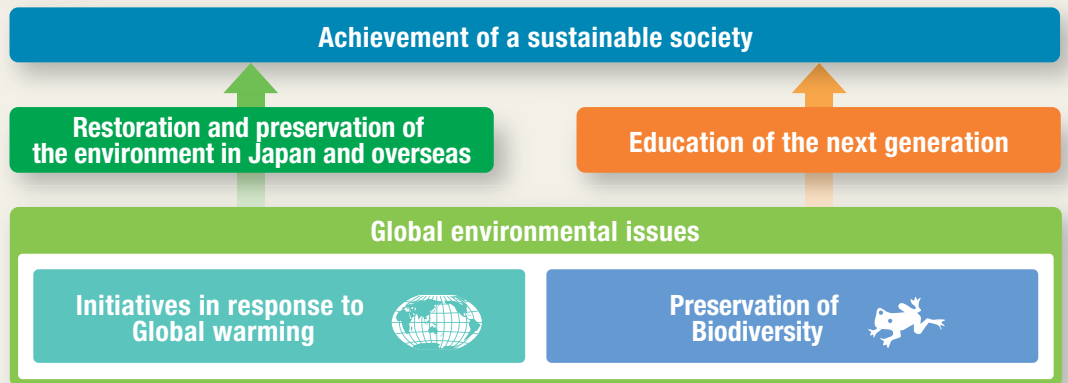
Living With Our Planet Projects

The Cosmo Oil Eco Card Fund endeavors to realize a sustainable society by conducting activities around two themes: "restoration and preservation of the environment in Japan and overseas" and "education of the next generation."

Given that poverty, food shortages, education and other social issues are closely related to environmental problems, our Living With Our Planet Projects take measures in line with its two main focuses: "initiatives in response to global warming" and "preservation of biodiversity," in the belief that they will lead to substantive solutions.

In fiscal 2011, the Fund decided to support four new projects selected through public solicitation and screening, as well as another project designed to contribute to local recovery in Tohoku following the Great East Japan Earthquake.

New Projects added through public solicitation and screening



FY 2011 Projects

| | | |
|--|---|--|
| ① Tropical Rainforest Conservation Project (Papua New Guinea / Solomon Islands) | ⑥ Community Forest Map Development in the Northern Mountainous Region of Thailand (Thailand) | New ⑪ Acorn Forests - Satoyama Regeneration (Nagano Prefecture, Japan) |
| ② Silk Road Afforestation Project (China) | ⑦ Satoyama Preservation School (Nagano Prefecture, Japan) | New ⑫ Biotope Floating Islands - Waterfront Ecosystem Restoration (Saitama Prefecture, Japan) |
| ③ South Pacific Countries Support Project (Kiribati / Tuvalu) | ⑧ Noguchi Ken Environmental School (Japan) | New ⑬ Study on Endangered Species in South Pacific Countries (Japan and other South Pacific Countries) |
| ④ Qin Ling Mountains Forest and Ecosystem Recovery Project (China) | ⑨ Environmental Education Support Project at Schools (Japan) | New ⑭ Living with Flying Squirrels - Satoyama Regeneration (Yamanashi Prefecture, Japan) |
| ⑤ Inner Mongolia Afforestation Project (China) | ⑩ Seed Planting School (Hokkaido Prefecture, Japan) | ⑮ Great East Japan Earthquake Recovery Support The sea is longing from the forest, the forest is longing from the sea (Miyagi Prefecture, Japan) |

Four new projects were added in line with the theme "preservation of biodiversity." These are introduced in more detail on page 6

Living with Flying Squirrels - Satoyama Regeneration

(Yamanashi Prefecture)

There is an abundance of satoyama (managed woodlands or grasslands near human settlements) in the vicinity of Tsuru City, Yamanashi Prefecture that has become neglected due to residential development and unbalanced post-war forest planning, and the ecosystem is out of balance.

