

Special points of interest:

- Japan's GDP shrank 0.9% during the first quarter of this year, showing a second consecutive month of decrease.
- Japan's Parliament approved a 4.02 trillion yens extra-budget for post-quake rebuilding ; another extra-budget is scheduled to be accepted soon.
- JETRO took part in seminars in Lausanne and Zurich focused on the recovering situation in Japan after the Great East Earthquake and business opportunities for Swiss firms.
- Japanese pharmaceutical company Takeda will acquire the Swiss firm Nycomed. Toshiba will buy the Swiss specialist in energy management solutions for utilities Landis+Gyr.

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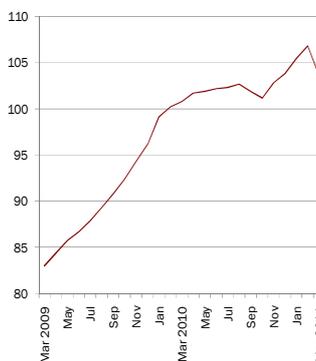
Japan's current economic situation

According to the Bank of Japan (BoJ), "Japan's economy faces strong downward pressure, mainly on the production side, due to the effects of the earthquake disaster". However, the BoJ further claims that Japan's economy "is expected to return to a moderate recovery path as supply-side constraints ease and production regains traction".

The March 11 earthquake has negative effects on results of the first quarter. Japan's GDP shrank 0.9% during the first quarter of this year, marking a second consecutive month of decrease. Seasonally adjusted index of industrial production also decreased in March 15.5% from previous year and 13.1% year-on-year to 82.7 (2005=100).

The coincident index of business conditions, providing a view on the cur-

Coincident index of business conditions (2005=100)
Source: Cabinet Office



rent state of the economy, was 103.5 in April, showing an increase by 3.1% from previous year and a decline by 2.7% from previous month (2005=100).

Exports were also affected by the economic impact of the earthquake. They declined in April 12.7% from a year earlier to 3,128 million yens. However, Japan's imports were up 14.2% year-on-

year to 3,915 million yens (first 20 days provisional). The domestic demand situation also deteriorated due to earthquake's economic effects. The consumer confidence index, providing a quick understanding of shifts in consumer perception, was 33.1 in April 2011, down 14.2% from previous month and 20.8% from previous year. The average of monthly consumption expenditures was down 8.4% in nominal terms in March. The consumer price index remained stable in March from previous month at 99.6 and rose 0.3% from previous month (2005=100).

However, the labor market situation remained relatively stable. The unemployment rate declined 7.9% from previous year to 4.6% in March.

Recovery of Japan's infrastructures and industry

Takeaki Matsumoto, Japan's Minister for Foreign Affairs, stated on April 29, 2011 "Japan will not simply rebuild what used to be, but aim for an innovative reconstruction that focuses on the future by fully mobilizing its signature strength: a society with high levels of technol-

ogy, safety and security". Adverse impact to Japanese economy is limited to an area accounting for only 2.5% of the total Japanese economy. The affected areas are therefore slightly smaller in economic size than the 1995 Kobe earthquake's ones. The total damage

cost is estimated at 16 to 25 trillion yens. Japan's Parliament already approved a 4.02 trillion yens extra-budget for post-quake rebuilding ; another extra-budget is scheduled to be accepted soon.

(Continued on page 2)

Recovery of Japan's infrastructures and industry

(Continued from page 1)

City	Dose of Radiation (uSv/h)
Tokyo	0.063
New York	0.098
Paris	0.03-0.06
Berlin	0.069-0.087
Singapore	0.08
Beijing	0.062

Source: Japan National Tourism Organization Measurement on May 24, 2011

Rapid reconstruction of infrastructures

According to Minister Takeaki Matsumoto, "if you imagine that the whole of Japan is covered by debris, that is completely wrong. Most of Japan remains unharmed by the disaster, and the streets have leapt back to life".

The main routes that were damaged by the earthquake have now been repaired. All expressways, Shinkansen lines, airports and major ports are now in operation (see table).

In addition, Japanese cities, such as Tokyo, remain very safe. The radiation level in Tokyo is lower than in other cities, such as New York and Berlin (see table).

