

## ANNUAL REPORT 2007 OF THE SJCC SCHOLARSHIP FUND

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### 1. Summary and Highlights

**Pro Memoria:** Since its establishment in 1988 our Scholarship Fund has granted scholarships amounting to a total of approx. CHF 2'350'000 to 161 well educated candidates. These funds have been exclusively donated by Stiftung Mercator Schweiz until end 2007.

- Our Scholarship Committee has approved 15 requests and granted Scholarships of max. JPY 1'700'000 / CHF 178'000, i.e. average per recipient JPY 1'133'000 / CHF 11'900.
- Internships offered are well balanced between Japanese and international companies.
- Current bilateral trade negotiations between Switzerland and Japan are expected to eliminate visa problems for our scholarship recipients, provided consensus will eventually be reached on the incorporation of a paragraph on “Movement of Natural Persons” (Personenfreizügigkeit) as Annex to the Agreement.
- Stiftung Mercator Schweiz has agreed to our proposed extension by 2 years of the Agreement expired end 2007, albeit with donations reduced from CHF 200'000 p.a. to 120'000 / 60'000 in 2008-09 before finally withdrawing as sponsors of our Scholarship Fund. Currently, SJCC is soliciting new sponsors. So far, 3 banks, i.e. Crédit Suisse, Julius Bär and UBS, have each confirmed annual donations of CHF 20'000 for 3 years.
- Sound Finances: Total Revenue has amounted to CHF 240'105 vs. Expenditure of 205'556, no charges being levied for management and administration of the Fund. The Surplus of CHF 34'549 is partly due to prepayment by Crédit Suisse of CHF 20'000 (donation for 2008). The Accumulated Surplus has reached CHF 168'457 by yearend.

### 2. Activities of our Scholarship Fund

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**Pro Memoria:** In 1988 our Scholarship Fund has introduced an educational program focusing on encouraging and supporting young, well educated residents of Switzerland in their efforts to acquire a thorough knowledge of Japan, its language and culture as well as its social, political and business practices. Our concept is largely but not exclusively oriented towards the needs of business. It requires from scholarship recipients a Japan training commitment for at least one year comprising intensive study of Japanese and practical work experience as interns with a local or international company.

During 2007 our Fund has extended scholarships to 15 candidates that have met our selection criteria and have committed themselves for at least one year of training in Japan, i.e. 3-6 months intensive Japanese study and 6-9 months as intern in a Japanese or International Company. The profiles of these scholarship recipients are summarized under para. 3. All of them have been personally interviewed and also benefit from continued non-financial guidance and support, e.g. on finding accommodation, opening a bank account, selecting a language school and searching for an appropriate internship (still difficult as concept of internships alien to many Japanese companies).

Companies which have offered internships more recently include:

| International Companies   | Japanese Companies  |
|---|---|
| <ul style="list-style-type: none"> <li>- A. Lange &amp; Söhne</li> <li>- BMW Motorrad</li> <li>- Hiestand</li> <li>- Hilti</li> <li>- Mettler-Toledo</li> <li>- Novartis</li> <li>- Syngenta</li> <li>- UBS</li> <li>- Zurich Insurance</li> <li>- TÜV Rheinland Group</li> <li>- Genedata</li> <li>- DKSH</li> </ul> | <ul style="list-style-type: none"> <li>- Fujitsu</li> <li>- Hitachi</li> <li>- Jtekt (ex Koyo Seiko)</li> <li>- Mitsubishi Electric</li> <li>- Mitutoyo</li> <li>- NEC</li> <li>- Nissan</li> <li>- Riken Genomic Sciences Center</li> <li>- Toshiba</li> <li>- STS Forum (Science &amp; Technology in Society)</li> <li>- Sumitomo Metal Industries</li> </ul> |

A typical individual budget for the Japan Year amounts to CHF 27'000-30'000. Apart from the SJCC scholarship varying mostly from CHF 10'000 – 15'000, income from the internship of CHF 6'000 – 12'000 is another major source of income. The balance is then covered by personal contributions from scholarship recipients of CHF 3'000 – 7'000 depending on their financial situation. In accordance with our Internal Regulations the ceiling for a scholarship is set at max. CHF 20'000 per recipient.

Uncertainties about the future financing of the Scholarship Fund and, of course, our strict policy of limiting scholarships to available funds, have lead us to be more restrictive without however reducing the number of scholarship recipients (15). Thus, average per capita grants were reduced by CHF 800 (from JPY 1'213'000 in 2006 to 1'133'000).

