

Thank you Newsletter 2019



Activity Report

17th fiscal year: April 1, 2018 - March 31, 2019

We would like to express our gratitude to all Eco Card holders for your support over the last year. Your donations are reflected in ecological activities both at home and abroad, and the results are steadily bearing fruit. We aim to further expand the scope of these activities, and look forward to your continued support in the future.

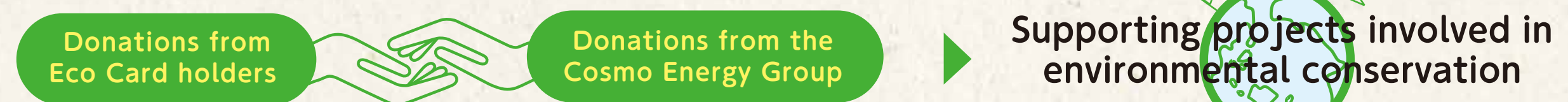
The Eco Card Fund Promise

While the oil handled by the Cosmo Energy Group has created comfortable lifestyles, it's also a fact that it impacts the environment. Accordingly, we have been addressing environmental concerns as early as the 1990's. We have never turned away from these problems but have addressed them fully because we recognize that we have a responsibility to make every effort to protect the environment.

Part of this commitment is our Eco Card Fund, which we are operating with your help as part of our "Living on the Earth Forever" project. While implementing measures to slow climate change and protect ecosystems, we are supporting organizations that are working steadily to solve fundamental problems such as poverty.

We have received far more support than predicted prior to launching the Fund and, thanks to that support, have been able to achieve a range of results both in Japan and abroad. We will continue to work single-mindedly toward our goals while listening to the voices of all stakeholders.

How the Eco Card Fund Works



What does it mean?

- I want a convenient and comfortable life. **But** my use of oil increases CO₂.
- For that reason, I want to support environmental conservation activities through the Eco Card Fund.
- This helps protect the forest to grow well and reduce CO₂.
- "Living on the Earth Forever" **That's why** we have an Eco Card.

Let's look at details.

How the Eco Card works

- If you have an Eco Card → **¥500** is automatically donated to the Eco Card Fund annually
- Every time you gas up, or wash your car with Eco Card → Cosmo donates **0.1%** of your payment to the fund
- If your annual payment via Eco Card exceeds ¥200,000, and if you have been an Eco Card holder for more than 10 years → Cosmo will automatically donate **¥1,500** to the Eco Card Fund every year
- For every Eco battery you purchase → Cosmo makes a donation of **¥10** to the Eco Card Fund

NEWS

Awarded the Medal with Dark Blue Ribbon for Philanthropy!

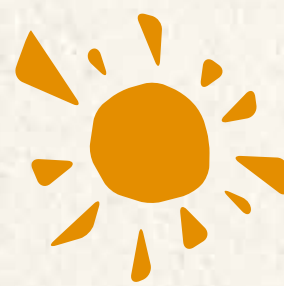
The Cosmo Oil Eco Card Fund has engaged in environmental activities in Japan and abroad in partnership with the NPO OISCA. We have supported a variety of activities including Tropical Rainforest Conservation (see page 3) in Papua New Guinea, which started in 2002. We have been awarded the Medal with Dark Blue Ribbon in recognition of the public service provided by these support activities over many years.

Award accepted by: Ms. Etsuko Nakano, Chairperson, OISCA
Awardee: Hiroshi Kiriya, Cosmo Energy Holdings Co., Ltd. President/Group CEO

Honorable Prize received at the 28th Global Environment Awards!

Cosmo Energy Holdings Co., Ltd. has received an award for its corporate contribution to the prevention of global warming. In addition to development of new environmental technology for oil development projects, the company is highly regarded for its Eco Card Fund activities which it has pursued in tandem with you the members. We look forward to your continuing support for our activities targeting fundamental solutions to environmental problems.

Project Report for FY2018



Thank you for your support. Please take a look at the annual results received from Project Partners in Japan and abroad.

