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Unique Japanese watch exhibited at Baselworld

Masahiro Kikuno
Handmade watchmaker

Masahiro Kikuno is a young Japanese watchmaker, born in 1983. He exhibited for the first time his watch named *Tourbillon 2012* at Baselworld - the watch and jewellery trade fair, held this year from March 8 to 15.

First traditional Japanese time watch

He graduated from Hiko Mizuno College, in Shibuya, Tokyo. Founded in 1966, this school is the only Japanese one to be officially acknowledged in the field of jewelries and watches. It benefits since 1997 from a partnership agreement with the prestigious Neuchâtel-based watch school WOSTEP (Watchmakers of Switzerland

Training and Educational Program).

Mr. Kikuno manufactured the first watch showing Japanese traditional time. It is named *Temporal Hour Watch*. It displays time in six daytime and six nighttime units. Moreover, as days and nights do not have the same duration in each season, the length of hours varies with seasons. However, for ease of reading, Masahiro Kikuno's watch also indicates Western time.

Japanese traditional time existed in Japan until its abolition in 1873. Hisashige Tanaka, one of the founder of Toshiba Corporation, manufactured the first clock using this time system.

Joined Swiss watch association

Last year, Mr. Kikuno was recommended by Philippe Dufour and Philippe Wurtz to join the AHCI (Académie Horlogère des Créateurs Indépendants). He became the first Japanese watchmaker member of this organization.

He now continues to live in Japan, but applied in January for the young professional programme to work in Switzerland. This programme is enabled by

*Tourbillon 2012*

the Free Trade and Economic Partnership Agreement, which entered into force since September 2009.

Handmade watch Tourbillon 2012

He exhibited at Baselworld the unique piece of his watch *Tourbillon 2012* (see picture). This watch is his first sale watch model.

Tourbillon 2012 is a hand winding watch showing Western time. Its originality is to be made by hand only: the cutting out of the bridges, its cage and the enrolling of the numbers were achieved by hand. In addition, it is made in pink gold. "I would like to sell this watch to somebody who loves it", he said.

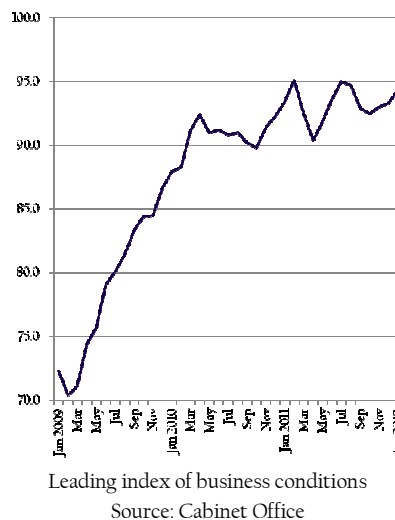
動向

SITUATION

Japan's current economic situation

Japanese economic picking up is stimulated by the recovery of the US economy, but as mentioned by the Cabinet Office "difficulties continue to prevail due the Great East Japan Earthquake" (March economic report).

A number of economic indicators shows the recovery trend of Japanese economy. The leading index of business conditions, which is used to anticipate changes in the direction of the economy, increased 1.2% to 94.4 in January from previous month (2005=100; see graph). The index of industrial production rose 1.9% to 95.2 in January over the month (2005=100).



Japan's economy is boosted by the recovery of the US demand. Exports declined 2.7% in February

2012 from a year earlier to a total of ¥ 5,441 billion. On the same period, exports to the United States rose 11.9% and to Canada 22.7%. More specifically, exports of motor-powered vehicles to the United States soared 29.3%.

In addition, imports increased 9.2% to ¥ 5,408 billion in January. As a result, Japan logged a trade surplus of ¥ 33 billion, after a record-high trade deficit of ¥ 1,477 billion in January and of 2,496 ¥ billion in 2011.

The domestic situation also slightly improved. The consumer price index was 99.6 (2010=100) in January marking an increase by 0.1% over the year.

Corporate seminars in Geneva and Zurich

活動

ACTIVITY



H.E. Mr. Kazuyoshi Umemoto, Ambassador of Japan in Switzerland.

JETRO organized two Swiss-Japanese investments seminars. One was held in Geneva on March 7, 2012. It was organized in cooperation with the Geneva Chamber of Commerce, Industry and Ser-

vice. The other one was held in Zurich, on March 16, 2012. It was organized in collaboration with the Swiss-Japanese Chamber of Commerce.

Ambassador Kenichi Suganuma (right picture) expressed in Geneva his gratefulness to Switzerland and called Swiss companies to invest in Japan, underlining that "Japan can be considered as a gateway for Asia".

Ambassador Kazuyoshi Umemoto (left picture) emphasized in Zurich that recent agreements between Japan and Switzerland will enhance economic relations.

Other speakers introduced the experience of Swiss groups (Richemont's subsidiary Piaget, Nestlé, Roche and Credit Suisse)



H.E. Mr. Kenichi Suganuma, Ambassador, Deputy Permanent Representative of Japan to the United Nations and Other International Organizations and Head of the Japanese Consulate in Geneva.

in Japan and Asia. They also explained the keys for the successful expansion and the challenges.