Flying squirrels, which inhabit such satoyama, live in areas wooded with trees with cavities large enough to become nests, leaves and fruit they can eat, and in appropriate density to accommodate their gliding around. At present, the number of flying squirrels in Tsuru is falling, but by regenerating forests where many flying squirrels can live, this project aims to regenerate satoyama with rich biodiversity in which many species of other animals can also live.



A flying squirrel peering out of its nestbox

Biotope Floating Islands - Waterfront Ecosystem Restoration

(Saitama Prefecture, etc.)

While development of urban and residential areas offer increasingly convenient and affluent lifestyles, water quality is declining as the banks of rivers and ponds which sewage flows into are being covered in concrete for protection and losing their natural purification functions. This project aims to promote ecosystem recovery by establishing floating islands made of materials such as forest thinnings so that the reeds that grow on such islands and living organisms that gather in its vicinity can foster and enhance water purification. Also, by involving citizens, children, corporations and local government in the building of these islands, we strive to promote understanding of this issue.



Birds and fish gather around a floating island set up a few years earlier

Acorn Forests - Satoyama Regeneration

(Nagano Prefecture)

This project solicited local residents and children as well as volunteers from urban areas' help in planting trees on four hectares of land where satoyama preservation had been making progress until it was destroyed by wildfire. It endeavors to promote satoyama regeneration through interaction and environmental education. The name "Acorn Forest" was chosen in the hope the project could restore a forest of broad leaf trees where acorns could once again be collected through an "acorn return" plan that involved local children nurturing seedlings from acorns and returning them to a wooded area destroyed by wildfire.



Nurturing seedlings from acorns for return to the forest

Study on Endangered Species in South Pacific Countries

(Japan and other South Pacific Countries)

South Pacific island countries such as Papua New Guinea, Fiji, Vanuatu and New Caledonia are home to the world's most outstanding virgin tropical forests and are blessed with rich biodiversity. On the other hand, however, they are also home to paradise birds, tree kangaroos, rare orchids and other flora and fauna that need urgent protection. Although these countries recognize overdevelopment of resources and destruction of natural environments, which pose a threat to biodiversity, as an issue, they have yet to come up with an effective solution. This project strives for sustainable protection of tropical ecosystems by analyzing issues from various angles such as environmental and economic systems, habits, culture, education and legal systems, and developing and sharing know-how that could offer an appropriate prescription.



Surveying a jungle without roads

Highlights of fiscal 2011

The Eco Card Fund's 10th Anniversary

Report on the Seed Planting School and Adoption Project

Nurturing both life and spirit

(Continued from page 1) This project attracted applications from 1,352 cardholders. The cultivation kits used soil and seeds taken from the mountains in Furano, and out of consideration for both ease of germination and our ultimate afforestation objective, we selected two species: Japanese elm (*Ulmus davidiana* var. *japonica*) and North Japan hill cherry (*Prunus sargentii*). Approximately two months later 737 "foster parents" returned their cultivation kits to the Seed Planting School. At that point, only about 30% had germinated, and almost all of those that had were Japanese elm. Although many of the seeds nurtured by "foster parents"

passed the winter without germinating, some of them sprouted during the spring, and by the time we visited in mid-May, many of the Japanese elm had germinated. According to the Seed Planting School, many of the North Japan hill cherry will germinate during the summer months. Around the end of summer, starting with the biggest, we will start replanting these seedlings into the ground where they will spend next winter. They will then spend the next 3-5 years growing into saplings for afforestation. We will continue to keep you updated on their growth.



The small seedlings on the right germinated this spring (~5cm). The larger ones on the left germinated last autumn (20-30cm)



A seedling nursery awaiting transplantation. Those in the middle are 3-year-old Japanese elms, and those on the right are 5-year-old North Japan hill cherries