FY 2018 Results

Solomon Islands Tropical rainforest conservation



Delivering environmental education while creating a green belt. Our Pilot Shop has achieved a profit.

This is a project that aims to balance environmental conservation with economic prosperity, through operating vocational training schools in rural areas. The work to create a green belt has finished, so last year the focus moved to maintenance. Despite suffering cyclone damage early in the New Year, we were able to overcome this setback. Our pilot shop also continues to be profitable. We have our sights set on production and sales of products based on cocoa beans.

Support funding
¥7,200,000

Managed greenbelt area
8,000m²

Spreading the bright smiles of children worldwide! Thank you for your support of the Solomon Islands.



Mr. Dixon Naro and local children

Partner: APSD (NPO)

Papua New Guinea Tropical rainforest conservation



We aimed for increased taro root production by protecting crops from pests without using agrochemicals.

We are spreading stationary organic farming while teaching about the risks of excessive slash-and-burn farming and deforestation. To achieve this, we searched for effective methods of controlling pests that eat taro, a local staple. Fields where measures were applied achieved 20% reduction in damage. For rice production, we introduced a Japanese rice milling machine compatible with local rice, which has improved farmer productivity.

Support funding
¥6,592,221

Taro-related pest control survey
439 varieties



Let's preserve tropical virgin forests, a treasure house of biodiversity!

Mr. Michikatsu Ehara and locals

Partner: OISCA (NPO)

Republic of Kiribati South Pacific countries support project



Overcoming bad weather conditions to surpass target for coastline mangrove planting.

Kiribati government expectations towards the mangrove forest planting project increase year by year. Unfortunately, however, in the first half of FY2018, we had mechanical problems with the local airplane, and in the second half, suffered from bad weather. As a result, we were unable to achieve the scheduled planting in some areas. Instead however, we planted significantly more than was planned, around the Tarawa atoll. We intend to further encourage participation by local youth in the future.

Support funding
¥2,712,691

Mangrove planting
9,113 saplings

Thanks to Cardholders, the scope of our activities with locals is widening.



Ms. Mio Kezuka
Ms. Eriko Tamashiro
Ms. Nozomi Ohshiro
Ms. Norimi Kimura

Partner: International Society for Mangrove Ecosystems (NPO)

Tuvalu South Pacific countries support Project



Mangrove planting reaches 2.7 times the target. Fostering environmental consciousness among islanders.

For small island nations like Tuvalu, rising sea levels triggered by global warming are a life-and-death issue. Mangrove planting is a vital initiative that is expected to have a positive impact on global warming and coastal erosion. At the Funafuti atoll near the capital, we planted as many as 27,000 saplings under the harsh sun. We also had local volunteers participate right from the seed collection stage so they could learn the whole process.

Support funding
¥2,571,541

Mangrove planting
27,000 saplings

We have planted a total of 27,000 trees for Tuvalu!



Mr. Shuichi Endo
Mr. Apinelu Tili
Ms. Kyoko Kawajiri

Partner: Tuvalu Overview (NPO)

Nepal Ken Noguchi : growing forests in the Himalayas



Nurturing cold-resistant seedlings in the harsh Himalayan mountain environment.

To reach Sama village, located at an altitude of 3500m, takes one day by car from the capital of Nepal, and then a one-week walk. The project to restore its former forests is in its third year. Last year we were finally able to plant the seedlings that had been raised from seeds. We are continuing to raise seedlings to enable ongoing afforestation. We have also received the heartening news that local villagers who are taking an interest in this activity will become assistants.

Support funding
¥4,833,639

Seedlings cultivated
27,000 seedlings

Steady cultivation of seedlings at the foot of the Himalayas.



Mr. An Talke Sherpa and Mr. Ken Noguchi

Partner: Peak Aid (NPO)

Philippines Growing forests resilient to abnormal weather



Native species resistant to strong winds, and edible fruit trees. The trees being nurtured are protecting livelihoods.

