

## ANNUAL REPORT 2009 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 2'657'000 to 186 well educated candidates (average CHF 14'280 per capita).

- Scholarships granted: Our Committee has approved 11 requests (14 in 2008) with average per capita commitments of approx. **JPY 1'090'000 (1'457'000)**, i.e. totally **JPY 12'000'000 (20'400'000)**.
- Interest in SJCC scholarships has increased: 35 (25) requests during the period Oct 08–Sep 09, of which 11 Scholarships granted, 2 withdrawals, 7 rejected, 15 with no follow-up as yet.
- Finances still sound: Our Balance Sheet shows an Accumulated Surplus by end year of CHF 188'350 (185'873 in 2008).
- Revenues account for CHF 180'192 (180'201) comprising donations of CHF 180'000 + 192 interest income.
- Expenditures amount to CHF 177'885 (162'785), all of which are contributions to scholarship recipients, except for Bank charges of CHF 110.
- Contingent Liabilities 2010: They consist of the balance of scholarships mostly approved in 2009 but due only in 2010, i.e. CHF 134'446, plus estimated additional payments of approx. CHF 24'000. As yet, there are donations of only CHF 80'000 committed by sponsors, thus by yearend our accumulated surplus funds will have declined to ~CHF 110'000 (188'350 in 2009).
- Donations: No more contributions by Stiftung Mercator Schweiz! Respective agreements with CS, Julius Bär & UBS will expire by end 2010! Hence, soliciting donations beyond 2010 from the 3 Banks as well as from others (Hilti and new sponsors?) will have top priority.

## 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 the scholarship recipients a Japan training commitment for at least one year comprising intensive study of Japanese and practical work experience as interns with local companies, both Japanese or international.

In the course of 2009 the Scholarship Committee of the SJCC Board has approved the formal applications of 13 new scholarship candidates, 2 of whom have later withdrawn for personal reasons without being paid. The remaining 11 recipients (14 in 2008) have been awarded scholarships averaging JYE 1'090'000 (1'457'000) each. Our principal reasons for substantially reducing average per capita grants as well as the number of candidates are twofold: 1) the drastic impact on our future finances of the withdrawal of our main sponsor, Stiftung Mercator Schweiz, and 2) the significant appreciation of the Yen against the CHF by approx. 12% y/y.

The qualifications of all candidates have been carefully screened and they have been personally interviewed before being selected or rejected (7). 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, not to mention the current economic crisis).

A typical individual budget for the “Japan Year” amounts to JPY 2'800'000 – 3'000'000 (approx. CHF 33'600 – 36'000 at JPY 100:1.20). Apart from the SJCC scholarships averaging approx. 36-39% of budget per capita in 2009, up to 30% are usually covered by the compensation (if any) from the internship and the remainder comes from the candidate's own resources, respectively belt tightening. In accordance with our Internal Regulations the ceiling for a scholarship is set at **CHF** 20'000 per recipient (~55% of budget).

A Memorandum providing for the exchange of so called “Young Professionals” attached to the “Bilateral Agreement on Free Trade and Economic Partnership”, which was signed in autumn 2009 between Switzerland and Japan, should facilitate visa formalities. As stipulated our scholarship recipients would have to apply to the Japanese Embassy in Bern for a visa with evidence that a company in Japan would employ them. Yet, the majority of them can only secure an internship after arrival in Japan, i.e. during the first 6 months of their stay in Japan while studying Japanese. Furthermore, access to these visa simplifications does not cover applicants with an apprenticeship (15-25%). Our respective proposals to Seco to negotiate modifications of such restrictions that would virtually exclude most of our scholarship recipients – graduates from universities and

apprenticeships alike – were rejected “in order not to delay signing of both the Main Agreement and Appendix”.

