

## Cosmo Oil Eco Card Fund

Activity Report  
2013

11th Year : April 1, 2012 - March 31, 2013

**COSMO oil**  
**Eco Card Fund**  
“Living With Our Planet”

**P1** ●Initiatives Being Taken to Facilitate Living With Our Planet  
●Living With Our Planet Projects FY2012 Projects

**P2-3** ●FY2012 Project Updates

**P4** ●Message  
●The Eco Card Fund's 10th Anniversary The Seed Planting School and Adoption Project Progress Update  
●Eco Tours held in various areas  
●Income and Expenditure Report

# Initiatives Being Taken to Facilitate Living With Our Planet

Your donations supported 14 projects in 16 locations in fiscal 2012.

Let us fill you in on what we have been doing with our project partners in Japan and around the world.  
Your 500 yen donations are helping preserve our global environment.

## Map of our Project Locations



**COSMO oil**  
**Eco Card Fund**

“Living With Our Planet Projects”

For details of projects appearing on this map, please look at the inside pages of this activity report. ➔

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.

Eco Card holders’ annual donations and contributions from the Cosmo Oil Group are used to provide each project with a subsidy determined by their planned activities. In fiscal 2012 we extended support to 14 projects.

Note: Please refer to our Income and Expenditure Report on the back page.

## Achievement of a sustainable society

### Restoration and preservation of the environment in Japan and overseas

### Education of the next generation

### Global environmental issues

#### Initiatives in response to Global warming

#### Preservation of Biodiversity

#### FY2012 Projects

① Tropical Rainforest Conservation Project (Papua New Guinea / Solomon Islands)

⑥ Community Forest Map Development in the Northern Mountainous Region of Thailand (Thailand)

⑪ Biotope Floating Islands - Waterfront Ecosystem Restoration (Saitama Prefecture, Japan)

② Silk Road Afforestation Project (China)

⑦ Satoyama\* Preservation School (Nagano Prefecture, Japan)

⑫ Study on Endangered Species in South Pacific Countries (Japan and other South Pacific Countries)

③ South Pacific Countries Support Project (Kiribati / Tuvalu)

⑧ Noguchi Ken Environmental School (Japan)

⑬ Living with Flying Squirrels - Satoyama Regeneration (Yamanashi Prefecture, Japan)

④ Qin Ling Mountains Forest and Ecosystem Recovery Project (China)

⑨ Seed Planting School (Hokkaido Prefecture, Japan)

⑭ Great East Japan Earthquake Recovery Support The sea is longing from the forest, the forest is longing from the sea (Miyagi Prefecture, Japan)

⑤ Inner Mongolia Afforestation Project (China)

⑩ Acorn Forests - Satoyama\* Regeneration (Nagano Prefecture, Japan)

\* Domestic woodlands

## Project Activities in FY2012

More detailed information can be found on the Cosmo Oil Eco Card Fund website.

<http://www.cosmo-oil.co.jp/kankyo/>

1 -1

**Papua New Guinea:**  
Tropical Rainforest Conservation Project

**The support of 2 Eco Card holders (¥500/person) enables 1 village woman to participate in health and hygiene training.**

In Papua New Guinea, we have been providing guidance on farming technology and animal husbandry to enable local residents to earn a stable cash income and maintain food self-sufficiency. In fiscal 2012, we provided guidance to 14 people. Local citizens are raising approximately 150 chicks at a poultry farm they built after receiving guidance. They are also raising other animals such as pigs and fish. Moreover, they have begun to cultivate orchids with a view to making effective use of tropical rain forest resources to earn an income. In fiscal 2012, achievements such as registration of the village's land and the establishment of an account into which individual citizens and the village began contributing a part of their income to finance citizens' education raised villagers' consciousness of self-reliance.

1 -2

**Solomon Islands:**  
Tropical Rainforest Conservation Project

**The support of 1,164 Eco Card holders (¥500/person) enables 1 person to undergo agricultural training in Japan.**

In Solomon Islands, we have been providing technical guidance and promoting the widespread practice of sedentary organic farming as a means of enabling local residents to become self-sufficient in feeding themselves and earn cash incomes. In fiscal 2012, regular agricultural guidance was augmented with specialist guidance on pig grazing and composting. We also opened a small shop to process and sell products; produced jam on a trial basis; and engaged in various other initiatives that could result in a cash income. Two local staff also participated in agricultural training in Japan.

