

ANNUAL REPORT 2013 OF THE SJCC SCHOLARSHIP FUND

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1. Comments on Scholarship Applications, Finances and Strategies

Pro Memoria: Since its establishment in 1988 our Scholarship Fund has granted scholarships to 213 qualified candidates amounting to a total of approx. CHF 2'819'000 (average ~CHF 13'230 per capita)

Applications and serious enquiries have slightly declined to 20 (from 23 in 2012) as a result of the continued caution given to prospective applicants that only very few scholarships at reduced amounts will be available. In fact, only 5 scholarship requests were granted in 2013 @ JYE 3'700'000 = approx. CHF 39'590 (40'000) totally - average CHF 7'920 (8'000) per capita (5 rejected and 10 still open for consideration if claimed in 1-2 subsequent years).

Sound Finances: On 1.1.2013 our Balance Sheet shows an accumulated surplus of CHF 163'450. Deducting all payments due to scholarship recipients* and adding the only sponsoring contribution of CHF 10'000 received in 2013 from SJCC, the yearend surplus had dwindled to CHF 116'700 (rounded) by 31.12.2013.

*Note: 2013 payments mostly reflect scholarships granted 2012!

- Contingent Liabilities ("Verbindlichkeiten") 2014-15: They comprise still outstanding payments to scholarship recipients + budgeted new payments for totally 8 further scholarship candidates in the 2 years (approx. CHF 77'000 totally)
- contributions by sponsors during these 2 years = CHF 60'000 (SJCC: CHF 20'000 + 20'000 and newly, Sika AG: CHF 10'000 + 10'000)
- currently, the only prospective new sponsoring candidate is our Alumni Association. Yet, I hope that some of the companies represented by our Board Members and perhaps Sunstar Suisse (subsidiary of the Japanese Company where we have established a contact) may eventually join as sponsors.

Main Strategies for the future remaining basically unchanged, i.e.

- providing financial and qualitative support to well-qualified candidates
- soliciting new sponsors
- maintaining a solid financial basis
- assisting/encouraging the Alumni Association in its supportive role of SJCC/Scholarship Fund

2. Progress of our Scholarship Fund

Despite considerable obstacles, including loss of longtime sponsors, Hilti AG / Martin Hilti Foundation and Credit Suisse, our principal objective of developing a growing pool of experienced young professionals who can build bridges between Switzerland and Japan will remain unchanged.

Soliciting new sponsors is increasingly difficult. In the near future my hopes rest in particular with our BOD members and the Alumni Association sponsoring one or more scholarships. Incidentally, the estimated total cost for the "Japan Year" amounts to JPY 2'800'000 - 3'000'000 (± CHF 30'000) per scholarship recipient. Ideally, 1/3 each should be covered by our scholarship, by the recipient of the scholarship and by the compensation received from the internship.

In addition to receiving a scholarship commensurate with their own financial capabilities, scholarship recipients benefit from continuous non-financial guidance and support, e.g. in finding accommodation, selecting a language school, searching for an appropriate internship and problem solving usually related to visa, opening a local bank account and/or finding an internship. The latter is often the biggest hurdle as the educational concept of a practical internship has only recently become an accepted practice in Japan (www.jetro.go.jp/tv/internet/20130125481.html).

Update on companies in Japan which have offered internships during the last few years:

International Companies	Japanese Companies
<ul style="list-style-type: none"> - Astra Zeneca - BMW Technology Office - Bosch - Hilti - Mercedes-Benz - Kaba - Novartis - Sika - Swiss Embassy & Business Hub - Syngenta - TÜV Rheinland Group - Zurich Insurance 	<ul style="list-style-type: none"> - Bijutsu Daigaku, University of Art & Design - Jtekt (ex Koyo Seiko) - Mitsubishi Electric - Mitutoyo - Nissan - Rakuten (large IT company) - Riken Genomic Sciences Center - STS Forum (Science & Technology in Society) - Sunstar - Tokyo Biolinks - Urban Connections, Tokyo

After spending at least 1 year in Japan - to which all scholarship recipients are committed - it is fair to say that their Japan competence provides them with a solid basis on which to build a professional career. Quite a few of them decide to continue working in Japan (some have their own companies meanwhile), others find suitable employment with multi-national companies in Switzerland/Europe or elsewhere.

