

ANNUAL REPORT 2008 OF THE SJCC SCHOLARSHIP FUND

1. Summary and Highlights
2. Progress of the Scholarship Fund
3. Profiles and Reports of Scholarship Recipients
4. Comments on Financial Statements
5. Alumni Platforms and Activities in Switzerland and Japan
6. Outlook and Planned Activities in 2009
7. Acknowledgements

1. Summary and Highlights

Pro Memoria: Since its establishment in 1988 our Scholarship Fund has granted scholarships amounting to a total of approx. CHF 2'510'000 to 175 well educated candidates (average CHF 14'340 per capita).

- **Scholarships granted:** Our Committee has approved 14 requests (15 in 2007) with average per capita commitments of approx. JPY 1'380'000. Total payments actually made to Scholarship recipients amounted to CHF 162'785 (205'556 in 2007).
- **Donations received:** CHF 120'000 from Stiftung Mercator Schweiz (200'000 in 2007) and, newly, CHF 20'000 (nil in 2007) each from CSG, Bank Julius Bär, UBS and SJCC (the latter booked in 2007). Contractual payments by Mercator will last until end 2009 and by Banks until 2010. Hence, our expanded search for new sponsors – no positive responses yet.
- **In contrast to dwindling donations the interest in SJCC scholarships is increasing:** As of writing the level of enquiries for 2009 (Oct 2008 - Sep 2009) during the first 7 months, i.e. 27, has already surpassed the total for 2008 (Oct 07 - Sep 08).
- **Finances still sound:** Total Revenues have declined to CHF 180'201 (240'105 in 2007). Accordingly, Expenditure has been reduced to CHF -162'785 (-205'556 in 2007). Thus, the year has ended with a Surplus of CHF 17'416. The Balance Sheet shows accumulated Assets of CHF 185'873 (168'457 in 2007). Donations still committed + accumulated Assets will suffice to finance scholarships at current levels until end 2010. As hitherto management and administrative work is being carried out on honorary basis, i.e. all donations fully benefit scholarship recipients.
- **Outlook 2009:** The recently concluded bilateral “Agreement on Free Trade and Economic Partnership” will no doubt enhance opportunities for Swiss companies in Japan and consequently increase the demand for experienced professionals familiar in both cultures. This may offer new and attractive career opportunities for our scholarship recipients.

2. Activities of our Scholarship Fund

Pro Memoria: Our educational program in Japan focuses 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 them a Japan training commitment for at least one year comprising intensive study of Japanese and practical work experience as interns with local or international companies.

During 2008 our Fund has extended scholarships to 14 candidates who have met our selection criteria and have committed themselves for a one-year program of intensive Japanese study followed by an internship in a Japanese or International Company. All have been personally interviewed and subsequently approved by the Scholarship Committee. In addition to receiving a scholarship commensurate with their own financial capabilities, they also benefit from continued non-financial guidance and support, e.g. on finding accommodation, selecting a school and searching for an appropriate internship (difficult, as the concept of internships for practical education is alien to the Japanese curriculum and, not the least, also due to the economic crisis).

A typical individual budget for the “Japan Year” amounts to JPY 2’800’000 – 3’000’000 (approx. CHF 30’000 – 33’000 at JPY 100:1.10). Apart from the SJCC scholarships, averaging approx. 40% of budget per capita in 2008, a further 30% derives from the compensation (if any) as intern and another 15-30% from the candidate’s own resources (incl. belt-tightening in Japan) depending on his/her financial situation. In accordance with our Internal Regulations the ceiling for a scholarship is set at CHF 20’000 per recipient (60-65% of budget).

Companies in Japan which have offered internships more recently include:

International Companies	Japanese Companies
<ul style="list-style-type: none"> - A. Lange & Söhne - BMW Motorrad - DKSH - Genedata - Hilti - Mettler-Toledo - Mercedes-Benz - Kaba - Novartis - Syngenta - TÜV Rheinland Group - UBS - Zurich Insurance 	<ul style="list-style-type: none"> - Bijutsu University for Art & Design (assisting Professor) - Electronic Arts - Jtekt (ex Koyo Seiko) - Kyodo Public Relations Co., Ltd. - Maekawa Co., Ltd. (subsidiary in Zug) - Mitsubishi Electric - Mitutoyo - Nissan - Riken Genomic Sciences Center - Toshiba - STS Forum (Science & Technology in Society) - Sumitomo Metal Industries - Sunstar

3. Profiles and Reports of Scholarship Recipients

As in the past, the profiles of our scholarship recipients in 2008 reflect a broad spectrum of educational backgrounds: International Relations (3), Economics & Business Admin. (3), Electronics & IT (2), Law (1), Biochemistry & Biology (1), Pharmacist (1), History of Art (1), Journalism & Communication (1), Urban Planning & Geography (1). 12 are university graduates (1 PhD, 3 Masters, 8 Bachelors) and 2 professionals with Apprenticeship and Matura.

