

Cosmo Oil Eco Card Fund

Activity Report 2014

12th Year: April 1, 2013 - March 31, 2014

COSMO OIL
Eco Card Fund

“Living With Our Planet”

INFORMATION

Introduction to the Cosmo Oil Eco Card Fund Website

In addition to providing an outline of each project, our Secretariat uses the website to publish reports (blogs) on information including onsite surveys and daily activity updates received from our project partners, so please take a look. (Japanese only)



Introduction to the the Cosmo Oil Eco Card Fund's activities
<http://www.cosmo-oil.co.jp/eng/envi/eco/project.html>

We've chosen new projects!

With the support of our members' donations, we supported 14 projects in fiscal 2013. 3 projects achieved each goals and we have discontinued as the fund in fiscal 2013. We added three new projects in fiscal 2014 and continue to support activities for 14 projects. We will continue to use your donations for activities to restore and preserve our global environment and educate the next generation.

New Project No.1

Nature Experiences in the Afan Forest



The C. W. Nicol Afan Woodland Trust

We will create opportunities that enable children with little exposure to nature and child victims of the Great North Eastern Japan Earthquake to experience nature and live as they please.

New Project No.2

Protecting our Red Pine Forests

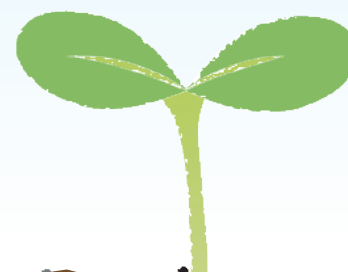


(NPO) Laboratory of Earth Conscious Life

We will collaborate with volunteers from the public to restore and nurture 14 hectares of abandoned red pine forest in Ina city, Nagano prefecture while surveying its biodiversity.

New Project No.3

Information Dissemination from Minamisanriku Town!



NPO Kid's Door

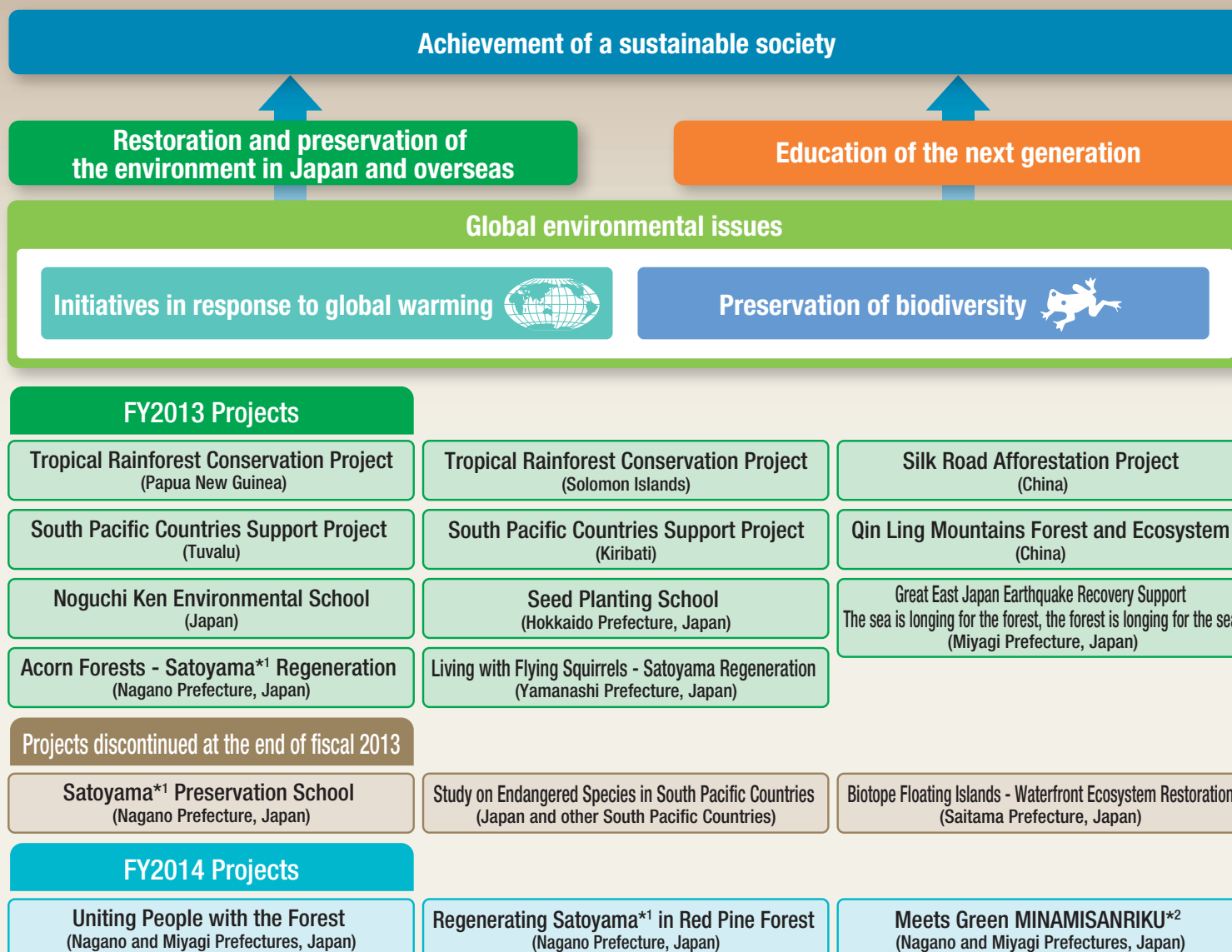
Junior and senior high school students from Minamisanriku town where was badly affected by the Great East Japan earthquake are publicizing nationally and internationally the fact that their town aspires to become a model region for sustainability and recycling.

