

Special points of interest:

- Exports rose 27.7% in June 2010 from previous year and indices of industrial production increased 20.4% in May over the year.
- Whereas Elpida Memory had a loss of ¥147 billion (about CHF 1773 million) in FY2008, its operating income is of ¥27 billion (about CHF 326 million) in FY2009.
- Around 36,000 toys have been exhibited at the Tokyo International Toy Show, held from July 15 to 18.
- Yamaha Motor Co., Ltd. announced the release of the "EC-03" electric commuter, a zero-emission scooter scheduled to be sold from October 2010 in Japan and 2011 in Europe.

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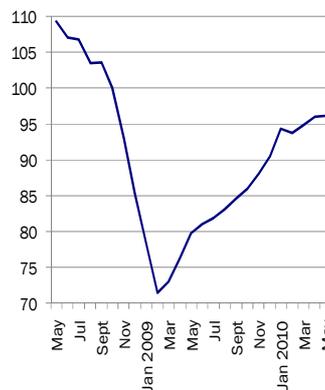
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Japan's current economic situation

According to the Bank of Japan (BoJ), "Japan's economy shows further signs of a moderate recovery, induced by improvement in overseas economic conditions". It also stated that "the uptrend in exports and production is expected to continue, reflecting continued improvement in overseas economic conditions, although the pace of increase is likely to moderate gradually".

Exports rose 27.7% in June 2010 from previous year. Exports to Asia (+31.7% in June 2010 from a year earlier) and to the United States (+21.6%) increased significantly, while exports to Western Europe rose at a lower pace (+6.7%) and exports to Switzerland remained relatively stable (+2.0%).

Indices of industrial production (2005=100)
Source: METI



Led by exports, Japan's economy continued to recover. Indices of industrial production increased in May 0.1% from previous month and 20.4% from a year earlier to 96.1 (2005=100, see graph). Coincident composite index reflecting current business conditions in June was 101.2 (2005=100), up 17.1% on a year, but

down 0.1% from previous month.

Moreover, Tankan judgment index on business conditions, issued on a quarterly basis by the BoJ, shows an improvement of the business sentiment. Tankan index went up 9 points from -24 in March to -15 in June for all industries and jumped 15 points from -14 to 1 for large manufacturers, turning positive for the first time in two years.

However, Japan's economy is still facing a relatively severe unemployment situation. Unemployment rate declined 0.7% in May over the year to 5.2%, but was up 0.1% from previous month. Furthermore, consumer prices increased 0.1% to 99.7 (2005=100), but were down 0.9% from previous year.

Elpida Memory aims to become No.1 DRAM company

Elpida Memory, Inc. is a leading manufacturer of Dynamic Random Access Memory (DRAM) integrated circuits.

Used in many electronic appliances, such as computers, game consoles, digital cameras and TVs, DRAM is a memory that stores data in a separate

capacitor.

Established in 1999 by two Japanese firms, Hitachi and NEC, Elpida Memory took on Mitsubishi Electric Corporation's DRAM operations in 2003 to become the only DRAM Japanese company.

Akira Yabu joined the company when it was founded.

He is now the Managing Director of Elpida Memory (Europe) sàrl, located in Grand-Lancy, Canton of Geneva. He explained the recovery of Elpida's business situation and outlined advantages to be located in Switzerland.

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Elpida Memory aims to become No.1 DRAM company

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Elpida Memory's business recovered

Whereas Elpida Memory had a loss of ¥147 billion (about CHF 1773 million) in FY2008, its operating income is of ¥27 billion (CHF 326 million) in FY2009. On the same period, Elpida Memory's sales went up 41%.

From January 2009 to April 2010, DRAM prices doubled, or even tripled. For instance, 1Gb DDR3 1333Mbps DRAM price grew on this period from around USD 1 to over USD 2.70. Increase of DRAM prices played a major part in the recovery of Elpida Memory financial situation. Based on its R&D capabilities leading to outstanding breakthroughs, it now aims to become world's No.1 DRAM company.

According to Akira Yabu, the recovery of the DRAM price is due to two factors. First, the demand of

DRAM increased since the second half of 2009 (especially from personal computers and smart phones) due to the newly released technology or products. Second, DRAM industry had insufficient supply capacity to catch up this increased demand as a result of very limited investments to the manufacturing facility in FY2007 and FY2008 due to their financial situations in FY2007 and FY2008. While Japanese and European markets remain in stable growth, because of matured market, said Akira Yabu, demand is growing more in Asia, and more specifically in China, Taiwan and other emerging regions.

