

ANNUAL REPORT 2014 OF THE SJCC SCHOLARSHIP FUND

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Pro Memoria: Since its establishment in 1988 our Scholarship Fund has granted scholarships to 218 qualified candidates amounting to approx. CHF 2'850'000 (average CHF 13'070 per capita).

1. Introduction

Today, our Scholarship Fund is firmly established as unique pillar activity of our Chamber making a lasting contribution towards bilateral understanding and cooperation between Japan and Switzerland. Likewise, it is well received by Swiss educational institutions and its students providing them with Japan as well as international experience and competence in building bridges across cultural and social differences.

In retrospect, I wish to thank our former sponsors, "Stiftung Mercator Schweiz" and its Chairman for their generous financial support during the decisive developing stages of our Scholarship Fund from 2001 until 2006. Subsequently, donations from Hilti Foundation (incl. offering regular internships in Japan), Credit Suisse, Julius Bär, UBS and, not the least, our Chamber together with many of its individual members who have contributed towards the progress of our Scholarship Fund. It is their continuous support and trust that have motivated our Scholarship Committee and me all these years. Arigato gozaimasu!

2. Scholarship Enquiries and Applications

Summary 2014:	- Scholarships approved:	5
	- Open enquiries / applications:	10
	- Rejected or cancelled applications:	6
	Total	21

Applications and qualified Enquiries were approximately on par with 2013 (20), but considerably lower than in previous years when more funds were available. Again, Scholarships granted had to be restricted to 5 totaling JPY 3'200'000, i.e. average JPY 640'000 (CHF 5'760) per capita, the lowest level in my memory. On the positive side, we continue to benefit from a weak Yen @ ±CHF 0.90. Since payments to recipients are made in Yen, there is no negative impact to them in Japan (no inflation).

3. Profiles of Scholarship Candidates / Recipients in 2014

Pro Memoria: Typical Profile of a Scholarship Candidate

- Female or male graduate from university or qualified professional with apprenticeship
- Age less than 32 years, resident of Switzerland
- Has already acquired good basic knowledge of spoken and written Japanese preparing for his/her Japan training
- Highly motivated and committed to a “Japan Year” consisting of 3-6 m intensive Japanese language study 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

The subsequent table provides background information on the 5 scholarship recipients in 2014. Their personalities, educational qualifications and, notably, motivation have been verified at personal interviews. The respective conclusions and recommendations were then discussed in the Scholarship Committee which ultimately decided on scholarships. As a consequence, this procedure has over the years ensured a minimal failure rate, i.e. only 4 scholarship recipients (out of 218) have not completed their "SJCC Japan Year".

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

<i>International Companies</i>	<i>Japanese Companies</i>
<ul style="list-style-type: none"> - AstraZeneca - BMW Technology Office - Bosch - Hilti - Mercedes-Benz - Kaba - Novartis - Sika - Swiss Embassy & Business Hub - Syngenta - TÜV Rheinland Group - Zurich Financial Services 	<ul style="list-style-type: none"> - Architectural Atelier Bow Wow - Bijutsu Daigaku, University of Art & Design - Mitsubishi Electric - Mitutoyo - Nissan - Rakuten (large IT company) - Riken Genomic Sciences Center - STS Forum (Science & Technology in Society) - Sunstar - Tokyo Biolinks - Toyo Shutter - Urban Connections, Tokyo

4. Finances

Our Balance Sheet remained healthy with an accumulated surplus (cash at banks) of CHF 113'750 (116'7710) at yearend. Contingent Liabilities, i.e. outstanding but committed scholarship payments amounted to 40'100 to be carried forward to 2015. Donations received from SJCC increased to CHF 20'000 from 10'000 in 2013 (ref. Audit Report by Deloitte).

As from 2015/16 we expect further donations from newly solicited sponsors (such as Sika) in support of our efforts to respond more positively to demand for scholarships (presently the ratio is 1 granted vs. 5 rejected). A respective project is being initiated and developed by Martin Stricker.

5. Strategy 2015-16 of the Scholarship Fund

Apart from the regular strategies such as providing financial as well as qualitative support and encouragement to qualified scholarship candidates our focus in the coming 2 years will be on

- maintaining an optimal organization as pillar activity of our Chamber
- managing the financial resources of our Scholarship Fund within SJCC guidelines, in line with both the expectations of our sponsors as well as the needs of our scholarship candidates
- regularly report to the ExB / BOD on progress of the Fund
- strengthen PR and networking activities
- supporting our Alumni Associations in Switzerland and Japan.

6. Alumni Association

Our Alumni Association founded in April 2002 with activities in Switzerland and Japan primarily serves scholarship recipients as a platform for further developing their knowledge and experience of Japan. Equally important is its aim to strengthen friendship and common purpose among members. In the process, the Association has also been building a network of contacts with Swiss and Japanese companies and institutions, primarily serving the needs of its members. In Japan it is also a "home away from home" supporting new arrivals in various administrative procedures, recommending internship opportunities, contacts with the Swiss Embassy and Business Hub, etc.

Upon return to Switzerland all registered Alumni are offered a free initial membership in the Chamber. Thus, both institutions can share and benefit from each other's experience, knowledge and competence. I may also mention here that the President of the Alumni Association serves on the BOD of the Chamber.

7. Acknowledgements

On behalf of the Swiss-Japanese Chamber, its Scholarship Fund and myself I wish to extend our gratitude to

- 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, and all former donators
- the BOD of the Swiss Chamber of Commerce & Industry in Tokyo and its President, Michael Mroczek
- the BOD of the Swiss-Japanese Chamber in Zurich and its President, Felix Bossert
- the Alumni Associations in Switzerland and Japan and their President, Dominique Ursprung
- my colleagues of the SJCC BOD

for their continued interest in our activities, their support and guidance. As previously mentioned, the SJCC Scholarship Fund is solely dependent on its sponsors for financing its scholarships. All donations without deductions are exclusively being used for funding scholarships, thus, helping to develop 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, social and business practices. They serve the needs of our industry (Japan being the 3rd largest export market for Switzerland), educational institutions and government administration with their professional qualifications and enthusiasm.

8. Personal Remarks

This will be my last Annual Report as Chairman of the SJCC Scholarship Fund. After 16 years I have decided to retire by end 2015 and hand over to my designated successor, Martin Stricker, who has returned to Switzerland with his family after many years in Japan where, apart from his professional activities, he also served a term as President of the Swiss Chamber of Commerce & Industry in Tokyo. I congratulate him and wish him success and personal enrichment in his future assignment.

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 by July 2015
(www.sjcc.ch, click Scholarship Fund and/or Alumni Association)