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 (¥500/cardholder) and contributions from the Cosmo Oil Group are used to provide each project with a subsidy determined by their activities. In fiscal 2013 we extended our support to 14 projects. Three of these achieved their goals and we have discontinued the Fund's support. However, we also added three new projects in fiscal 2014 and continue to support activities for 14 projects.

*See page 4 for a breakdown of the Fund's income and expenditure.



*1 Domestic woodlands *2 Minami Sanriku, Miyagi: This area was badly affected by a tsunami of the Great East Japan earthquake.

Project Activities in FY2013

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

<http://www.cosmo-oil.co.jp/eng/envi/eco/project.html>



Japan and other South Pacific Countries: Study on Endangered Species in South Pacific Countries Partner: Japan Council for Conservation of Biodiversity in the South-Pacific Area

We presented the outcome of three years of research to facilitate conserving biodiversity at a meeting. This information was also shared with government officials in South Pacific countries.

In fiscal 2013, the final year of this project, we continued field surveys in the Solomon Islands and Papua New Guinea while holding intensive research meetings to compile the project's results which were then presented at a meeting in February 2014. Forty individuals with an interest in this region participated in the meeting and shared information on challenges and future possibilities for the South Pacific islands. Prime Minister Abe visited Papua New Guinea in July 2014 (as of May 2014), and the importance of this region is growing. We will continue to disseminate information in the hope of putting these results to use.



A village targeted by a field survey

China: Silk Road Afforestation Project Partner: (NPO) 2050

Planting 72,000 seedlings on the Loess Plateau helped alleviate desertification and raise awareness of afforestation among citizens.

In an effort to alleviate desertification along the Silk Road and on the Loess Plateau, we have built a seedling nursery for sea buckthorn, a plant well-suited to the local climate, and have been providing seedlings for afforestation. In fiscal 2013, we planted 72,000 trees over 30 hectares of land in Lanzhou city, Gansu province. Out of consideration for diversity, we have interspersed these with drought tolerant willows and pines. Independent afforestation activities evolving from this project are also flourishing, and awareness of afforestation is growing among local farmers.



Well-established sea buckthorns are thriving

Tuvalu: South Pacific Countries Support Project Partner: (NPO) Tuvalu Overview

Planting 3,000 mangroves helped alleviate coastal erosion. We also collected garbage with local citizens.