Advantages of Switzerland and Geneva

Headquartered in Tokyo, Elpida Memory employs more than 6,000 people around the world. It has two manufacturing facilities, in Hiroshima and

Taiwan. "We are now discussing about a new facility somewhere in Asia" to produce DRAM and new memory products coming soon. In Europe, Elpida Memory has two R&D centers, in Munich and Milano.

Eight people are working in its Swiss office located in Grand-Lancy, Canton of Geneva. The Swiss branch of Elpida Memory provides technical supports to introduce memories in customer's products, and sale services in European countries (France, Italy, Germany, the Netherlands, Finland, Sweden and others).

Akira Yabu emphasized that "Geneva is a very convenient place". "We can visit our customers and return in the same day", he said. Furthermore, as many international and Japanese companies are located in Geneva, managers can share their views on economic situations in Europe and Japan.



Akira Yabu,
Managing Director, Elpida
Memory (Europe) sàrl

Tokyo International Toy Show 2010

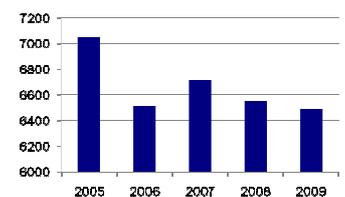
Organized by the Japan Toy Association, Tokyo International Toy Show 2010 was held at Tokyo International Exhibition Center from July 15 to 18. Around 36,000 toys have been exhibited by 139 firms, including 21 overseas companies. Most foreign exhibitors originated from Asia (China, Hong Kong, Taiwan and South Korea). Some came from Germany and one from Switzerland (Wisa

Gloria Toys, Au, Canton of St. Gallen).

Among exhibited toys, Sega Toys Co.'s Mindflex "Brain-Wave" was of particular interest. Controlling a plastic ball with their mind only, players have to keep it afloat and avoid obstacles.

Epoch Co. also exhibited the "Ryo Ishikawa Excite Golf", a virtual golf game using the name of a famous Japanese professional golf player who won

the 2010 Crowns, a Japan's golf tournament. According to Japan Toy Association, the global sales of toys declined 0.9% in FY2009 to ¥649.4 billion (CHF 7.8 billion).



Global sales of toys in billions of yens
Source: Japan Toy Association

Toys and games	2008	2009
Ordinary games	12,371	12,314
Card games	75,453	79,387
Puzzles	12,528	14,024
Electronic games	8,367	6,111
Miniature games	42,269	54,799
Boy toys	43,362	35,077
Girl toys	40,801	39,163
Cuddly toys	16,172	16,474
Educational games	137,863	136,049
Seasonal toys	52,552	50,756
Stationery	82,304	79,332
Railway modelling	122,082	115,320
Miscellaneous	9,160	10,566
Total	655,284	649,372

Sales of toys in billions of yens
Source: Japan Toy Association

JETRO took part in WSC Academic Week

The JETRO and the Japanese Standards Association (JSA) took part in World Standards Cooperation (WSC) Academic Week, held in International Conference Centre Geneva, from July 5 to 9. The purpose of this conference was “to promote the dialogue between academic institutions and the international standards community, to raise awareness and to foster cooperation and possible joint initiatives”. The conference was attended by around 50 people (professors, representatives of companies, national and international standards developing organizations). Masami Tanaka, President of the Japanese

Standards Association (JSA) and former President of the International Organization for Standardization, presented JSA internal training courses, seminars and other education activities for Universities, firms and industrial associations. Other participants also outlined academic programmes on standardization. Academic teachings on standardization are, for instances, provided by the University of Geneva, the Erasmus University of Rotterdam (the Netherlands), the International School of Science and Information Processing of Pau and Cergy-Pontoise (France), the Jiliang Metrology University (China), and the Pennsylvania State Univer-

sity (USA). Some other experiences related to education about standardization were also presented. National and international standards organizations emphasized their contributions to the academic world. They also agreed to further collaborate with academic institutions. Set up in 2001 by the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC) and the International Telecommunication Union (ITU), the World Standards Cooperation seeks to “strengthen and advance the voluntary consensus-based international standards systems of ISO, IEC and ITU”.