Recovery of the industry

The largest production base for crude steel in Eastern Japan, Sumitomo Metal's Kashima plant, has stopped production after the earthquake. Producing about 7% of Japan's production of crude steel, it is planning to resume operation by the end of May.

Mitsubishi Chemical's Kashima Plant, responsible for about 10% of Japan's ethylene production, has suffered some damages from the earthquake. The first ethylene plant of Mitsubishi is expected to resume operation by the end of May and the second ethylene plant is expected to resume by the end of June. Japan has also many other complexes which can produce more than the necessary volume of petrochemicals. The motor production

companies have restarted production, depending on the supply level of core parts and materials. Damaged raw materials and product parts factories in the field of electronics industries are being brought back into operation one-by-one.

Routes	Current status for general use in the disaster-stricken area
Expressways	100% (979 / 979 km)
National highways	99% (1118 / 1119 km)
Shinkansen	100% (989.6 / 989.6 km)
Conventional railways	96% (968.1 / 1011.9 km)
Airports	100% (13/13 airports)
Ports	40% (148 / 373 berths)

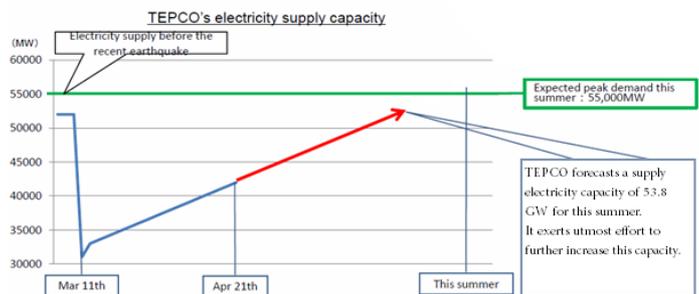
Source: Ministry of Land, Infrastructure, Transport and Tourism (as of May 23, 2011)

Efforts to meet summer's peak demand

Tokyo Electric Power Company (TEPCO) supplies electricity to an area with a population of over 42 million people. Its generation capacity declined by 40% after the disasters.

TEPCO will make its utmost efforts to increase its supply capacity. It plans to have a supply capacity of 53.8 GW this summer.

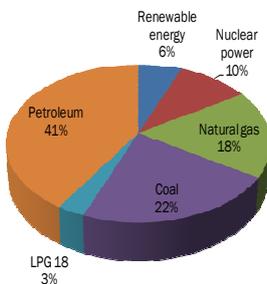
Several measures will also be taken so as to enable TEPCO to meet the summer's peak demand.



The target of demand reduction rate in the entire area of TEPCO and Tohoku EPCO is set as -15%. Among these measures, the government will implement awareness cam-

paigns about electricity saving. In case of tight supply-demand balance, the government will issue an alert to request emergency electricity saving.

Primary energy supply



As of FY2007 Source: METI

Seminars about the recovering situation in Japan



Michiaki Watanabe, Director General of JETRO Geneva Seminar in Zurich

JETRO took part in seminars held on May 10, 2011, in Lausanne and May 11, 2011 in Zurich. The seminars focused on the recovering situation in Japan after the Great East Earthquake and business opportunities for Swiss firms. Organized by the OSEC and the CVCI (Chambre

vaudoise du Commerce et de l'Industrie), the seminar in Lausanne ("le point sur le Japon") was opened by a speech of Mr. Christian Minacci, OSEC's manager for Romande-Switzerland. About 35 people attended this seminar. Zurich's seminar ("Das Japan-Cockpit für Schweizer KMU. Sicher auf dem Erfolgspfad navigieren") was organized by the OSEC. It was opened by a speech of Mr. Wolfgang Schanzbach, OSEC's manager for Asia-Pacific Region. About 70 people attended this seminar. H.E. Mr. Ichiro Komatsu, Ambassador of Japan in Switzerland, and Mr. Yasushi Fukugawa, Minister-

Counsellor of Japan's Embassy in Switzerland, underlined the safety of Japanese foods and products. Mr. Roger Zbinden, Head of the Swiss business Hub Japan, and Ms. Yumiko Kijima, Deputy, pointed out business opportunities of Japan's reconstruction. Professor Claude Patrick Siegenthaler, Hosei University, European Research Centre Zurich, focused on opportunities in the fields of clean technologies. In his presentations, Michiaki Watanabe, JETRO Geneva Director General, introduced the recovering situation of Japan's infrastructures and industry. He also stressed that Japan's foods and cities remain safe.