In the South Pacific island of Tuvalu, we have been planting mangrove trees to alleviate coastal erosion, and raising awareness about waste management among local citizens. In fiscal 2013, we planted approximately 3,000 trees on the Funafuti atoll. We also engaged in activities to raise awareness of waste disposal issues, predominantly among adults. This involved displaying several posters on waste disposal on the first floor of the government building and holding workshops. In November, approximately 50 locals participated in a clean-up event, and with the cooperation of garbage collection trucks provided by the Tuvalu government, we collected 12 truckloads of garbage.



Collecting and sorting garbage in original t-shirts

Papua New Guinea: Tropical Rainforest Conservation Project Partner: (PIIF) The Organization for Industrial, Spiritual and Cultural Advancement International (OISCA)

Holding training sessions on farming technology, animal husbandry, and production of local specialties nurtured citizens' ability to earn a stable livelihood and facilitated conservation of tropical rain forest.

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 2013, in addition to providing guidance on farming technology, we cultivated dasheen, onions and potatoes on a trial basis, and conducted research to facilitate development of cattle feed using Moringa. We also conducted training on the manufacture of rattan products as a specialty made with local resources. This training enabled Tolai tribespeople to pass down dying-out rattan processing techniques to the next generation, and Baining tribes of rattan producing areas to recognize the value of their forests.



Training on Moringa cultivation

Solomon Islands: Tropical Rainforest Conservation Project Partner: (NPO) Asia Pacific Sustainable Development (APSD)

Providing technical guidance on organic farming and producing bee products for sale led to self-sufficiency in food and a cash income, thereby creating the conditions necessary for conservation of tropical rain forest.

With a view to preserving rain forests in the 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. The permaculture center has begun preparations to ensure local citizens are capable of operating it independently by 2015. In fiscal 2013, under the guidance of a JICA specialist, we manufactured "recycled compost" and "biodegradable market waste compost" on a trial basis. We also endeavored to develop local specialties and to build up a value chain. We succeeded in developing some bee products, etc. which are currently being sold, predominantly as souvenirs, at hotels and supermarkets in the capital.



Commoditizing honey

Kiribati: South Pacific Countries Support Project Partner: (NPO) International Society for Mangrove Ecosystems (ISME)

Planting 9,000 mangroves helped alleviate coastal erosion. Independent afforestation activities are spreading among citizens.

To alleviate coastal erosion triggered by the rising sea level, an outcome of global warming, we have been planting mangrove trees in partnership with local young people and children. Nine years have passed since we initiated this project and thriving trees have reached a height of 3-5 meters and begun producing seeds. As an outcome of our many years of activities, the importance of planting mangrove has gained recognition and local independent tree planting activities are flourishing. In fiscal 2013, we planted 9,820 mangrove seeds, greatly exceeding our target of 6,000. Moreover, at the strong request of Anote Tong, the nation's president, we also started planting mangrove trees in areas other than the Tarawa atoll.



Climbing mangrove trees to collect seeds

China: Qin Ling Mountains Forest and Ecosystem Recovery Project Partner: College of Life Sciences, Northwest University

Planting 8,000 trees over 10 km of abandoned forest road helped restore forest inhabited by golden snub-nosed monkeys and giant pandas.

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. This project aims to restore biodiversity to its forests through the afforestation of disused forest roads that impeded the movement of animals. In fiscal 2013, we planted 8,000 trees over 10 km of road. A survival rate of approximately 80% has enabled afforestation to proceed smoothly. We also make ongoing efforts to educate the next generation by presenting lectures on the environment at high schools and universities, and support research into the ecosystem of the golden snub-nosed monkey.



Seedlings are planted in holes dug in former forest roads

Japan: Satoyama Preservation School Partner: (NPO) Asia Pacific Sustainable Development (APSD)

We provided 517 elementary school students with environmental education. We also established sales and distribution channels to support rural agriculture with a view to promoting the independence of farmers.