2

**China:**  
Silk Road Afforestation Project

**The support of 1 Eco Card holder (¥500/person) enables us to plant 24 sea buckthorn seedlings.**

Desertification is spreading rapidly along the Silk Road as well as on the Loess Plateau. We have established a seedling nursery for sea buckthorn, an economically valuable crop well suited to the local climate, and have been providing local farmers with seedlings. In fiscal 2012, we initiated activities in Lanzhou city, Gansu province and planted 160,000 sea buckthorn seedlings over an area of 67 hectares. We also planted 45,000 seedlings over an area of 15 hectares in Yulin city, Shaanxi province. These enjoyed a high survival rate of 80% and have been thriving since afforestation.

3 -1

**Kiribati:**  
South Pacific Countries Support Project

**The support of 1 Eco Card holder (¥500/person) enables us to plant 2 mangrove trees.**

The low-lying South Pacific island of Kiribati already suffers from rising sea levels, and ocean swells inundate coastal areas. To prevent coastal erosion, we have been planting mangrove trees in partnership with local young people and children. Ten years have passed since we initiated this project and young people have assumed a central role in local efforts to broaden the scale of these activities. In fiscal 2012, we greatly exceeded our target by planting 8,322 mangrove seeds, and these efforts have been lauded by H.E. Mr. Anote Tong, President of the Republic of Kiribati.

3 -2

**Tuvalu:**  
South Pacific Countries Support Project

**The support of 100 Eco Card holders (¥500/person) enabled us to engage in waste management awareness raising activities on 3 islands.**

In the South Pacific island of Tuvalu, we have been planting mangrove trees to alleviate coastal erosion, and raising awareness about waste management. In fiscal 2012, we planted 5,300 trees on the Funafuti atoll, the capital, and the Nukufetau atoll. Requests for assistance with planting trees from local youth groups suggest this activity is spreading independently. Moreover, having distributed English versions of the board game we created to educate children about waste disposal to elementary schools for use with older students, we have now created and distributed a native language version for use with younger children.

4

**China:**  
Qin Ling Mountains Forest and Ecosystem Recovery Project

**The support of 1 Eco Card holder (¥500/person) enables us to plant 6.7 saplings.**

The Qin Ling Mountains are a veritable treasure trove of rare wildlife where critically endangered species such as the golden snub-nosed monkey and the giant panda can be found. We are restoring biodiversity to its forests through the afforestation of disused forest roads that impede the movement of animals. In fiscal 2012, we planted 12,500 trees over 16km of road. A survival rate of approximately 81% has enabled afforestation to proceed smoothly. We have also continued providing support for environmental lectures at universities and research into the ecology of golden snub-nosed monkeys. These activities have been attracting attention and have been featured on local media twice.

5

**China:**  
Inner Mongolia Afforestation Project

**The support of 10 Eco Card holders (¥500/person) enables 1 elementary school student to receive environmental education.**

In the autonomous region of Inner Mongolia where desertification is spreading, we are devoting our efforts to both the planting of sea buckthorn, an economically valuable crop, and environmental education for local elementary and junior high school students. In fiscal 2012, the effects of sand and dust storms forced us to relocate our seedling nursery, but with the help of local citizens and tour participants we managed to nurture 250,000 sea buckthorn cuttings in our new nursery. To improve their survival rate, we also reviewed our approach to planting and growing. Our environmental education program for elementary and junior high school students is also progressing smoothly thanks to our flourishing relationship of trust with the schools involved.

6

**Thailand:**  
Community Forest Map Development in the Northern Mountainous Region of Thailand

**The support of 1,240 Eco Card holders (¥500/person) facilitates creation of a map of 1 village.**

This program aims to enable local residents to lead sustainable lives with the use of the forest by creating the maps required for applications to have government-owned forests restored to "community forests" and "village encyclopedias." In fiscal 2012, maps were drawn up in five villages. Content of both the maps and the encyclopedias has been improved by paying more attention to administrative districts in its entirety and investigating circumstances surrounding of local nature with reference to birds and fish. Given that our partner on this project, the NPO "Link - an organization linking together people, water & forests - ." has become a foundation in Thailand, it has become easier to coordinate and collaborate with local government entities and we anticipate further development of these activities.