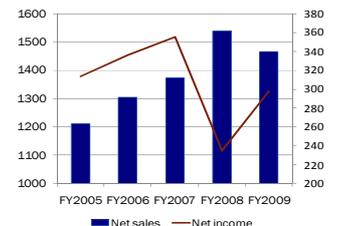
In the foreground: Roger Zbinden, Head of the Swiss Business Hub Japan Seminar in Lausanne

Takeda signed agreement to acquire Nycomed

Takeda Pharmaceutical Company Limited reached an agreement to acquire Swiss firm Nycomed A/S for EUR 9.6 billion. The announcement was released on May 19, 2011. The transaction is expected to be completed within 90 to 120 days. Osaka-based Takeda is a

Japanese pharmaceutical firm with its main business activities performed in the domestic market and the United States. Zurich-based Nycomed has a strong presence in Europe and emerging markets. "Nycomed's strength in a geographically wide range

of markets and its diverse talent base will be a strong driver to helping us realize our important mission of striving toward better health for patients worldwide through leading innovation in medicine", said Yasuchika Hasegawa, Takeda's President and CEO.



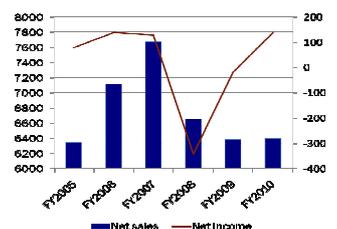
Takeda's financial results (in billions of Yen) Source: Takeda's annual report 2010

Toshiba will acquire Landis+Gyr

As announced on May 19, 2011, Toshiba Corporation will acquire Landis+Gyr for USD 2.3 billion. Headquartered in Tokyo, Toshiba is one of the world's leaders in elec-

tronics and power systems. Its net sales accounted for 6,398.5 billion ¥ 6,398.5 billion in FY 2010. Based in Zug, Landis+Gyr is a global leader in energy management solu-

tions for utilities. "Our intent is to become a global leader in the Smart Community business by 2020", said Hideo Kitamura, Toshiba's Corporate Executive Vice President.



Toshiba's financial results (in billions of Yen) Source: Toshiba Earnings Releases

“GOPAN”, the first rice bread cooker

Sanyo developed the “GOPAN”, a rice-bread cooker. This home appliance can bake bread from rice grains. It is sold on Japanese market since October 8, 2010.

“GOPAN” is named after “gohan” (cooked rice in Japanese) and “pan” (referring to bread in French).

It received in April 2011 the iF product design award 2011 (among the most important awards for innovative product design).

Home-milled rice flour

Existing rice-bread cookers were using rice floors. However, because of the



GOPAN SPM RB 1000 (W)
© SANYO Electric Co., Ltd.

limited availability of rice flour and its high price, Sanyo has invented a rice-milling system to mill rice flour at home.

User places washed rice, water, salt, sugar, shortening, wheat gluten and dry

yeast in the bread pan and in the upper side ingredient dispenser. The appliance then cook pan in approximately 4 hours.

Popularity in Japan

GOPAN has now become a scarce product in Japanese shops because of its popularity among consumers. Its popularity is mainly based on the availability of rice in Japan, where people eat in average of 59.0 kg of rice per year (as of FY 2008, Ministry of Agriculture, Forestry and Fisheries).

In addition, GOPAN provides the opportunity for wheat allergic persons to eat bread.

Agenda

6th June: launch of the book “Trade Patterns and Global Value Chains in East Asia”

The book is the result of cooperation between IDE-JETRO and the WTO. It provides an analysis of the fundamental change that has been taking place in the structure of international trade.

WTO-Room CR11, WTO building, Centre William Rappard, Rue de Lausanne 154, Geneva

From 10 am to 12.30 am.

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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