To address the issues of preservation and abandonment of agricultural land in Iizuna, Nagano, we furnished an independently operated means of expediting everything from production through sales by determining local farming representatives and a cooperative company for distribution and sales. In an effort to educate the next generation, we also held environmental education classes for 75 fifth grade and 75 third grade students from elementary schools in Koto city, Tokyo; 315 fifth and sixth grade elementary school students in Hadano city; and 52 fifth grade elementary students in Kawasaki city. Launched in 2003, this project's initiatives to preserve satoyama have achieved a measure of success, and the project was discontinued in fiscal 2013.



Experience using an old-fashioned thresher

Japan: Noguchi Ken Environmental School Partner: (NPO) Seven Summits Actions For Sustainable Society

Climbing and cleaning Mt. Fuji led to eight individuals becoming "environmental messengers".

The Environmental School was launched to foster "environmental messengers", people with both knowledge and experience who are capable of taking environmental action and communicating their message to the rest of the world. In fiscal 2013, we held an Environmental School on Mt. Fuji which involved 8 senior high and university students and others climbing the mountain, engaging in clean-up activities, and learning about problems and challenges arising from it being registered as a World Heritage Site. In February 2014, 7 students of these students participated as "environmental messengers" in the Mt. Fuji Day Forum 2014 where they engaged in discussion on what was needed to ensure the next generation assumed responsibility for environmental activities.



The summit is not far now

Japan: Seed Planting School Partner: Furano Seed Planting School (LLP)

Nurturing seedlings suited to the vegetation in Hokkaido and providing 9,557 of them for afforestation initiatives within Hokkaido enabled us to plant the seeds of eco-consciousness in the minds of 577 people.

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. Believing that planting tree species native to any given locality leads to natural revegetation, we have been nurturing varieties of pines (Picea glehnii) and oaks (Quercus crispula Blume). In fiscal 2013, we supplied 9,557 seedlings, and a total of 577 individuals participated in planting seeds and seedlings. Given that the seeds of eco-consciousness are planted in the minds of people participating in such activities, we operate under the mantra "Sowing seeds in fields and our minds."



Growing pines (Picea glehnii)

Japan: Acorn Forests - Satoyama Regeneration Partner: (NPO) Laboratory of Earth Conscious Life

We planted 3,200 trees on fire-ravaged mountainside. We also collected insects with children and confirmed the return of wildlife.

This project aims to mobilize volunteers to help restore satoyama from the ravages of wildfires while conducting ecological surveys. In June, we planted some 3,100 Japanese oaks (Quercus serrata) and 100 mountain maples (Acer palmatum var. matsumurae) over an area of 1 hectare. In August, we cut the bush and conducted another biodiversity survey. We also collected insects with local children during the day and observed insects attracted to lights at night, and were able to confirm that many insects, including dragonflies and butterflies, have returned.



Seedlings nurtured from an acorn tree planted in the grounds of a nursery school in 2011

Japan: Biotope Floating Islands - Waterfront Ecosystem Restoration Partner: (NPO) Toyoashiara

We made 13 biotope floating islands and placed them in rivers and ponds. Thriving vegetation is providing shelter for aquatic organisms.

This project aims to clean the water and restore the ecosystem in water environments by placing floating islands that will become biotopes in lakes and the lower reaches of rivers with worsening water pollution. Plants growing on biotopes made of forest thinnings, bamboo and charcoal purify the water and attract multitudes of living organisms. In fiscal 2013, the final year of this project, we endeavored to educate members of the next generation likely to continue this in the future by inviting universities to cooperate with its operation. Floating biotopes introduced in 2011, the project's first year, are already covered with waterweed and attracting living organisms.



Biotopes in Shinobazu Pond, Ueno Park, Tokyo

Japan: Living with Flying Squirrels - Satoyama Regeneration Partner: (NPO) Tsuru Environment Forum

Large broad-leaved trees were planted to provide food for wildlife. Ongoing forest management and observation activities aim to nurture this forest.