The Philippines lies in the path of powerful typhoons almost annually, so trees need to withstand strong winds. The Eco Card Fund has been supporting forest creation with a focus on native species adapted to the local climate, as well as fruit trees that will boost dietary needs. We have also received reports that when the planted trees take root, the soil binds together, reducing landslides. We intend to broaden our activities to further regenerate natural forest.

Support funding
¥5,215,402

Planting of native species and fruit trees
7,000 trees

Thank you for your support. This team will overcome drought and fires and continue to create forests!



Mr. Mario Lopez and a group of tree planters

Partner: OISCA (NPO)

Thailand Creating forests with Asian honey bees



Cooperating with villagers to build beehives. Pollination by raised bees contributes to forest growth.

In recent years, northwestern Thailand has experienced a rapid loss of tropical rainforests. To restore the forests, we have commenced a project called "afforestation without planting". This project involves raising Asian honey bees, which promote flowering tree pollination and helps the formation of seeds. We have taken the first step by building hives together with local ethnic minorities, the Akha and Lisu hill tribes. This activity will also link to the creation of an apiculture industry.

Support funding
¥2,345,000

Building beehives
50 hives

We have junior high school students from Thai mountain villages at their first beekeeping training and beehive making.



Partner: GONGOVA (NPO)

Miyagi The Sea is Longing for the Forest : planting trees to protect the sea



Dissemination of information through tree planting. Festivals and social media have broadened awareness of links between forests, communities and the sea.

Since the damage of the Great East Japan Earthquake, the sea off Miyagi has recovered its abundance at an astonishing pace. The fact that the secret to this lies in abundant communities and the mountains has been revealed through events, newsletters and social media. At the annual Tree Planting Festivals throughout 30 years of the Heisei Era, 24,000 people participated, planting 42,900 tree seedlings. Mr. Shigeatsu Hatakeyama further promoted these activities, resulting in reporting by NHK and in newspapers, with a great response.

Support funding
¥2,480,607

Trees planted
1,600 trees

Thanks to your support, abundant forests and ocean have broadened.



Mr. Makoto Hatakeyama and Mr. Shigeatsu Hatakeyama with locals

Partner: The Sea is Longing for the Forest (NPO)

Miyagi A ten-year coastal forest regeneration plan



Growing a wall of black pines against strong winds from the Pacific Ocean. The coastal forest is growing at the hands of volunteers.

An amazing 2,213 volunteers have participated in an initiative to regenerate the coastal forest lost in the Great East Japan Earthquake. They have supported tasks such as picking up rubbish where trees were planted. They are waiting expectantly for the black pine seedlings being steadily nurtured for planting after next year, to be ready. From FY2019, we will visit local high schools to conduct educational activities, further broadening the scope of participation.

Support funding
¥4,000,000

Black pine seedlings
100,000 seedlings

We will continue our unrelenting efforts over this huge area.



Ms. Nanaho Asano
Mr. Kazuyo Suzuki
Mr. Toshimichi Yoshida

Partner: OISCA (NPO)

Chiba
Returning the coastal forest of Kujukuri Beach to its pre-disaster state



Planting trees with locals is leading to increased disaster prevention awareness.

Working with disaster-protection forest experts, arborists and residents, this is an activity to restore the Kujukuri Beach coastal forest in Chiba Prefecture. It was damaged in the Great East Japan Earthquake so tree planting is essential. To maintain the area where the seedlings were planted, 92 volunteers helped to clear 6000 m² of undergrowth last summer. Now eight years since the disaster, there was concern that disaster awareness was waning, but participation exceeded our target.

Support funding
¥2,999,806

Clearing undergrowth
6,000 m² cleared

With your support, we are creating a coastal forest with a white sandy beach and green pines.



Mr. Hidenobu Takegaki

Partner: Laboratory of Earth-Conscious Life (NPO)

Tokushima
Satoyama preservation by local residents in Kamiyama



Using thinned timber for biomass power generation. The power of the forest is becoming a life force.