Meanwhile, Stiftung Mercator Schweiz has agreed to extend the Agreement expired end 2007 for a another 2 years, albeit with reduced contributions of CHF 120'000 in 2008 and CHF 60'000 in 2009 (from CHF 200'000 p.a. before). Hence, our search for new sponsors without whom we shall not be able to maintain our unique educational program at the present level.

Responding to our initial campaign to solicit donations from large Swiss companies active in Asia and Japan, only Crédit Suisse, Bank Julius Bär and UBS have as yet promised their support to the tune of CHF 20'000 p.a. for the years 2008-10. Incidentally, also our Chamber will henceforth contribute CHF 20'000 annually.

Our Scholarship Fund and Alumni Organization have meanwhile agreed to cooperate with Zurich University and Stiftung Mercator Schweiz to help realize a modern Center of Japan Studies (with possible extension to the whole East Asian region).

### 3. Profiles and Reports of Scholarship Recipients

#### **Pro Memoria: Typical Profile of a Scholarship Recipient**

- Female or male graduate from university or qualified professional with apprenticeship
- Age less than 35 years, resident of Switzerland
- Has already acquired good basic knowledge of spoken and written Japanese
- Highly motivated and committed to a “Japan Year” consisting of intensive language training and internship in a Japanese or international company
- Well balanced and positive personality with clear goals
- Displays an entrepreneurial spirit and risk tolerance

The subsequent list of the 15 scholarship recipients in 2007 reflects typical profiles of candidates, the majority just graduating from university with a bachelor or master degree (occasionally with a PhD), but also young professionals e.g. with an apprenticeship or alternative education:

| SJCC Scholarship Recipients 2007 |  |  |
|----------------------------------|--|--|
| ....                             |  |  |
| ....                             |  |  |
| ....                             |  |  |

The prime motivations of most applicants have been fascination with and respect of Japan’s culture and technological prowess, a strong will to prove their capability to succeed in an alien environment and to overcome actual or perceived barriers as well as to gaining practical experience and more global perspectives – all supporting their ultimate purpose of establishing solid stepping stones for building a professional career in future.

More than ever I am convinced of the absolute need for the Swiss Industry to send well prepared professionals for assignments in Japan who must be able to build bridges between our two cultures. Not surprisingly, Prof. Norbert Thom, Director of the Institute for Organisation and Personnel of the Bern University wrote in the “SonntagsZeitung” of April 27, 2008: “. . . Es gibt Beispiele etwa aus der deutschen Automobil-Industrie, da wurden erstklassige technische Spezialisten in neue Märkte entsandt, die nicht einmal 10 Worte der Höflichkeit in dieser Sprache kannten, keine Ahnung von der Geschichte und Kultur des Landes hatten. So etwas kann nur in Desaster enden . . .”

Japanese language proficiency as well as practical experience and familiarity with Japanese work practices of our scholarship recipients will eventually serve their future employers well – so will their less tangible traits such as curiosity, perseverance, risk tolerance and drive to succeed. In more general terms therefore, our scholarship program can be expected to make a lasting contribution towards further development of bilateral trade relations between Switzerland and Japan.

During the last 7 years only 2 scholarship recipients out of 101 have prematurely terminated their Japan Year. Reports submitted by our scholarship recipients are overwhelmingly positive notwithstanding, of course, some critical observations (visit our website [www.sjcc.ch](http://www.sjcc.ch), click “Scholarship Fund” for selected full reports). They are a valuable source of information for newcomers to Japan!

Quotes from scholarship recipients in their most recent reports on their Japan Year re-enforce the above statements:

- “Speaking Japanese is more than uttering words. It’s establishing a relationship!”  
(Boris Danev)
- “My contacts in Japan will be, besides the many memories and the Japanese language skills, among the most valuable things I could get during my stay in Tokyo.” (Michael Greeff)
- “Switzerland is very pleasant and interesting. However, I saw a big challenge in discovering and trying to understand a new, unknown foreign culture. Going abroad and putting into reality what sometimes sounds like a dream is not that easy and requires a sound motivation” (Dominique Ursprung).
- “Führungskräfte ausländischer Firmen in Japan müssen heute hohen Ansprüchen genügen. Sie sollten den japanischen Markt gut kennen und über ein Netzwerk verfügen, aber gleichzeitig auf internationalem Niveau mit dem Mutterhaus kommunizieren können, da die Filialen im Zuge globaler Strategien zunehmend in einen internationalen Verbund integriert werden. Dieses hohe Anforderungsprofil führt zu einer sehr kleinen Anzahl von Kandidaten.“ (Simon Kneubühl in der März 2008 Ausgabe von “Japan Markt“).
- “Business is all about personal relationships and gaining respect.” (Gregory Glanzmann)

#### 4. Comments on Financial Statements

Copies of the Financial Statements per 31.12.07 certified by Deloitte AG are being sent separately to our sponsors.