This project aims to create satoyama as habitat for wildlife in an area northeast of Mt. Fuji. In fiscal 2013, we planted fruit-bearing broad-leaved trees. Having completed afforestation, the forest is now entering the growing phase and we will continue to engage in forest management and observation. We are also conducting a joint-research with the Yamanashi Forestry and Forest Products Research Institute to find ways of making waste from forest management into woody biomass pellets.



Planting 5m trees

Japan: Great East Japan Earthquake Recovery Support The sea is longing for the forest, the forest is longing for the sea Partner: Mori wa Umi no Koibito

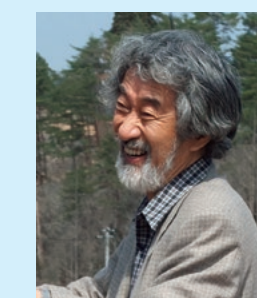
Holding three nature camps in Kesennuma where was badly affected by the Great East Japan earthquake enabled 35 children to play and learn in the mountains and the sea.

Children in areas afflicted by the earthquake have fewer places in which to play and are becoming gravely separated from nature. Accordingly, opportunities for experiential learning in nature are in demand, and both management knowhow and access to safe locations are needed. In spring and winter 2013, we conducted field surveys to check radiation levels and evacuation routes, and built up a network of organizations to facilitate information exchange. A total of 35 children participated in the nature camps we held in July, August and October, where they observed living organisms found on oyster cultivation rafts, and learned about the relationship between sea life and the forest while engaging in physical activities such as fishing, kayaking and tree climbing.



Kids making fish ball soup with fish they caught

Shigeatsu Hatakeyama, president of the NPO Mori wa Umi no Koibito, talks about Kesennuma today - its nature and its children



Shigeatsu Hatakeyama
President

When the foliage in forests surrounding Kesennuma bay thickens and sea temperatures rise, the quantity of sea life escalates. Multitudes of serpentine goby fry inhabit the forests of sargasso weeds, and large surperch flaunt their beauty as they dart in between. Children on field trips cry out in amazement as they spot fish through a special window built into the pier. Such shouts of sheer joy are seldom heard at well-equipped aquariums. This makes you realize that nothing compares to nature itself. Three years have passed since the Great East Japan Earthquake, and more time is still needed for homes to be rebuilt and businesses to recover, but I would like to share "relationships within nature", one of the first things to have recovered, with as many people as possible. This is the season in which both the ocean and the mountains flourish. We invite you all to come and visit Kesennuma.

Message



Cherish the idea of “Living With Our Planet”

Hiroshi Kiriya

Chairperson
Cosmo Oil Eco Card Fund

The Cosmo Oil Eco Card Fund strives to realize a sustainable society and uses the 500 yen donated annually by each of its cardholders to undertake projects around two core themes, “Preservation and restoration of the environment in Japan and abroad” and “Education of the next generation”, in partnership with local and overseas NPOs and other organizations.

The Cosmo Oil Eco Card Fund Activity Report 2014 describes activities undertaken in fiscal 2013 through our “Living With Our Planet” projects. I’d be delighted if you would peruse it at your leisure, learn more about our activities, and share your frank opinions with us.

During fiscal 2013, we engaged in a variety of activities through fourteen projects and agreed to launch three new ones. Three other projects, “Satoyama* Preservation School”, “Study on Endangered Species in South Pacific Countries” and “Biotope Floating Islands - Waterfront Ecosystem Restoration”, having achieved a certain level of success vis-a-vis the goals of their activities, “graduated” from the Eco Card Fund at the end of fiscal 2013.

Our new projects, “Uniting People with the Forest”, “Regenerating Satoyama in Red Pine Forest” and “Meets Green MINAMISANRIKU”, all aim to nurture young people who will strive to regenerate Japan’s satoyama and achieve recovery from the Great East Japan Earthquake, and are expected to contribute toward a sustainable society.

The Fund will continue to act as a bridge between these projects and our cardholders who support the Fund’s philosophy. Accordingly, in addition to producing clear concise reports, we are beefing up information dissemination via the internet. We will also conduct Eco Tours that will enable you to become more familiar with these projects.

I look forward to your continued support and cooperation.