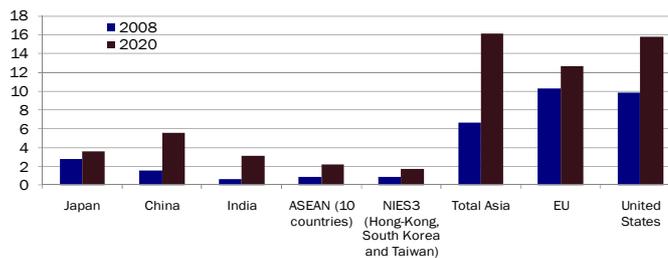
Masami Tanaka, President, Japanese Standards Association (JSA), at WSC Academic Week in Geneva

White Paper on International Economy and Trade

The METI (Ministry of Economy, Trade and Industry) released on July 13 a White Paper on International Economy and Trade 2010. It shows that, led by exports to China, Asian economies recovered first. Asian and emerging economies are expected to increase their share of the world’s GDP from 40% before the economic crisis to about 60%. It claims that the United States is on a recovery trend, while facing a high unemployment rate, whereas the recovery pace in the EU is slow. The Paper also argues that Asia is expected to become the „world’s

major’s consumer market“. Personal consumption in Asia will raise from USD 6.62 trillion in 2008 to USD 16.14 trillion in 2020. It concludes with some recommendations so as Japan to meet consumer demand in emerging countries and to contribute to the development of favorable

economic frameworks. It stresses the need to promote WTO Doha Round negotiations and take the opportunity of Japan’s chair of 2010 APEC Summit to develop an Asia-Pacific free trade area. A summary in English is available at: <http://www.meti.go.jp/english/report/>



Personal consumption in USD trillion
Source: METI / Euromonitor International 2010

	2005	2009 (est.)	2015 (est.)
EU	30.3%	28.4%	23.8%
United States	27.8%	24.6%	22.3%
Japan	10.0%	8.7%	7.6%
Emerging countries	23.7%	30.9%	38.8%
China	4.9%	8.5%	11.5%
Other Asian countries	3.9%	5.0%	6.3%
Brazil	1.9%	2.7%	3.2%
Russia	1.7%	2.1%	3.7%

Share of the world’s GDP
Source: METI / IMF

Yamaha released a zero-emission scooter

Yamaha Motor Co., Ltd. announced the release of the "EC-03" electric commuter, a zero-emission scooter (see picture).

The scooter is scheduled to be sold from September 1 in Tokyo metropolitan area, from October 1 on Japan's market, and from 2011 in Europe and Taiwan.

The "EC-03" features a 50V lithium-ion battery with a capacity of 43 km at 30km/h. The battery can be charged in 6 hours. The battery charger is a plug-in type that can be connected on an electric outlet.

The scooter also includes a Yamaha Integrated



Yamaha Motor Electric Commuter « EC-03 »

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Power Unit (YIPU), capable to minimize power-transmission loss and maximize running performances, as well as the Yamaha Mutual Communication System, an automatic system monitoring the battery, controller, charger and meter systems.

Yamaha Motor projects annual sales of 1,000 in Japan. EC-03 will be sold at ¥252,000 (about CHF 3,000).

Yamaha Motor is part of Yamaha Corporation. Founded in 1955, it is headquartered in Iwata, Shizuoka Prefecture (Chubu region). It employs about 50,000 people. In 2009, its consolidated sales were of ¥1,153 billion (about CHF 13.77 billion). It exhibited the "FROG", an electric scooter prototype, for the first time in 1991. It produced "Passol", its first electric scooter, in 2002.

Agenda

19th Sept.: Small booth exhibition of Japanese food at the WTO Open Day, in collaboration with the Permanent Mission of Japan in Geneva

23rd Oct.: SJCC (Swiss Japanese Chamber of Commerce) 25th Anniversary Gala
At the Dolder Grand, Zurich (evening event)

26th Oct.: Japan Day 2010 Uster City Hall (Zurich)
Organized by the City of Uster and the Canton of Zurich

10th Nov.: JSFTEPA (Japan - Switzerland Free Trade and Economic Partnership Agreement) business seminar
with SJCC
Credit Suisse Forum St. Peter, Zurich

11th Nov.: JSFTEPA business seminar with the "Centre Patronal", in Lausanne

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

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