Children help grow broccoli



Our seedling nursery in Lanzhou, Gansu province



Aratokotoko Primary School students engaged in tree planting



Gathered around "Go-Mee," a board game designed to teach children about waste disposal



The richly expressive golden snub-nosed monkey



A new seedling nursery equipped with sprinklers



Completion ceremony for the Nong Pa Kha Village encyclopedia



Workshop on Solomon Islands culture and environmental issues



Talking with fishermen engaged in culturing oysters



Collecting forest seedlings with volunteers



Walking through forested land collecting insects and studying the ecology



Floating islands and egrets in Lake Miyuki



Surveying a jungle in Papua New Guinea



Wildlife observation hut camouflaged in branches



Rowing across to Kukurakihama beach which has been cleared of debris from the earthquake

7

**Japan:**  
Satoyama Preservation School

**The support of 46 Eco Card holders (¥500/person) enables 1 elementary school student to receive environmental education.**

The Satoyama Preservation School is devoted to preserving and regenerating satoyama through the cultivation of millet and other crops on abandoned agricultural land in Iizuna, Nagano prefecture, and the training of young people who will become the custodians of the next generation by providing environmental programs for students at urban elementary schools. In fiscal 2012, environmental programs included lessons provided in collaboration with local farmers, lessons focused on learning about agricultural issues in Japan and environmental issues worldwide, and lessons addressing environmental issues in the Solomon Islands and its culture. In addition to selling harvested crops at events in urban areas, the School continues to organize agricultural experience tours to deepen exchange among people living in rural and urban areas.

8

**Japan:**  
Noguchi Ken Environmental School

**The support of 203 Eco Card holders (¥500/person) results in the creation of 1 "environmental messenger."**

To foster the development of "environmental messengers" capable of taking environmental action and communicating their message to the rest of the world, we launched the Environmental School with alpinist Noguchi Ken as its headmaster. In fiscal 2012, 18 children participated in a program held in Ishinomaki, Miyagi prefecture, which suffered heavily from the Great East Japan Earthquake. Participants toured Ishinomaki which remains littered with debris from the earthquake and gained some first hand experience of the fishing industry. A symposium was also held on March 20, 2013 to commemorate the Schools 10th anniversary. Environmental messengers who had participated in previous programs organized by the School gathered to present and share ideas on their respective activities.

9

**Japan:**  
Seed Planting School

**The support of 1 Eco Card holder (¥500/person) enables us to provide 2 saplings.**

The Seed Planting School gathers tree seeds and seedlings (juvenile trees that have germinated from seeds), nurtures their growth and provides the resulting larger seedlings to organizations that engage in tree planting in Hokkaido, where they base their activities. Believing that planting tree species native to the locality leads to natural revegetation, we have been nurturing varieties of pines (Picea glehnii) and oaks (Quercus crispula Blume). In fiscal 2012, we provided 8,030 saplings, and a total of 570 individuals participated in planting seeds and seedlings. Given that we plant seeds in fields and the seeds of eco-consciousness in participants' minds, the School operates under the slogan "Sowing seeds in minds and the earth."

10

**Japan:**  
Acorn Forests - Satoyama Regeneration

**The support of 5 Eco Card holders (¥500/person) enables us to plant 2 saplings.**

This project aims to restore satoyama ravaged by wildfire. In June, building on our efforts from 2011, we planted 3,560 trees, including 3,100 Japanese oak (Quercus serrata) and 100 mountain maples (Acer palmatum var. matsumurae) over an area of 1 hectare. We also cut back the overgrowth under the scorching heat of August and conducted wildlife diversity surveys throughout the year. In the summer, with the assistance of Shinshu University, we took local children insect collecting during the day and observed insects attracted to night lights in the night. Together, we were able to find dragonflies, butterflies and numerous other insects.

11

**Japan:**  
Biotope Floating Islands - Waterfront Ecosystem Restoration

**The support of 18 Eco Card holders (¥500/person) enables 1 person to experience making a biotope island.**

Plants growing on biotopes made of forest thinnings, bamboo and charcoal attract living organisms. The charcoal (and the activities of microorganisms inhabiting it) purifies the water enabling aquatic organisms to thrive, which is expected to enrich its biodiversity. In fiscal 2012, four events were held in three locations: one at the waterfowl reservoir (Pond Mizudori) in Sanuki Manno National Park in Kagawa prefecture, two at Shinobazu Pond in Ueno Onshi Park in Tokyo, and one at Gongendo reservoir (Lake Miyuki) in Kuki city, Saitama prefecture. Of these, two were ecotours for Eco Card holders. Between 50 and 250 people, including both children and students, participated in these events and built floating islands.