Companies in Japan 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 Technology Office</li> <li>- Bosch</li> <li>- DKSH</li> <li>- Hilti</li> <li>- Mercedes-Benz</li> <li>- Kaba</li> <li>- Novartis</li> <li>- Reishauer</li> <li>- Syngenta</li> <li>- TÜV Rheinland Group</li> <li>- Zurich Insurance</li> </ul>	<ul style="list-style-type: none"> <li>- ABC Enterprises</li> <li>- Bijutsu Daigaku, University of Art &amp; Design</li> <li>- Electronic Arts</li> <li>- Jtekt (ex Koyo Seiko)</li> <li>- Kyodo Public Relations Co., Ltd.</li> <li>- Maekawa</li> <li>- Mitsubishi Electric</li> <li>- Mitutoyo</li> <li>- Nissan</li> <li>- Optoelectronics Laboratory, Kyoto University</li> <li>- Riken Genomic Sciences Center</li> <li>- STS Forum (Science &amp; Technology in Society)</li> <li>- Sunstar</li> <li>- Tokyo Biolinks</li> </ul>

### 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

As in the past, the profiles of our scholarship recipients in 2009 reflect a broad spectrum of educational backgrounds:

- University degrees (4 Bachelors, 4 Masters): in Economics & Business Administration (3), Japanology (2), Sociology (1), Physics (1) and Fashion Design (1);
- Apprenticeships (+ Berufsmatur): in Commerce & equivalent (3). The names, personal details and profiles of these scholarship recipients are, for privacy reasons, not being published on the internet

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:

The prime motivations of most applicants are a fascination with and respect of Japan's culture, social and work customs, technological prowess as well as learning Japanese, etc. In addition an ambition 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.

Approx. 180 scholarship recipients have so far succeeded in acquiring a solid Japan competence provided by our Japan Training Program – an asset for these ambitious young people but, likewise, for companies that employ them.

All scholarship recipients have to write mid-term and final reports as these usually provide good sources of information and inspiration for new candidates. Selected reports are being published (with the consent of their authors) on our website: [www.sjcc.ch/htm/reports.htm](http://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 Scholarship Fund:

Dominique Ursprung (on working as intern in the office of a Member of the Parliament): “. . . Another thing that made my six-month internship so interesting were the short moments in which the deputy taught me about certain aspects of Japanese culture or the functioning of politics in Japan. In return it was my job to be ready anytime to make brief oral summaries of international events or reactions in the world press on topical events in Japan . . .” (Final Report)

Marco Breitler (on gaining acceptance and respect as intern): “. . . Nach ein paar gemeisterten Knacknüssen schien es, als ob ich eine Art Eignungstest bestanden hätte. Auch wurde das Verhältnis zu meinen Kollegen immer offener, die typisch japanische Zurückhaltung nahm stetig ab. Ich kam an einen Punkt, an dem ich mir sagen konnte: „Ich glaube jetzt haben sie dich in ihren Kreis aufgenommen . . .“ (Schlussbericht)

Caroline Mérier (on her initial experiences in Japan): “. . . Looking back on the last months, I realize how much I left behind in Switzerland. But I also realize how much a move like this one represents an invaluable opportunity to grow, and learn from other people, from their culture and knowledge, and from their ways of looking at our very same world. Be it about the Japanese language, communicational frames, professional patterns, education issues or simply about ways of sharing a common living environment; the last six months have already taught me an impressive amount of what makes Japan a fascinating – and often curious – environment. . .” (Mid-term Report)

#### 4. Comments on Financial Statements

Copies of the Financial Statements certified by Deloitte AG obtainable upon request.

#### 4.1. Balance Sheet 2009

Our Finances remain sound with an accumulated Surplus of CHF 188'350 (185'873 in 2008).

#### 4.2. Statement of Revenue & Expenditure 2009

- Revenues have totaled CHF 180'192 (180'201), i.e. donations of 60'000 (120'000) from Stiftung Mercator Schweiz, 20'000 each from CSG, Bank Julius Bär, UBS and SJCC as well as 40'000 (new) from Martin Hilti Foundation (+CHF 192 interest income).
- Total Expenditure of CHF 177'885 (162'785), CHF 177'775 of which scholarship payments +110 Bank charges. Note: Payments mostly relate to scholarship recipients approved in 2008! As always such payments were made in JYE at the average rate of 1.23 vs. the CHF – a significant appreciation against 2008 (Ø 1.087)!