* Domestic woodlands

TOPICS

Hosting of a “Gathering of Partners” to deepen friendly relations between project partners

-Tues., September 17, 2013
-Large Meeting Room, Head Office, Cosmo Oil Co., Ltd.

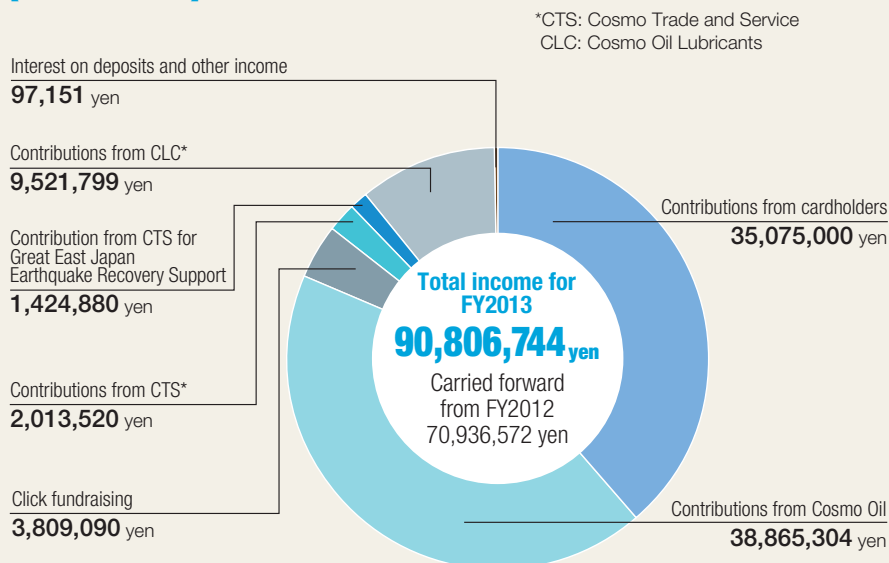
The Cosmo Oil Eco Card Fund Secretariat regards Eco Card Fund activities as a kind of “bond”, and held a “Gathering of Eco Card Fund Partners” in the hope that deepening friendly relations between project partners and encouraging information exchange among them might lead to development of even more meaningful activities.

Mr. Katsuhide Kitatani of the NPO 2050 (Silk Road Afforestation) and Mr. Shigeatsu Hatakeyama, Mr. Makoto Hatakeyama of the NPO Mori wa Umi no Koibito (The sea is longing for the forest, the forest is longing for the sea) presented activity reports. Mr. Toshiya Kato, the Eco Card Fund’s Certified Public Accountant also spoke about the importance of accounting in terms of accomplishing a project. We intend to continue this initiative to strengthen ties between projects and the Secretariat and among projects with a view to further developing the Eco Card Fund’s activities.