12

**Japan and other South Pacific Countries:**  
Study on Endangered Species in South Pacific Countries

**The support of 147 Eco Card holders (¥500/person) enables 1 person to participate in a study meeting.**

In fiscal 2012, to further invigorate our activities, we augmented our general meeting with study meetings held seven times in both Tokyo and Kansai, and engaged in research at a residential camp. On-site surveys were conducted in the Solomon Islands and Papua New Guinea in November 2012 and in Fiji and Papua New Guinea in February 2013. These involved visiting various locations and facilities in each country and facilitated interviews with numerous specialists. Resulting output was compiled at a residential research camp held in Kochi prefecture in March.

13

**Japan:**  
Living with Flying Squirrels - Satoyama Regeneration

**The support of 76 Eco Card holders (¥500/person) enables us to enter the forest on 1 occasion to survey flying squirrels.**

This project aims to nurture a forested area northeast of Mt. Fuji in which flying squirrels can coexist with mankind. In fiscal 2012, we conducted 132 wildlife surveys in the area to be forested and improved, and identified numerous animals and the activity routes of flying squirrels. To promote forest development, we also planted 0.2 hectare of forest and engaged in thinning. During the two ecotours held in autumn, we also planted 5m tall Japanese beech (Fagus crenata) and Japanese walnut (Juglans ailantifolia) trees. We will continue to create an environment accommodating of flying squirrels, and plant broad-leaved and evergreen trees that will provide food for forest animals in the future.

14

**Japan:**  
Great East Japan Earthquake Recovery Support  
The sea is longing from the forest, the forest is longing from the sea

**The support of 79 Eco Card holders (¥500/person) enables 1 person to participate in a summer school.**

The number of suitable play areas for children declined after the Great East Japan Earthquake and children have become increasingly cut off from nature. The liberating feeling people derive by experiencing bonds between people and between people and nature is thought to foster the joy of living. Approximately 40 children attended the 3-day residential summer camps we held three times during July and August. For the coastal experience section, children enjoyed swimming and fishing at a beach cleared of debris and observed oyster culturing. The satoyama experience got them playing in rivers and climbing trees, and they learned about the ayu sweetfish caught in rivers.

## Message



### Doing what we can for the global environment in partnership with our cardholders

Chairperson  
Cosmo Oil Eco Card Fund  
**Hiroshi Kiriya**

Let me start by saying how delighted I am to have been appointed Chairperson of the Cosmo Oil Eco Card Fund. I look forward to your ongoing support.

The Cosmo Oil Eco Card Fund strives to realize a sustainable society through activities conducted around two themes: "restoration and preservation of the environment in Japan and overseas" and "education of the next generation." In fiscal 2012, we supported 14 projects in collaboration with local and overseas NPOs and other partners. Thanks to our concerted efforts, these projects are producing steady results and two such projects, namely the Inner Mongolia Afforestation Project and the Community Forest Map Development in the Northern Mountainous Region of Thailand Project, have achieved their respective goals. Given that they can be expected to develop independently in the future, the Fund ended its support at the end of fiscal 2012.

Seedlings nurtured by cardholders last year as part of the "Seed Planting School and Adoption Project nurturing both lives and spirits," a project we organized to commemorate the Fund's 10th anniversary, have been thriving in Hokkaido. We shall continue to provide you with regular updates through our activity reports and seasonal newsletters.

The Eco Card Fund will continue to fulfill its role linking cardholders who share and support our philosophy with relevant projects. To this end, we will endeavor to provide cardholders with straightforward reader-friendly reports and to organize Eco Tours that foster their familiarity with our projects.

I look forward to your continued support and cooperation.

## The Eco Card Fund's 10th Anniversary

### The Seed Planting School and Adoption Project nurtures both life and spirit Progress Update

In 2011, 1,352 Eco Card holders planted and nurtured seeds in pots before returning the resulting seedlings to us as part of our Seed Planting School and Adoption project. This spring marked 18 months since the launch of this project and both the Japanese elm and Sargent's cherry seedlings are thriving. Approximately 1,000 seedlings sprouted in 70-80% of the 732 seedling pots returned to us, and we may well be able to plant them next fiscal year.



Some Japanese elm (*Ulmus davidiana* var. *japonica*) seedlings are as large as about 35cm.