North Japan hill cherry (*Prunus sargentii*) flower



Multitudes of local children participating in the tree planting festival

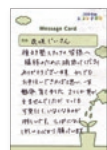


Tree climbing triggered smiling faces

Planting trees in satoyama to protect the bountiful sea off Sanriku

With the aim of supporting recovery from an environmental perspective, the Eco Card Fund provided support to Mori wa Umi no Koibito (The sea is longing from the forest, the forest is longing from the sea), an NPO that engages in afforestation activities in satoyama in Kesennuma City, Miyagi Prefecture which suffered massive damage from the earthquake and tsunami of March 11. Nurturing satoyama by planting trees will enable rivers running down to the sea to enrich coastal waters off Sanriku with nutrients. Elsewhere, the 23rd tree planting festival held in Ichinoseki City, Iwate Prefecture on June 5, 2011 attracted the participation of some 1,200 people who planted about 1,000 saplings in the hope of recovering from the disaster. In August, the Fund also conducted a 4-day residential summer school to provide environmental education to children who will bear future responsibility for the natural environment. The children had a wonderful time playing in the river, observing nature and climbing trees. The Fund later received words of gratitude from their parents saying, "the summer school restored my child's smile."

We received lots of messages from the lucky people whose seeds germinated as well as those whose didn't.



Hanasaka-jisan

To the staff of the Seed Planting School Thank you for working so hard for afforestation. I did my best to nurture my seeds in the hope of helping. Only two seeds germinated, but they were very cute and I am sad to see them go. It is my heartfelt wish that they grow into magnificent trees.



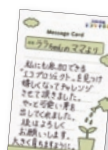
HAPPY

My seeds germinated so now I want them to grow bigger and bigger. I would like to see them when they've matured.



Onigiri

Unfortunately my seeds didn't germinate. It is my hope that they will become part of the soil in Hokkaido and nurture other trees.



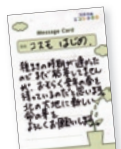
Lala-chan's Mom

I was delighted to find an environmental project I could participate in and gave it a go. Eventually the seeds germinated into cute little seedlings. Now I hope you will nurture them into big trees.



Yu-chin

To the staff of the Seed Planting School I am determined to make it to Furano one day. I want to treasure the world's trees wherever I go.



Hajime Cosmo

I planted the seeds late so they haven't germinated yet, but they are probably waiting for next spring. Now I'm entrusting you to return these new seeds of life to the northern soils.



NOZOMI

I was delighted that two seeds germinated. I felt sad to send them back, but I hope they grow sturdily into big trees so our world can become a more beautiful place in the future. Wishing you all the best.



Hanpen

My children and I waited in anticipation for the seeds to germinate. Then, when the time came to return them, we really wanted to continue nurturing them. I hope they grow to be big and strong.

Eco Tours of new projects

The Fund organized Eco Tours to enable Eco Card Fund cardholders to learn about the activities of new projects adopted in fiscal 2011.

Biotope Floating Islands - Waterfront Ecosystem Restoration

A floating island was made as one of the programs at the Lake Miyuki Uki Festa held on September 18, 2011 at Gongendo reservoir in Kuki City, Saitama Prefecture. Fifteen Eco Card holders, together with their families and friends, cooperated with Festa participants in this endeavor under baking sunshine.



Created by strapping coconut bags stuffed with charcoal from tree thinnings to a raft made from logs and bamboo more than 3 meters in length, floating islands weigh some 600kg when complete. Nine such islands were completed at the Festa. At the front of the photo is a newly built island, and much like the one in the back that was built several years ago, it will eventually harbor an abundance of vegetation where living creatures are certain to gather.



Living with Flying Squirrels - Satoyama Regeneration

Forty-five participants comprising 19 Eco Card holders and their families and friends gathered in the warm sunshine of autumn for this residential tour held in Tsuru City, Yamanashi Prefecture over the weekend of October 9-10, 2011. After hearing about the roles forest ecosystems play and how forests in which flying squirrels can live are created, the participants took up their saws and tried their hand at tree thinning and improvement cutting.



At a shrine near the forest where participants tried tree thinning, there is a huge tree where flying squirrels nest. Here, participants kept watch from sunset when the nocturnal creatures leave their nests in tree cavities to search for food and sunrise when they return from the forest. Fortunately, their quiet vigilance paid off and everyone was rewarded with flying squirrel sightings.