The personal details and profiles of these scholarship recipients are, for privacy considerations, not being published and only submitted to Sponsors, the Swiss Embassy in Tokyo and the BOD of our Chamber (Attachment 1). They all meet our basic requirements as listed below:

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

Hence, we can say that until now around 170 scholarship recipients have acquired a solid Japan competence provided by our Japan Training Program – an asset for these ambitious young people but, likewise, for companies that employ them. Thus, we hope to contribute towards further development of bilateral relations between Switzerland and Japan.

All scholarship recipients have to write medium-term and final reports as these usually are good sources of information for new candidates. Selected reports are being published (with the consent of their authors) on our website: www.sjcc.ch/htm/reports.htm. As usual, I should like to share with the readers a few quotes from the most recent reports which re-enforce the “raison d’être” of our activities:

- “. . . Und Ziele zu verfolgen bedeutet neben Erfolgserlebnissen immer auch Frustrationen und Rückschläge in Kauf nehmen zu müssen. Letztere können unter Umständen speziell für Ausländer in Japan sehr zahlreich sein. Doch um solche Erfahrungen überhaupt machen zu können, sind Unterstützungsprogramme, wie das des SJCC, unersetzlich. Natürlich nicht nur der blossen Erfahrung willen, sondern um diese hoffentlich eines Tages auch als Brückenbauer zwischen Kulturen einsetzen zu können. . .“ (Gérard Frédéric Moinat)
- “. . . In meinem Körper fließt japanisches Blut. Als Kind wurde ich deshalb oft gehänselt, kam nach Hause und warf meiner Mutter vor, dass sie mich auch blond und blauäugig hätte auf die Welt bringen sollen . . . Es war nicht immer einfach zwischen zwei Kulturen (in der Schweiz) aufzuwachsen. . .“ (Nicole Maiko Kuhn über den Wunsch der in der Schweiz aufgewachsenen Stipendiaten/innen aus gemischten Ehen, ihre zweiten, japanischen Wurzeln besser kennen und verstehen zu lernen, um so ihre bi-kulturelle Basis erfolgreich nützen zu können).
- On her internship at the STS Forum (Science and Technology in Society“, a non-profit organisation founded by a former Minister of Finance of Japan: . . . “During the 3 days of the seminar organized by STS I was also part (of a gathering) of 750 participants from over 80 countries and regions, including executives of major international companies, ministers and well-known academics. The annual meeting offers a unique platform for experts to discuss major issues and serves an exquisite opportunity for networking “outside the usual territory”. As the Forum began, each one of us of the STS team had a task to perform. . .” (Emiko Elisabeth Alexejew)

4. Comments on Financial Statements

Copies of the Financial Statements per 31.12.08 certified by Deloitte AG are being sent separately to our sponsors.

5.1. Statement of Revenue & Expenditure

Total Revenue has amounted to CHF 180'201 (240'105 in 2007); major items comprise:

- 120'000: Januar / June donations by Stiftung Mercator Schweiz
- (20'000): Donation by SJCC (booked in 2007)
- 20'000: Donation by Crédit Suisse (carry over from 2007)
- 20'000: Donation by Julius Bär
- 20'000: Donation by UBS

Total Expenditure, exclusively covering payments to scholarship recipients, has been reduced to CHF -162'785 (-205'556 in 2007) . This considerable reduction can be mainly attributed to reduced scholarship levels, some payments deferred to 2009 and a favourable exchange rate JYE :CHF during much of 2008.

5.2. Balance Sheet

Our Finances remain sound with accumulated Total Assets of CHF 185'873 (168'457 in 2007), a surplus for the year of 17'416 thanks to the afore mentioned reductions in Expenditure.