Some Sargent's Cherry (*Prunus sargentii*) seedlings are about 40cm tall.



### Eco Tours in various locations

Launched in fiscal 2011, this project primarily aims to encourage Eco Card holders to participate in biodiversity-themed Eco Tours. Eco Tours that offer hands-on experience building biotope floating islands and planting mature walnut and Japanese beech trees in a forest inhabited by flying squirrels have been held on 4 occasions in total.



Biotope Floating Islands -  
Waterfront Ecosystem Restoration Ecotour

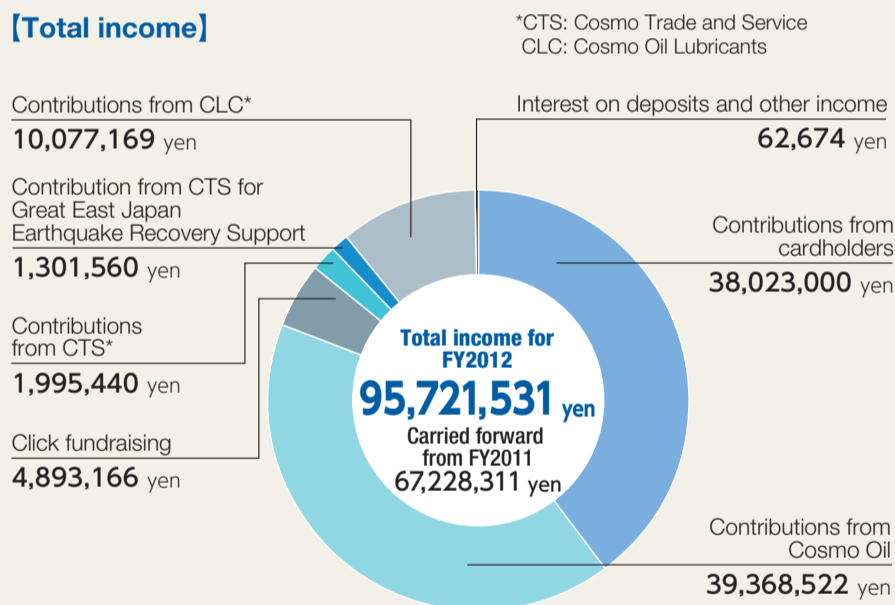


Living with Flying Squirrels -  
Forest Regeneration Tree Planting Ecotour

Please look at the inside pages for reports on each project.

## Income and Expenditure Report

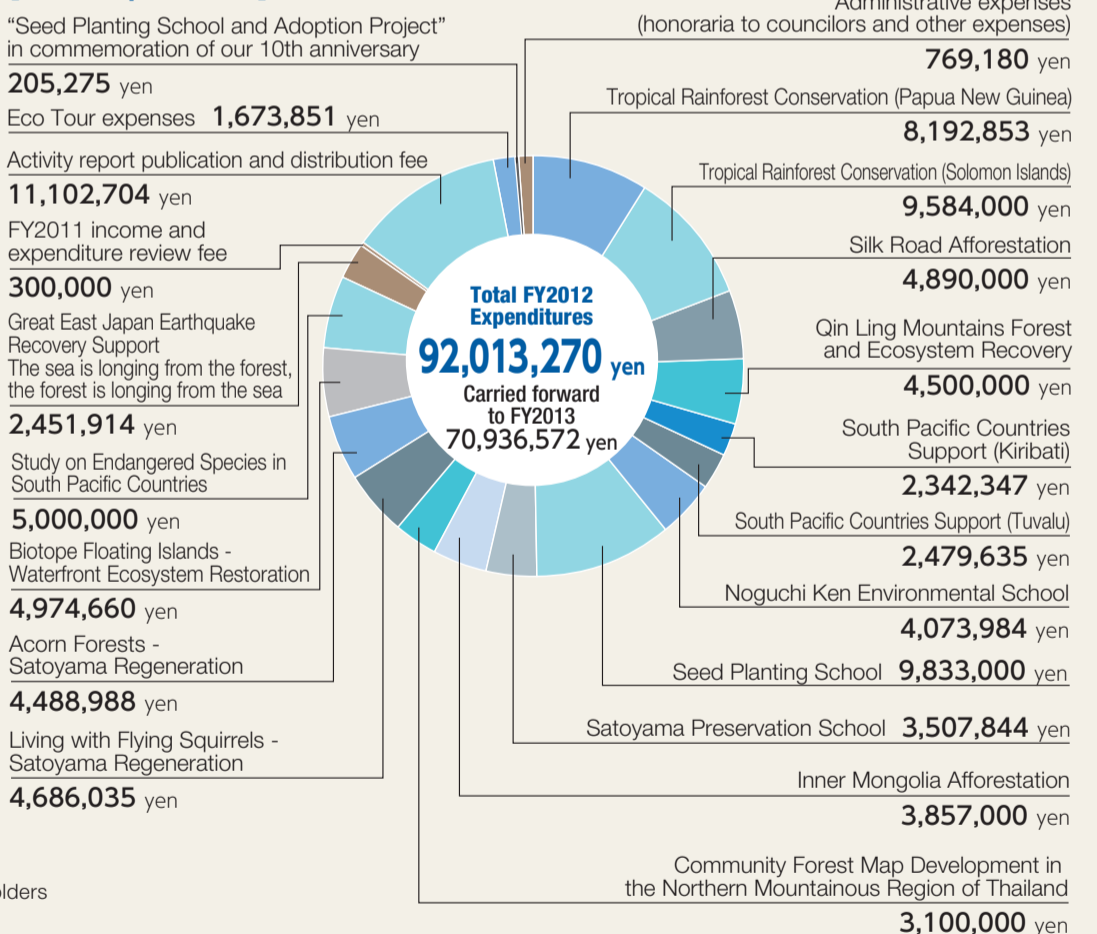
### [Total income]