3. Profiles of Scholarship Recipients in 2013

The 5 recipients have as usual diverse educational backgrounds, i.e.

3 university graduates:

- 1 Bachelor of Engineering, Communication Systems & Informatics, Zurich Uni. of Applied Sciences
- 1 Bachelor of Business Admin., Major General Mgmt., Zurich Uni. of Applied Sciences, Winterthur
- 1 Bachelor of Law, Uni. Zürich / Uni. Lausanne

2 with apprenticeships

- 1 Commercial Apprenticeship
- 1 Metallbaukonstrukteur EFZ

Pro Memoria: Typical Profile of a Scholarship Recipient

- Female or male graduate from university or qualified professional with apprenticeship
- Age less than 30 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 3-6 m intensive language training and 6-9 m internship in a Japanese or international company
- Has well balanced and positive personality with clear goals and willingness to adapt to different customs and culture
- Displays an entrepreneurial spirit and risk tolerance

To sum it up: The common motivations of most applicants are years of being increasingly fascinated by Japan, its culture, technological prowess, social and work customs. For them learning Japanese in Japan and succeeding in an alien work and living environment is "conditio sine qua non" as stepping stones for a successful professional career.

4. The Alumni Association Supporting Scholarship Recipients

Our Alumni Associations with their presence in Switzerland and Japan are providing support to both the Chamber and the Scholarship Fund. Its Swiss Organization is financially supported by SJCC to the tune of CH 20'000 p.a. Currently, all Alumni enjoy full individual membership in the Chamber at a reduced rate (to be reviewed due to organizational changes of the Alumni Association).

In turn, the Chamber benefits in many ways from the competence and active participation of Alumni including at its Executive BOD. Plans are on the way by the Association to newly accept non-scholarship members which may require a review of current membership benefits.

In summary, the presents Alumni activities are focused on

- sharing practical information and experience with new scholarship recipients
- providing a "home away from home" in Japan assisting newcomers in a rapid integration handling hurdles and offering opportunities for networking and socializing
- introducing social and educational programs / activities in Switzerland and Japan
- hopefully becoming a source of eventually sponsoring new scholarship recipients.

(P.S. Presently, registered members of the Alumni Association are automatically SJCC members).

5. Acknowledgements

On behalf of the Swiss-Japanese Chamber and its Scholarship Fund I wish to thank

- the Japanese Embassy in Bern, H.E. Ambassador Ryuhei Maeda
 - the Swiss Embassy in Tokyo, H.E. Ambassador Urs Bucher
 - the Swiss Business Hub, Roger Zbinden
 - our new sponsor, Sika AG, CH-6340 Baar
 - the BOD of the Swiss Chamber of Commerce & Industry in Tokyo and its President, Martin Fluck
 - the BOD of the Swiss-Japanese Chamber in Zurich and its President , Henry Wegmann
 - the Alumni Association in Switzerland and Japan and its President, Dominique Ursprung
 - my colleagues of the SJCC Scholarship Committee
- for their continued support and interest in our activities, their help and guidance.

As previously mentioned, the SJCC Scholarship Fund is solely dependent on its sponsors for financing its scholarships. The reward to sponsors as well as industry and government administration is a growing pool of well-educated young professionals with an international mindset, a strong rooting in the Japanese business environment and, likewise, a familiarity with Japan's culture and social customs.

SWISS- JAPANESE CHAMBER OF COMMERCE
Chairman of its Scholarship Fund
Paul Dudler

P.S.: As in the past this Annual Report will be published on our website by June 2014
(www.sjcc.ch, click Scholarship Fund and/or Alumni Association)

Attachments: - Audit Report and Financial Statements by Deloitte (distributed after the AGM 2014)
- List of SJCC Scholarship Recipients and their qualifications (limited distribution)