

ANNUAL REPORT 2010 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 to 195 well educated candidates amounting to a total of approx. CHF 2'757'000 (average CHF 14'140 per capita).

- Scholarships granted: Our Committee has approved 12 requests with **9** scholarships payable (11 in 2009) at average of approx. **JPY 922'000 per capita** (JPY 1'060'000 in 2009).
- Interest in SJCC scholarships has been stable: 34 (35) requests processed during the period Oct2009–Sep 2010.
- Sound Finances: Our Balance Sheet shows an Accumulated Surplus by end year of CHF 189'543 (188'350).
- Revenues account for CHF 100'158 (180'192) comprising donations of CHF 100'000 and interest of 158.
- Expenditures amount to CHF 98'965 (177'775), all of which are payments to scholarship recipients, except for accrued Bank charges of CHF 159.
- Outlook 2011:
 - The number of scholarships to be granted will be reduced again to 7 (9 in 2010) despite an estimated stable demand for scholarships of 35. Thus, we can maintain an adequate financial flexibility, albeit at the expense of widening the gap no. of grants vs. demand.
 - Contingent liabilities are estimated at CHF 102'230 vs. committed donations of only CHF 57'000 by our current 4 sponsors leaving a balance of accounts of CHF 144'246 (189'476).
 - In the face of dwindling reserves our priority is on maintaining a solid financial basis, hence our first ever donation campaign among all SJCC members.

2. Progress and 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 and international.

Out of 34 enquiries dealt with in 2010, 13 applications had been discussed at the Scholarship Committee level of the SJCC Board which had finally approved 12 candidates and 1 rejected of whom 1 without scholarship at candidate's request, 2 had later withdrawn . As a result **9 scholarships** were granted @ average JPY 922'000 (= CHF 10'060 vs. 13'400 in 2009) per capita.

A typical individual budget for the “Japan Year” amounts to JPY 2'800'000 – 3'000'000 (approx. CHF 32'200 – 34'500 @ an average rate of 1.15). Ideally, roughly 1/3 each of this budget is covered by our scholarship, by the compensation (if any!) from the internship and by the candidate’s own resources.

In addition to receiving a scholarship commensurate with their own financial capabilities, scholarship recipients benefit from continued non-financial guidance and support, e.g. on finding accommodation, selecting a school and searching for an appropriate internship (difficult to find , as the educational concept of an internship is alien to the Japanese curriculum) etc.

Companies in Japan which have offered internships more recently include:

International Companies	Japanese Companies
<ul style="list-style-type: none"> - Astra Zeneca - BMW Technology Office - Bosch - DKSH - Hilti - Mercedes-Benz - Kaba - Novartis - Reishauer - Syngenta - TÜV Rheinland Group - Zurich Insurance 	<ul style="list-style-type: none"> - ABC Enterprises - Bijutsu Daigaku, University of Art & Design - Electronic Arts - Jtekt (ex Koyo Seiko) - Mitsubishi Electric - Mitutoyo - Nissan - Optoelectronics Laboratory, Kyoto University - Riken Genomic Sciences Center - STS Forum (Science & Technology in Society) - Sunstar - Tokyo Biolinks

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 2010 reflect a broad spectrum of educational backgrounds:

- 8 with university degrees (1 student, 3 Bachelors, 4 Masters, 1 Doctorate): in the fields of Economy, Finance and Business Administration, Law, Engineering, Psychology and Sociology, Neurology;
- 2 with Commercial Apprenticeships (+ Berufsmatur): in Commerce & equivalent .

The prime motivations of most applicants are a fascination with and respect of Japan’s culture, technological prowess, social and work customs as well as learning Japanese. 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. 190 scholarship recipients have so far succeeded in acquiring a solid Japan competence provided by our 1-year 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. 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:

- Doran Deluz: (on learning Japanese): “. . . Learning a new language from scratch is like an odyssey in which you start as a young child, learn new material every day,

discover beautiful things along the path, get in turn excited and depressed by your progress, and ultimately return as a changed person. And I think the Japanese language specifically carries this voyage/quest feeling, by being so different from our western languages and being so diversified, especially in its oral–written duality. . ."