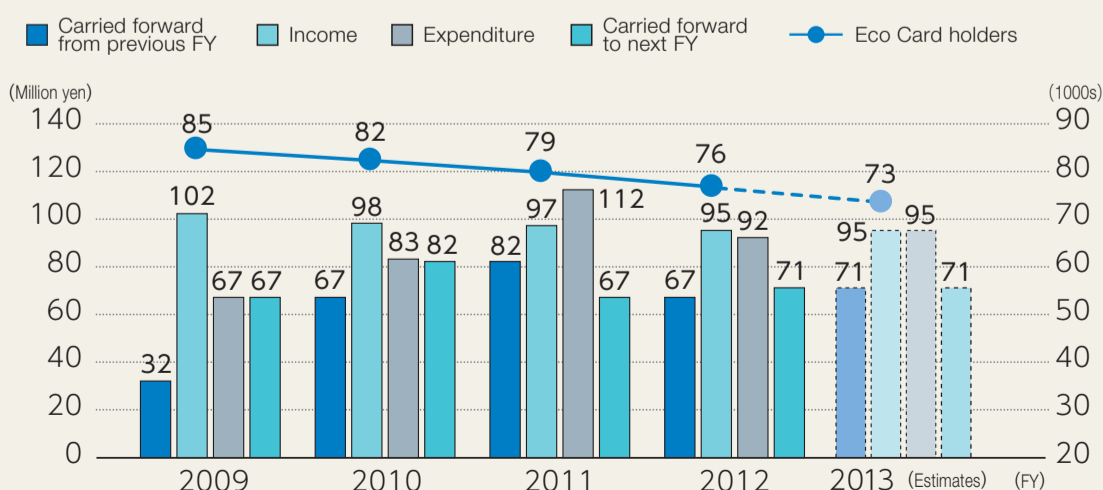
#### ●Supplementary explanation

Our income fell to 95 million yen in fiscal 2012 due to a decline in cardholders. Expenditure amounted to 92 million yen because the Adoption project, The Seed Planting School and Adoption Project and environmental education at schools concluded; the remaining 70 million yen will be carried forward to the next fiscal year.

### [Total expenditure]



### [Funds and cardholders]



### Review of the Income and Expenditure Report by an independent certified public accountant (excerpt)

At the request of the Cosmo Oil Eco Card Fund, I reviewed its Income and Expenditure Report for fiscal 2012 (April 1, 2012-March 31, 2013). Responsibility for the production of this report lies with the Fund's management. My responsibility is solely to express an opinion based on an independent review conducted in compliance with Auditing and Assurance Practice Committee Research Report No. 20 "Research Report on CPA's Assurance Engagements" published by the Japanese Institute of Certified Public Accountants. As a result, I found the report to be in compliance with accounting standards generally regarded as fair and appropriate in Japan and to be free of material misstatements.

Toshiya Kato, Certified Public Accountant, May 10, 2013