#### 4.3. Contingent Liabilities 2010

They consist of the balance of scholarships mostly approved in 2009 but due only in 2010, i.e. CHF 134'446, plus expected as yet undefined payments of approx. CHF 24'000. So far, there are donations of only CHF 80'000 committed by sponsors, thus by yearend our accumulated surplus funds will have declined to approx. CHF 110'000 (188'350 in 2009).

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

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

- In Japan: Assisting newly arrived SJCC scholarship recipients in Japan
- In Switzerland: 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](mailto:glanzmann@tras.co.jp))

Contact in Japan: Dr. Felix Moesner, Member of the Board ([felix.moesner@eda.admin.ch](mailto:felix.moesner@eda.admin.ch))

Website: [www.sjcc.ch/HTM/Alumni.htm](http://www.sjcc.ch/HTM/Alumni.htm)

In Mai 2009 Gregory Glanzmann (Scholarship Recipient 2007) has been elected President replacing Alex Renggli who has been appointed as Cultural and Communication Attaché at the Swiss Embassy in Tokyo. Concurrently, Gregory will be serving on the SJCC Board.

The Alumni Association in Switzerland presently has 49 active members. Its Board is now planning to intensify activities such as e.g. a workshop tentatively called "Japan Day" with focus on sharing their Japanese business and cultural experiences with university students et al. as well as Swiss companies interested in Japan. Another interesting project includes "Getting started in Japan" addressing the needs of future scholarship recipients in preparing them for their "Japan Training Year". I also welcome their efforts to solicit donations for the SJCC Scholarship Fund.

In Japan, activities have 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. Helping newcomers when they are facing uncertainty, e.g. in their search for internships, and advising them on best ways to overcome hurdles (e.g. Visa problems).

## 6. Outlook and Planned Activities 2010

For contingent liabilities please refer to para. 4. I reiterate that our financial commitments will be covered during that 2010, but we must give serious consideration to the years beyond, i.e.: no more donations by Mercator Schweiz. Furthermore, the respective agreements with the 3 banks will expire by end 2010. Since we must assume that interest in scholarships for our 1-year training program in Japan will at least continue at current levels, soliciting donations beyond 2010 from the 3 Banks as well as from others (Hilti and new sponsors?) will have top priority. In this connection we appeal to Foundations and/or Companies to consider sponsorships enabling us to carry on with our Japan Training Program for young and talented future managers and professionals beyond 2010. In this context, I may reiterate that all donations will benefit scholarship recipients exclusively - no administrative expenses deducted.

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 make a lasting contribution towards the understanding and cooperation between our two countries.

## 7. Acknowledgements

First and foremost, I like to thank our sponsors, Stiftung Mercator Schweiz, Crédit Suisse, Bank Julius Bär (Private Banking) and UBS (Stiftung für Soziales und Ausbildung), Martin Hilti Foundation and SJCC, for their financial support. Their vision and decision on sponsoring our Scholarship Fund have so far provided approx. 180 well educated, entrepreneurial students and professionals with a chance to learn and work as interns in Japan and thus acquiring a sound and broad level of competence.

Soon after the founding of our Swiss-Japanese Chamber of Commerce, whose 25<sup>th</sup> Anniversary we are celebrating in 2010, Stiftung Mercator Schweiz has initiated and helped our Chamber to establish and finance a Scholarship Fund. Today, we acknowledge with regret but profound respect their decision to terminate donations which have meanwhile reached a cumulative total of approx. CHF 2,4 mio. The President of the SJCC, my other colleagues of its BOD and, above all, our 180 scholarship recipients past and present join me in expressing deep gratitude to Dr. Michael Schmidt and his Foundation for their initiative, understanding and support of educational projects in Switzerland.

My thanks also go to the Japanese Embassy, in particular H.E. Ambassador Ichiro Komatsu, for his guidance and support. Furthermore, I thank the Swiss Embassy in Tokyo and specifically H.E. Ambassador Paul Fivat, for his personal interest and help in our work. 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. Finally, I express my gratitude to the Board of the Swiss Chamber of Commerce and Industry in Japan (SCCIJ), Tokyo. Their support has been instrumental in overcoming many of the typical hurdles in Japan such as finding internships.

**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](http://www.sjcc.ch)) after the AGM of the SJCC on June 8, 2010.