Toyota shows hybrid cars at Geneva Motor Show 2012

Among other hybrid cars, Toyota exhibited the *Prius Plug-in Hybrid* at Geneva Motor Show, held this year from March 8 to 18.

This car consumes only 2.6 l/100 km and generates 49 g/km of CO² emission. It features a full hybrid technology, enabling the recharge of batteries during deceleration and braking.

The first model of the *Prius* was launched in Japan in 1997 and in Switzerland in 2000. It is now the most popular hybrid car in the world, with total sales of 2.2 million.

Toyota began to develop hybrid cars already in the 1960s. It set in



Toyota AG Managers
From left to right: Gen Aoto (Senior Advisor Japan Business), Philipp Rhomberg (Director General) and Konrad Schütz, (Sales/Product & TSA Training Manager)

1963 a target to produce zero emission cars. In 1968, it produced the first prototype of the *Sports 800 GT Hybrid*.

It is now the No. 1 in Switzerland among Japanese automobile manu-



Toyota Prius Plug-in Hybrid

facturers, with 3.9% of market share (Association of Swiss automobile importers).

Its corporate philosophy encompasses the “Kaizen” principle (the continuous improvement) and the “Jidoka” principle (a type of automation that prevent any defective products).

革新
INNOVATION

Other environmental-friendly cars developed by Japanese carmakers



Suzuki G70 is a concept of petrol car with a CO² emission lower than 70g /km.

Mitsubishi i-MiEV (Mitsubishi innovative Electric Vehicle) is a 100% electric car with a range of 62 miles (approximately 100 km).



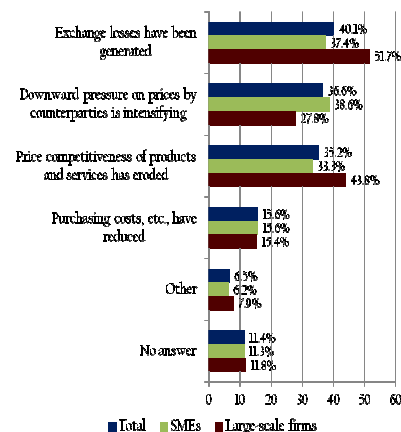
Strong yen boosts Japanese overseas acquisitions

While the increase of the yen’s value seems to be pausing since the beginning of February 2012, it has remained at a very high level in 2011. According to a survey carried out by JETRO, 40.1% of Japanese firms indicate that exchange losses have been generated due to the strong yen.

Taking the advantage of the strong currency, Japanese companies increased their overseas acquisitions. The total value of Japanese firms’

foreign M&A operations in 2011 was about ¥ 5.5 trillion, showing a rise over the year by 80% in term of value and by 20% in term of number of operations.

The largest Japanese acquisition was done in Switzerland: Takeda acquired Nycomed in October 2011. Toshiba also bought Landis+Gyr in July 2011. Nabtesco took over Kaba Gilgen in April 2011.



Survey about the impact of the strong yen on corporate earnings (Source: JETRO)

分析
ANALYSIS

革新
INNOVATION

Seiko developed world first GPS solar watch

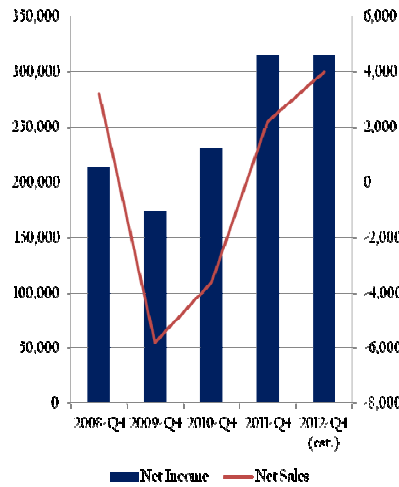


Seiko GPS Solar Astron
With the permission of
Seiko Watch Corporation

Seiko Watch Corporation developed the first GPS solar watch Astron. To connect a solar-generated watch to GPS, Seiko has significantly increased the energy efficiency of the GPS receiver.

Every day, Astron connects automatically to GPS satellites. It sets the time zone, time and date. Its perpetual calendar shows correct date until February, 2100.

The watch is also able to recognize all the 39 time zones around the world. It takes approximately six seconds to set the time and date and 30 seconds to adjust the time



Seiko's financial results
in the last four years in millions of yen
Source: Seiko Holdings Corporation

zone.

The GPS receiver can also be switched off in plane during taking-off and landing periods.

It uses solar power only. To this end, Seiko has developed an energy efficient GPS receiver that consumes only about 20% of the energy uses by other GPS receivers. It has submitted more than 100 patents to protect this new technol-



Seiko Astron watches
With the permission of
Seiko Watch Corporation

ogy.

Seiko's collection has a total of five models, three with high-intensity titanium and two in stainless.

The watches are 47 mm in diameter for 135 grams only.

Seiko recommends to sell this watch at ¥ 152,250 - 210,000 (CHF 1,660 - 2,300).

Seiko's sales increased 35.9% from ¥ 231 billion in the last quarter 2010 to ¥ 314 billion in the last quarter of 2011. On the same period, its sales net recovered from a loss to ¥ 4,000 million.

JETRO is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential.

The JETRO Switzerland Newsletter can also be viewed and/or downloaded online:
<http://www.jetro.go.jp/switzerland/newsletter>



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