##### 5.1. Statement of Revenue & Expenditure

Total Revenue has amounted to CHF 240’105; major items comprise:

- 200’000: Januar / June donations by Stiftung Mercator Schweiz
- 20’000: Donation by SJCC
- 20’000: Prepayment of the 2008 Donation by Crédit Suisse

Total Expenditure, exclusively covering payments to scholarship recipients, has

reached CHF 205'556. This is well in excess of CHF 178'000 in scholarships granted in 2007 and is due to the time lags between approval and actual payments. It also reflects some restraint on our part due to the expected reductions in total donations and eventual withdrawal by Stiftung Mercator Schweiz (for details see para 3).

## 5.2. Balance Sheet

Our Balance Sheet shows a surplus of CHF 34'549 for the year (including the afore mentioned prepayment) whereas the accumulated assets at the end of 2007 have increased to CHF 168'457.

Our finances are thus sound.

As of yearend, contingent liabilities in 2008, i.e committed but not yet paid scholarships, amounted to approx. CHF 116'000. The respective ceiling for payments of scholarships in 2008 is set around CHF 180'000. Yet, in order to be able to maintain levels as in the past years, i.e. approx. CHF 200'000 p.a. in the years beyond 2009, we need additional sources of donations. Hence, our appeal to companies and/or foundations to consider sponsorships! As already mentioned, all money donated goes to scholarship recipients exclusively.

## 5. Alumni Platform and Activities in Switzerland and Japan

### Pro Memoria: The Alumni Association – Building Social and Business Networks

- Assisting newly arrived SJCC scholarship recipients in Japan
- Platform of former scholarship recipients for sharing experiences and further developing knowledge about Japan
- Contributing to SJCC activities and benefiting from its network
- Promoting friendship and kinship among members through educational and social events in both countries

Contact in Switzerland: Alex Renggli, President ([alexrenggli@hispeed.ch](mailto:alexrenggli@hispeed.ch))

Contact in Japan: Dr. Felix Moesner ([felix.moesner@eda.admin.ch](mailto:felix.moesner@eda.admin.ch))

Our scholarship recipients and Alumni have been requested to respond to a detailed METI questionnaire – in my opinion an encouraging sign that our efforts to facilitate the visa

formalities for our trainees within the framework of the Bilateral Agreement (i.e. Extended Partnership Agreement) may succeed.

## 6. Outlook and Planned Activities 2008

Interest in our Scholarship Program is unabated with 18 serious enquiries received by May 2008 of which the Scholarship Committee has meanwhile approved 10 scholarships. It appears that our 1-year Program of intensive Japanese study and additional internship appeals to graduate students in particular. For the time being we shall maintain our current policy of being slightly more restrictive in our admission of future scholarship recipients until we will have succeeded in restoring long term sponsoring capital to previous levels.

## 7. Acknowledgements

Without the active support of the Swiss Embassy in Tokyo and the Swiss Chamber of Commerce and Industry (SCCIJ) in Tokyo, we could not have progressed in Japan the way we did. Once again, our warmest thanks go to Ambassador Paul Fivat and his team, in particular our Alumnus Felix Moesner, for their contributions. Likewise, President Armin Frauenknecht, the Board and Secretariat of SCCIJ, deserve our highest appreciation for their most valuable cooperation in encouraging member companies to provide internships for our scholarship recipients.

Finally, I should like to convey our gratitude to Stiftung Mercator Schweiz as well as our new sponsors, Crédit Suisse, Julius Bär (Private Banking) and UBS (Stiftung für Soziales und Ausbildung) for their financial support. Their vision and decision on sponsoring a unique educational opportunity for talented young people is broadly acknowledged by a growing number of Japanese and International companies who offer internships to our scholarship recipients (see para. 2)

SWISS-JAPANESE CHAMBER OF COMMERCE  
Chairman of the Scholarship Fund

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