Estimated Contingent Liabilities for 2009, i.e. outstanding plus newly granted scholarships, amount to approx. CHF 177'700. The respective payment levels as well as the number of newly granted scholarships may have to be further reduced in 2009 – a regrettable but hardly avoidable measure – resulting from the reductions of currently committed donations from the regular level of CHF 200'000 p.a. during 2001-2007 (180'000 in 2008, 140'000 in 2009, 80'000 in 2010 and 0 from then on:). Hence, our appeal to Foundations and/or Companies to consider sponsorships enabling us to carry on with our Japan Training Program beyond 2010! In this context, I may reiterate that all sponsoring funds go 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: Gregory Glanzmann, President (glanzmann@tras.co.jp)

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

Website: www.sjcc.ch/HTM/Alumni.htm

As of Mai 2009 the current President of the Alumni Association, Alex Renggli, will resign from this position due to his impending transfer to Tokyo as newly appointed Cultural and Communication Attaché at the Swiss Embassy. The SJCC Board and Scholarship Fund thank him for his activities and initiatives and wish him well in his new responsibilities. At the same time, we warmly welcome our recent Scholarship recipient (2007), Gregory Glanzmann, as successor and we look forward to a continued and inspiring cooperation for the benefit of the Alumni (being at the same time members of SJCC) as well as the Scholarship Fund.

Highlights of the more recent Alumni activities include – apart from social events – a very successful “Management-by-Martial Arts” Seminar by Henry Schubert, the initiation of Online Groups (linkedIN, Xing, facebook) and participation at the Hosei University 2-days’ Seminar on the major theme: “Capacity Building for Swiss-Japanese Collaboration in Academia & Business”.

In Japan, activities included joining events / presentations organized by the Swiss Chamber in Tokyo, social gatherings (e.g. Hanami, Bonenkai etc.) as well as excursions and attendance at Swiss fairs. Particular mention is deserved for helping newcomers when they are facing uncertainty, e.g. in their search for internships, and advising them on best ways to overcome some of the hurdles they have to cope with.

6. Outlook and Planned Activities 2009

At the time of writing, we are faced with the resignation by end 2009 of Stiftung Mercator Schweiz as principal donator to our Scholarship Fund. Furthermore, we still have to clarify whether Credit Suisse, Bank Julius Bär and UBS will eventually be willing to continue with their financial support beyond 2010.

These uncertainties about the future financing of the Scholarship Fund and, of course, our policy of strictly limiting scholarships to available funds, have lead us to be more restrictive without, however, significantly reducing the number of scholarship recipients (14) so far. Yet, should our current campaign of soliciting substantial new funds not succeed, we shall have no option but start reducing significantly both the amount of scholarships granted as well as the number of recipients accepted – a particularly painful measure in the light of the rapid increase lately of new applications (totally 27 during the past 7 months since Oct 2008, already exceeding the total number of applicants in 2007!).

With the recently concluded bilateral “Agreement on Free Trade and Economic Partnership” between Japan and Switzerland it is expected that the demand for expatriate professionals who can build bridges between our two cultures will increase. In particular, when more SMEs (smaller and medium-sized enterprises) are planning to expand into the Japanese market or increase their already existing activities – certainly opportunities for our scholarship recipients!

Their language proficiency and work experience will facilitate access to Japan’s business world. Their practical Japan experience and familiarity with Japanese work practices will serve their future employers. Likewise, their ability to ensure good communication between partners in both countries will remove many barriers and build credibility and trust. In a broad sense, therefore, our scholarship program can thus make a lasting contribution towards the bilateral understanding and cooperation between our two countries.

7. Acknowledgements

Once again, I should like to convey our deeply felt gratitude to our sponsors, Stiftung Mercator Schweiz, as well as Crédit Suisse, Bank 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 equally and foremost acknowledged by our scholarship recipients.

Furthermore, I thank the Swiss Embassy in Tokyo and the Board of the Swiss Chamber of Commerce and Industry in Japan (SCCIJ). Their support has been instrumental to overcome many of the typical hurdles, such as finding internships. In this context I should like to pay particular respect to Ambassador Paul Fivat for his personal interest and help. Not to forget, our alumnus, Felix Moesner, Science and Technology Attaché at the Swiss Embassy, for his untiring efforts in advising and guiding our scholarship recipients in Japan. Without his assistance we could not have progressed in Japan the way we did.

SWISS-JAPANESE CHAMBER OF COMMERCE
Chairman of the Scholarship Fund

Paul Dudler

P.S.: As in the past this Annual Report will be published on our website (www.sjcc.ch / click Scholarship Reports) after the AGM of the SJCC on May 27, 2009.

Encl.: (restricted distribution)