Income and Expenditure Report

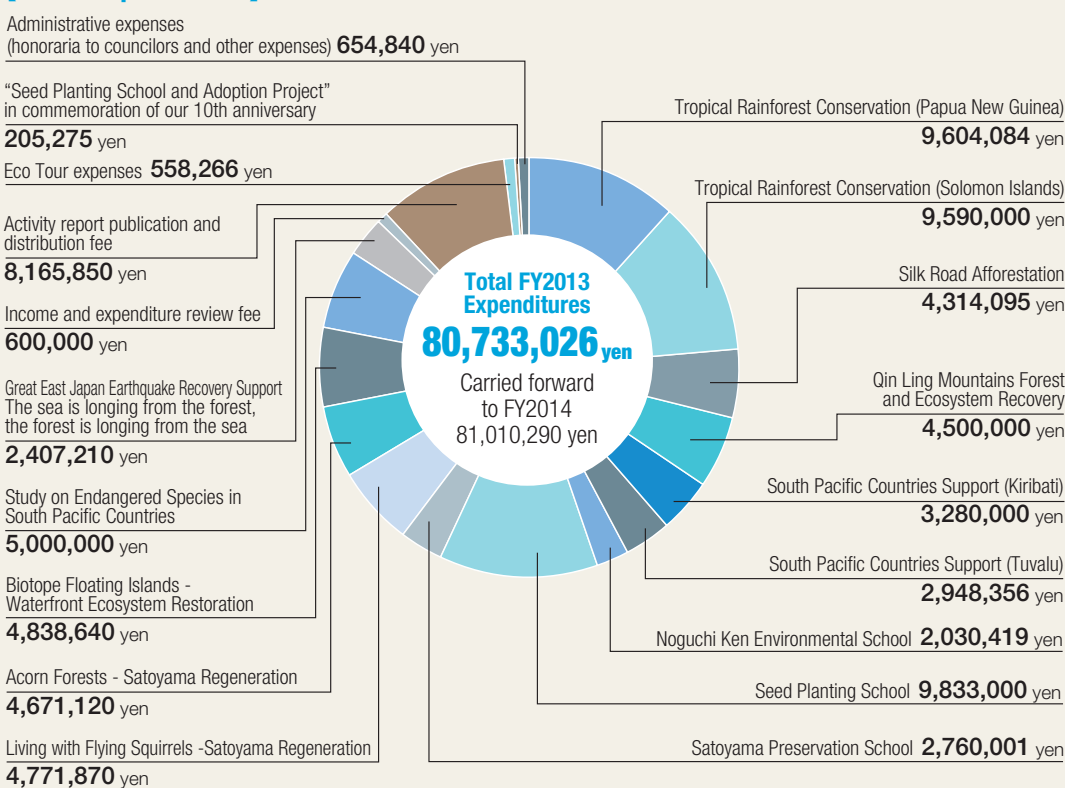
[Total income]



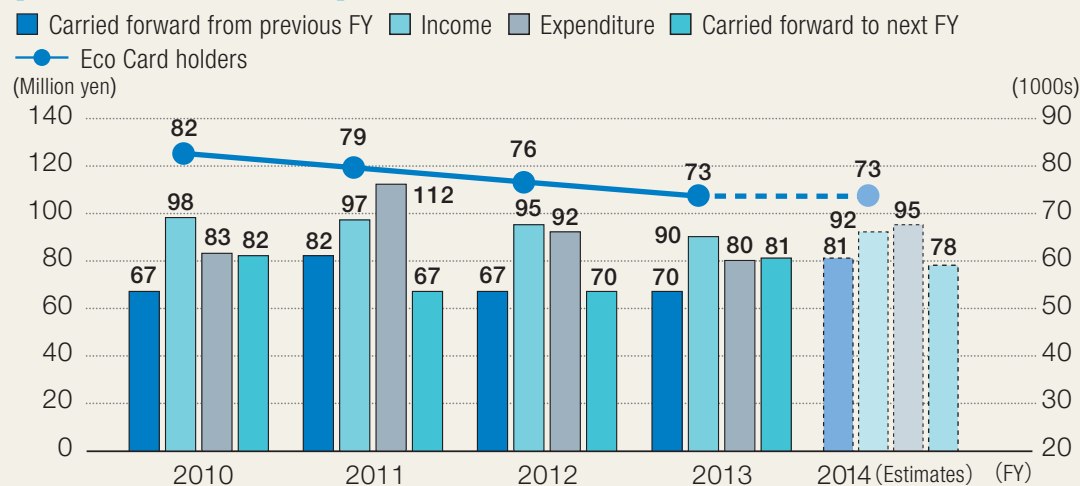
● Supplementary explanation

Our income fell to 90.8 million yen in fiscal 2013 due to declines in both Eco Card cardholders and click donations. Expenditure fell to 80.73 million due to a number of project plans not being executed and a reduction in costs incurred for compiling and distributing activity reports. Given that we have decided to pay for income and expenditure reviews from the corresponding year’s finances from this year onwards, expenses incurred for both fiscal 2012 and 2013 were paid this year.

[Total expenditure]



[Funds and cardholders]



● Supplementary explanation

Although some cardholders will cancel their membership as a result of the decline in demand for gasoline, we intend to come up with measures to maintain our current membership.

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 2013 (April 1, 2013-March 31, 2014). 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, April 11, 2014



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