In Shikoku's Tokushima too, neglected forests are a major problem. This project is cleaning up neglected woodland adjacent to the town center, and effectively utilizing the thinned timber. Last year we were able to rent a digger, and succeeded in smoothly carting out thinned cyprus and cedar timber. This timber was reborn as firewood, biomass fuel and even a log house. This year we anticipate completing a long-awaited Finnish style sauna.

Support funding
¥2,498,782

Tree thinning
16,000 m²
(real value taking account of slope)

We have built a sauna using thinned timber from the mountains.



Mr. Kosuke Yoshizawa Ms. Ikuko Saito Mr. Hiroyo Hasegawa

Partner: Green Valley (NPO)

Tokyo
Turning Hachioji's satoyama into a bright forest



Creating a forest where animals and people coexist well. A first step in that direction.

Lush satoyama (village forests) still exist in the Tokyo metropolitan area. While Hachioji is one such area, the reality is that neglect has led to ongoing loss of biodiversity. As part of this project that started in 2018, we have undertaken maintenance of the satoyama, including cutting out dead trees. A total of 258 volunteers worked up a "productive" sweat as they toiled. As a result, the dim forest is starting to regain a lovely brightness.

Support funding
¥1,820,593

Tree cultivation activities
15,000 m²

With your support, we are changing the satoyama to a sun-filled place.



Ms. Yukari Hamano
Mr. Hidenobu Takegaki
Mr. Takayuki Shimizu

Partner: Laboratory of Earth-Conscious Life (NPO)

Shizuoka
Protecting and regenerating the forests of the Mount Fuji World Heritage Site



With community involvement, activities to recover rich, biodiverse forests are expanding.

This is a project to regenerate two forests at the base of Mount Fuji to their original state. At the Kitayama Industrial Park Forest, undergrowth clearing and ivy removal is creating an environment facilitating the growth of young trees, while at the Nishiusuzuka Agreement Forest, trees that have fallen and died due to typhoons have been thinned. Eco Card holders also participated in this activity as part of a tour to observe the way Eco Card Donations are used.

Support funding
¥2,793,555

Tree cultivation activities
17,000 m²

Creating forests that link to the future of Mount Fuji. Thank you for your support!



Mr. Hirota Fukazawa
Mr. Yoshikazu Suzuki
Mr. Hideaki Ooi

Partner: The Mt. Fuji Club (NPO)

Nagano and Miyagi
The C.W. Nicol Afan Woodland and forest growing in Higashi Matsushima



Events held where locals could participate and experience eco-friendly tree cutting.

We wanted to do something about the crumbling ecosystems in Japan's forests. It was this desire that gave rise to the Afan Woodland at Kurohime in Nagano Prefecture. It was here that we thinned out 32 trees from the Quercus serrata forest overgrowth, and conducted an Eco Tour to publicize our maintenance activities. And in the regenerated forests in Miyagi Prefecture, local primary school children built a forest walking path, while we also took up the challenge of creating logs from thinned trees to grow mushrooms. Body and soul, we learned about the importance of forests.

Support funding
¥3,147,319

Tree cultivation activities
150,000 m²

Thanks to your support, the forests are healthy, delighting both creatures and people.



Mr. C.W. Nicol
Mr. Wataru Ohsawa
Mr. Atsushi Ishii
Ms. Aya Midorikawa

Partner: C.W. Nicol Afan Woodland Trust

Hyogo
Yasuga Irodori Forest, where people and animals live in harmony



Returning flowering shrubs like hydrangeas and peonies to the satoyama (village forest). Creating a forest loved by the local community.

In these vast mountain woods, we will create a forest colored with the flowers of 500 trees. Despite an initial setback due to the impact of torrential rain damage, volunteers from the local community and city worked collaboratively. Taking advice from experts, we thinned out trees that had over-proliferated, cleared the undergrowth, and also held a tree planting festival to plant flowering shrubs. Given an idea by participants, we have started experiments to woodchip the thinned timber and utilize it in fertilizer.

Support funding
¥1,500,000

Flowering shrub planting
100 plants

Thank you for supporting the colorful Okuharima Irodori Forest that coexists with nature.



