

## Tottori Bank

Tottori Bank Ltd is an active, successful regional bank with its head office in Tottori City. The bank in its current form was established in 1948 but dates to 1921 as Tottori Savings Bank, Ltd. As of March 31, 2018 it had paid-in capital of 9 billion yen (\$82 million at 110 yen/dollar), deposits of 927 billion yen, loans of 739 billion yen, and net assets of 1.14 trillion yen. It had 719 employees, 54 branches and 12 representative offices. Its major shareholders include MUFG (Mitsubishi UFJ Financial Group Inc) and Sompo Japan Insurance. Its major competitor is San-in Godo Bank, based in nearby Shimane Prefecture, which has 40 percent of the Tottori local loan market share; Tottori Bank's share is 32 percent. There are three *shinyo kinko* (credit associations) in the area. The Post Office is not a competitor as it does not make loans. Moreover, individuals have been shifting from post office savings accounts to deposits at Tottori Bank for. However, Tottori Bank does not need more deposits, it needs more borrowers. As is true for most Japanese financial institutions, the Bank of Japan's sustained very low interest rate policy makes it difficult to make profitable loans.

Tottori Bank defines itself as operating in two business segments: banking services and credit card services. Banking includes deposits, loans, product services trading, securities investment, and domestic and foreign exchange transactions. The bank also engages in leasing and venture capital.

The bank is actively involved in encouraging new firms, including start-ups, to locate in Tottori and in developing local tourism. In these endeavors it plays a key role, working closely with the local and prefectural governments, as well as other private-sector players.

This sense of urgency is important and well placed, as Tottori Bank loans, deposits, and profits have been decreasing. It is exemplified by the outgoing personality and style of the bank's chair, Masahiko Miyazuki. Before becoming chair, he was president for six years – the standard term in Japan. While previous presidents had come from mega-banks, he was the first to have been recruited from within. He takes a leadership role in a range of Tottori's business activities, including arranging for tours to Tottori and nearby areas.

Aging and gender lines are important in Japan in general, and for Tottori Bank. Tottori is the least-populous prefecture (less than 600,000), while neighboring Shimane, where the bank also does business, is second least (just over 700,000). Their location on the Sea of Japan side of Honshu make them out of the way, unlike the Meiji era. Many younger people are leaving Tottori for larger cities. Many customers are older. One reason the bank supports new businesses is to help create local jobs.

As part of its civic promotion, in 2008 the bank obtained naming rights for the city's 16,000 seat multi-purpose stadium. Now known as The Tottori Bank Bird Stadium, it was built in 1996.

Existing industries in the area include electronic components and devices manufacturers that located production divisions in the prefecture from the late 1980s to early 1990s. The prefecture has been proactively seeking new industries, focusing on medical equipment, drug development, auto parts, and aircraft parts, as well as services such as data centers. Pulp and paper historically were important, but are less so today. Agricultural products include nashi (Japanese pears) and melons, as well as rice.

The Tottori sand dunes are internationally known, in part because of their role in Kōbō Abe's 1962 book *Woman in the Dunes* and the 1964 film made from it. About 14 percent of the

prefecture is in national and other parks. Mount Daisen, although only about 5,700 feet, is considered one of the most difficult climbs in Japan. In winter, when there is snow, climbers heading for Everest practice there. Despite these, and other attractions, tourism, especially of non-Japanese, is limited.

The Bank hires 50 new staff a year. Many are graduates from universities or schools elsewhere, including those from Tottori who studied in other prefectures. Mr Miyazuki noted the bank's success in recently hiring a female who graduated from the University of Tokyo. Four bank managers are female, two of whom had had managerial positions in the headquarters office. None of the senior executive managers are female yet.

Tottori Bank exemplifies the challenges regional banks face in those regions that have lost jobs and people, in a comfortable but declining economic environment. Tottori City is actively engaged in policies to attract new companies and start-ups, with considerable success. And Tottori Bank actively participates in a range of activities to sustain and develop Tottori's economic environment.

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