- Ralph Schildknecht (Der Held vom Kôenji Bahnhof): ". . . Stark beeindruckt hat mich eine Nachrichtenmeldung Mitte Februar. Als eine angetrunkene Frau ungewollterweise vom Bahnsteg der Kôenji Station auf die Geleise fiel und dort regungslos liegen blieb, zeigte ein junger Mann grosse Zivilcourage und sprang selbst herunter auf die Gleise. Die Zeit reichte gerade um die Frau zwischen den Gleisen so zu positionieren, dass der annähernde Zug über die bewusstlose Frau hinwegrollen konnte.⁷ Als ich diese Nachricht im Fernsehen sah, war ich äusserst erleichtert. Ich hatte nämlich die Tokyoter als ein, die Eigeninitiative in der Menschenmasse einer Grosstadt versteckendes Volk, schon abgeschrieben. . ."
- Jaime Bestard (on finding a suitable internship with the STS Forum): ". . . The SJCC gave me not only a scholarship but professional networking opportunities that introduced me to the Japanese work environment . . ."
- Victoria Watts (on comparing Western with Japanese attitudes: Defeatism or Wisdom?)
Report written before the Tohoku earthquake!:
"Westerners are often surprised by the Japanese spirit of accepting the things as they are. I am still very impressed by the way they accept and endure hardship and uncomfortable situations. The western attitude is to change the things one does not like, to take one's fate into one's own hands and to be proactive. The Japanese ideal is to accept situations, focus on the positive aspects and not let people around one be affected by one's personal discomfort. . ."
- Aris Maroonian (Une année en Japon):
"Cette expérience d'un an au Japon est merveilleuse et j'essaie d'en profiter au plus possible. Mon future professionnel n'étant pas encore défini, je ne sais pas encore si je poursuivrai ma vie au Japon ou si je débiterai une nouvelle aventure dans un nouveau pays du monde."

4. Comments on Financial Statements

Copies of Financial Statements certified by Deloitte AG will be available upon request after the AGM of the Chamber on May 25, 2011.

4.1. Balance Sheet 2010

Our Finances are sound with an accumulated Surplus at end year of CHF 189'543 (188'350 in 2009) as a drastic reduction of revenues from donations to CHF 100'000 (180'000) have forced us to further lower scholarship payments.

4.2. Statement of Revenue & Expenditure 2010

- Total Revenues have amounted to CHF100'158 (180'192), i.e. donations of 20'000 (40'000) from Martin Hilti Foundation , 20'000 (20'000) each from CSG, Bank Julius Bär, UBS and SJCC + CHF 158 interest income.

- Expenditure has totaled CHF 98'965 (177'885), i.e. scholarship payments* of 98'806 + Bank charges of 159.

*Note: Payments mostly relate to scholarship recipients already approved in 2008/9! As always such payments were made in JYE at the average rate of CHF 1.20 for 100 Yen(1.23 in 2009).

4.3. Contingent Liabilities 2011

They consist of scholarship payments of CHF 63'130 already approved during 2009/10 but due only in 2011 + estimated payments of CHF 39'100 to as yet unknown scholarship recipients = Total Liabilities of CHF 102'230 vs. Donations of CHF 57'000 so far committed by sponsors. Thus, Accumulated Surplus Funds are expected to decline to CHF 144'246 (189'475 in 2010).

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, planning joint events
- 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@.co.jp)

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

Website: 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 has since then been serving on the SJCC Board and its Executive Committee.

The Alumni Association in Switzerland presently has approx. 50 active members in Switzerland. Its Board has been intensifying activities such as e.g. a broadly attended workshop "Japan Gate" with focus on sharing their Japanese business and cultural experiences with university students et al. as well as Swiss companies interested in Japan. I also welcome the efforts of the Alumni Association to solicit donations for the SJCC Scholarship Fund among its members.

In Japan, another interesting project by Dr. Felix Moesner in Tokyo, heading the Alumni Association in Japan, has been the publication of an extensive Vademecum "Getting started in Tokyo" addressing the information needs of future scholarship recipients and others in preparing them for their "Japan Training Year". In other words, helping newcomers with tips on getting started and organized in Tokyo, from finding reasonably priced accommodation to solving visa problems (copy available on request).

6. Outlook and Planned Activities 2010

Until the end of 2010 our Scholarship Fund has approved and supported close to 200 young and highly qualified university graduates and professionals to participate in the said 1-year educational program in Japan consisting of intensive Japanese study and an internship in a Japanese or foreign affiliated company. Thus, we have provided them with a unique opportunity to acquire a solid "Japan competence", including building a personal network both professional and personal.

In an effort to counter the drastic reductions of donations from previous and existing sponsors, we shall focus our efforts and resources on soliciting funds to be better prepared in meeting a constant demand for scholarships of some 35 qualified candidates p.a. In a first step, we shall appeal to all members of our Chamber to contribute to an initial fund raising campaign and make it a success.

Japan Competence – an Important Asset for Swiss Enterprises, Tourism and Cultural Institutions.

SJCC and its Scholarship Fund will continue to make every effort to open our scholarship program to as many candidates as possible – not the least a modest but effective way to contribute towards further strengthening relations between Switzerland and Japan. Likewise, our Scholarship recipients – by selecting Japan for further study and working in the aftermath of the tragic Tohoku earthquake – will send strong signals of solidarity with and confidence in their host country.

7. Acknowledgements

SJCC and its Scholarship Fund wish to extend their deep gratitude to

- our Sponsors: Martin Hilti Foundation, Credit Suisse, Bank Julius Bär and UBS
- the Japanese Embassy in Bern
- the Swiss Embassy in Tokyo
- the Swiss Chamber of Commerce and Industry in Japan, Tokyo

for their continued interest in our activities, their financial support (sponsors), their valuable guidance and advice.

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) subsequent to the Annual General Meeting of the SJCC on May 25, 2011.

Encl.: - List of SJCC Scholarship Recipients (restricted distribution)
- Audit Report by Deloitte