Ms. Chiyo Haruna and locals

Partner: Okuharima Yume Club (NPO)

Fiscal 2019 New project started!!

We will use your support effectively to reduce CO₂ and increase environmental awareness



Kanagawa
Halting wild bamboo forests

Creating a natural disaster-resilient forest while absorbing CO₂. Moving towards a Kamakura where bamboo and broadleaf forests are beautifully separated.

All over Japan, unrestrained bamboo forests have become a problem and Kamakura, a very popular tourist spot, is no exception. In the past, broadleaf trees like chinquapin beech, and laurel (*Machilus thunbergii*) had formed lush bio-diverse forests, but in recent times they have been overtaken by bamboo forests. As broadleaf trees decrease, so do the types of creatures that reside there. And it doesn't end there. Bamboo does not put down deep roots into the soil. This weakens the ground and makes the forests susceptible to disasters. To prevent this, we will thin out the wild bamboo, and plant saplings that have been grown from acorns. By involving people from Kamakura and neighboring areas in these activities, we hope they will acquire a deep knowledge of the true nature of forests.



Thank you for your support in maintaining and fostering forests.



Mr. Koichi Hasegawa with group members

Partner: Chiqnogakukou (NPO)



Wakayama
Creating forests where biodiversity can be experienced

Protecting the natural home of rare species like the Japanese tree frog. Making more abundant, bio-diverse satoyama.

Rice fields were once seen throughout Japan. Mokofudodani in Wakayama Prefecture is a precious site that is still home to rich biodiversity. The Eco Card Fund will continue to support activities that pass on awareness of such environments to children who will be future leaders. This area is inhabited by flora and fauna such as *Hyla Japonica* (Japanese tree frog) and *Hynobius nebulosus* (Japanese clouded salamander), which are listed in Wakayama Prefecture's Red Data Book of endangered species and which are rarely seen elsewhere. To protect these species, we have created biotopes (dragonfly ponds) and chemical-free rice fields, and also cleared grass and thinned growth across a wide satoyama (village forest) area that extends over 300,000 m². We are also using these fields as living pictorial books in environmental education for local children.



Thank you for the Cosmo Eco Card assistance. We will utilize it so that the children of the next century can inherit this beautiful satoyama.



Mr. Toshihide Kitahara

Partner: Association for the Restoration of Nature - Biotope Moko (NPO)

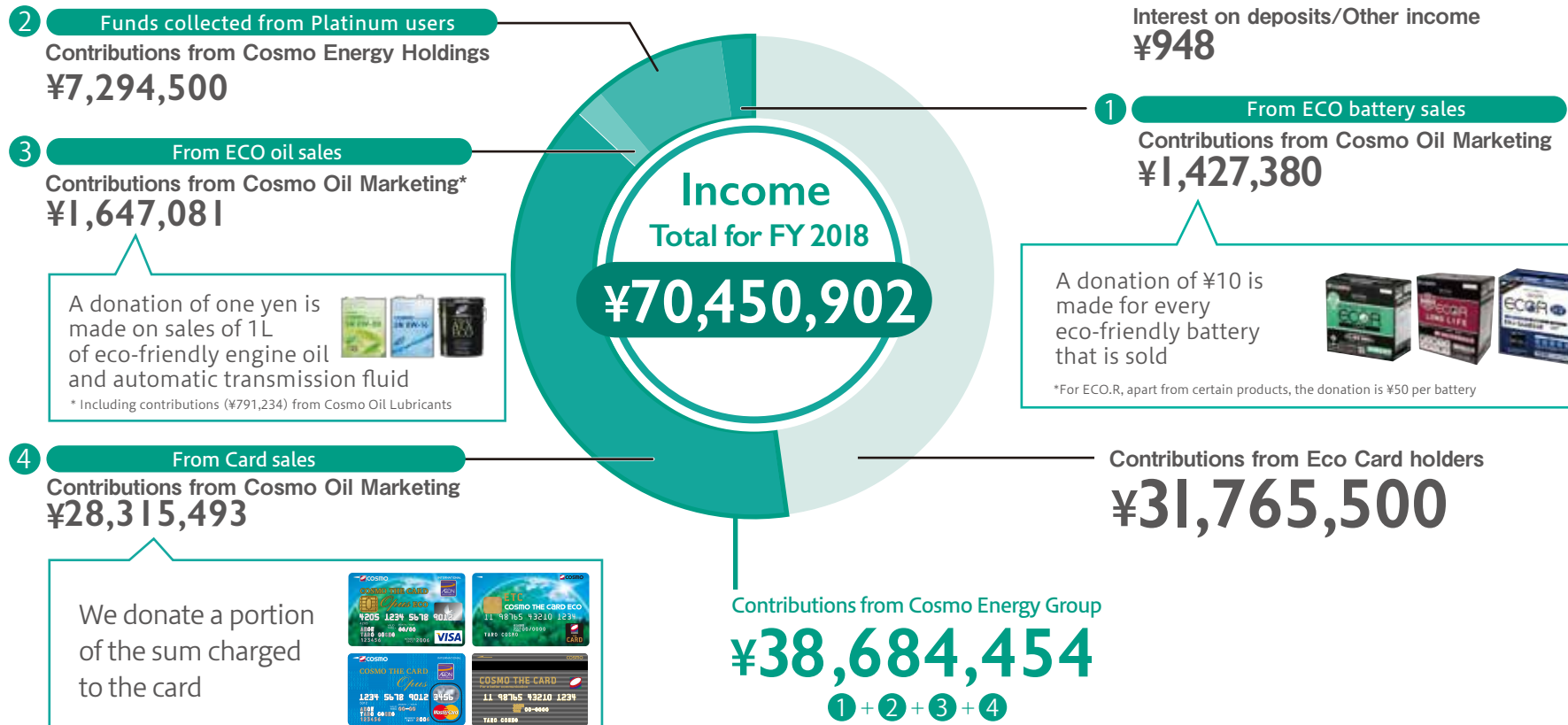
Message from Management



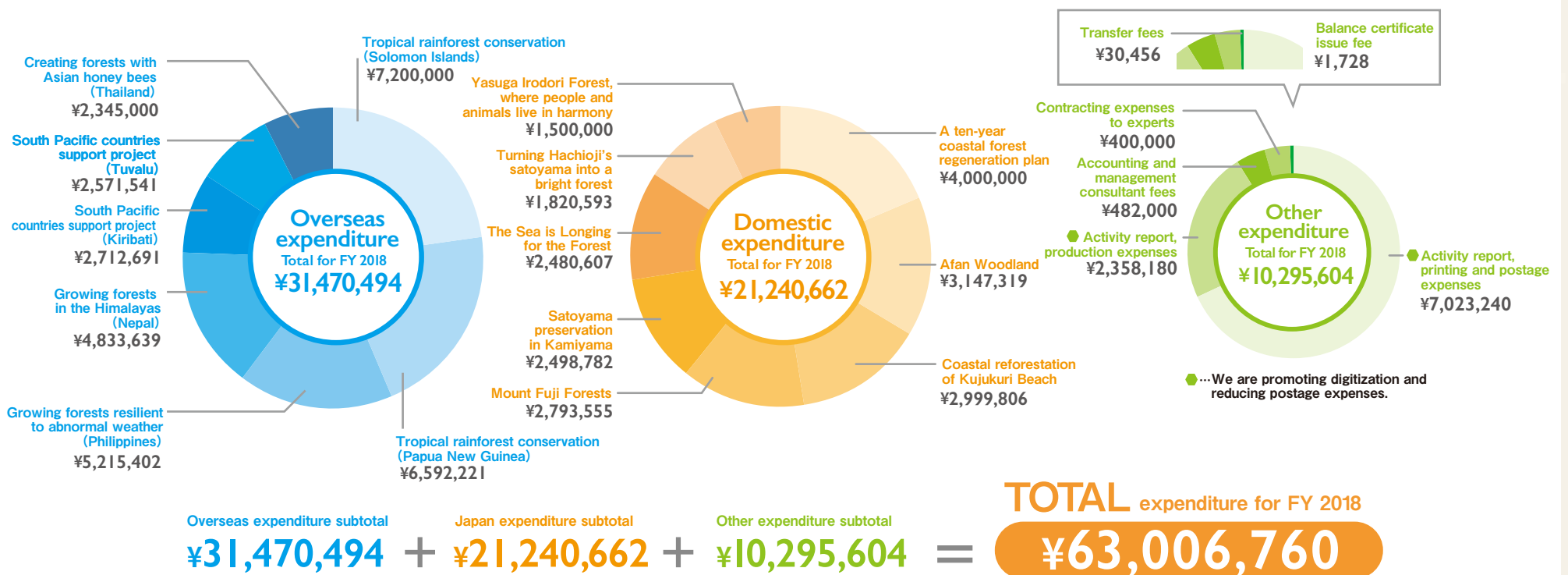
Chairperson
Cosmo Oil Eco Card Fund
Takayuki Uematsu

Thanks to all cardholders, the Eco Card Fund has marked its 18th anniversary. I would like to take this opportunity to express my sincere gratitude to all cardholders who regularly support the fund. In FY2018, the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) was held in Poland, where the rules of the Paris Agreement were reaffirmed. One speech at the conference attracted particular attention. A young Swedish girl made an appeal, saying, "We are facing a crisis. You say you love your children, and yet you are stealing their future". The problem of global warming is assuming increasing urgency for protecting the future. As a company whose core business is the petroleum industry, we must seriously face and engage in the issue of what we can do. We are committed to supporting long-term projects that address global warming problems, and contributing, even in a small way, to protecting the global environment. Thank you for your support and cooperation.

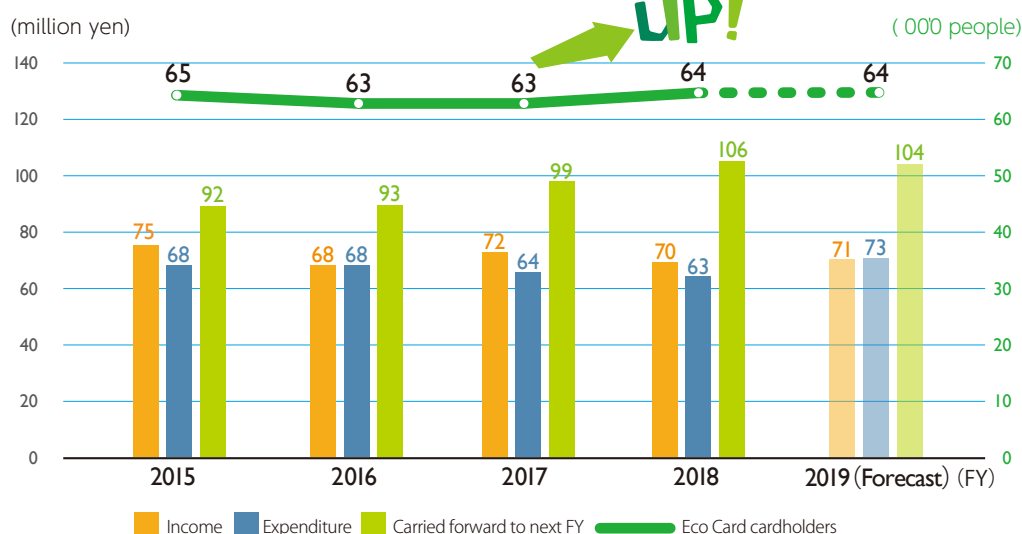
Income and Expenditure report | Income Section



Report on Income and Expenditure | Expenditure Section



Funds and cardholders



Broadening the circles of our eco activity support

- 1. We have increased our member numbers!**
- 2. We aim to increase cardholder satisfaction.**
 - Expanding projects
 - Notifying about events by enclosing leaflets with invoices
 - Visiting appreciation events and projects
 - Expanding cardholder events