

NIGHT FLIGHT SPECIAL II

DOMESTIC ROUTE

WHERE DOES THE MONEY FLOW?

BEGINNER ROUTE

What Happens After Money Earned Around the World Comes Back to Japan?

TAKEOFF

We're Coming Home

On our WORLD ROUTE, we saw that Japanese companies do much more than:

Produce in Japan → Sell to the world

They also:

Operate businesses overseas.

Invest overseas.

Earn income from around the world.

And money can travel in the opposite direction as well:

World → Japan

So now, let's turn the aircraft around.

We are coming home.

Japan has earned money around the world.

Capital has also entered Japan from overseas.

But now comes our next question:

What happens to that money after it arrives in Japan?

Where does it go next?

That is the question we will follow on our:

DOMESTIC ROUTE.



A COMPANY IS NOT THE FINAL DESTINATION

Imagine a company earns a great deal of money.

The money arrives in its bank account.

The company says:

“Wonderful! We have a lot of money!”

And then it simply leaves all of it there.

What happens?

Not much.

The money has arrived—

but it has stopped moving.

Real companies use money in many different ways.

They pay employees.

They buy materials.

They pay electricity bills.

They purchase new machinery.

They conduct research.

They build factories.

They pay taxes.

They may pay dividends to shareholders.

So:

A company is not the final station for money.

It is both:

a place where money arrives

and:

a place from which money departs again.

That is the starting point of our Domestic Route.



LET'S BUILD A FACTORY

Now imagine a company decides:

“Let’s build a new factory in Japan!”

Suddenly, a large amount of money begins to move.

First:

Company → Construction Company

Someone has to build the factory.

Next:

Company → Machinery Manufacturer

The factory needs equipment.

But the machinery manufacturer also needs parts.

So:

Machinery Manufacturer → Parts Supplier

And we are only getting started.

The factory needs:

Electricity.

Water.

Materials.

Transportation.

Maintenance.

People.

The money no longer follows one straight road.

It begins to branch.



IMAGINE A GIANT TREE

Think of the new factory as a large tree.

The factory is the trunk.

Then branches begin to grow.

Construction companies.

Machinery manufacturers.

Materials suppliers.

Electrical contractors.

Logistics companies.

And from those branches—

more branches appear.

Small factories making components.

Tool manufacturers.

Repair companies.

Food-service businesses.

Housing for workers.

One large factory can create:

Many branches of work.

That is why a giant industrial investment is not necessarily a story about only one company.



AND EVENTUALLY, THE MONEY REACHES PEOPLE

When business expands, companies need people.

Those people receive wages.

Then something important happens.

The money leaves the company again.

Workers buy groceries.

They buy clothes.

They pay rent.

They go to restaurants.

They travel.

And suddenly—

Money that began with a factory reaches the shops in town.

This is where the story becomes interesting.

At first, the news headline may have said:

“A MULTI-TRILLION-YEN FACTORY INVESTMENT”

That sounds enormous and distant.

But gradually, the money moves closer.

Closer to companies.

Closer to workers.

Closer to households.

Closer to everyday life.

THINK OF MONEY AS BLOOD

Now we come to one of the central images of NIGHT FLIGHT.

The human body has blood.

The heart pumps it.

Blood travels through large arteries.

Then through smaller vessels.

And finally—

it reaches the tips of our fingers and toes.

Imagine if blood remained only around the heart.

That would not be enough.

The rest of the body needs it too.

An economy can be viewed in a similar way.

It is not enough for money to remain only with giant corporations.

It needs to flow toward:

Suppliers.

Small and medium-sized companies.

Workers.

Households.

Local shops.

It needs to reach the edges of the economy.



CAN A FACTORY BECOME A “MONEY PUMP”?

That gives us our central image for the Domestic Route.

Think of a factory as:

A GIANT PUMP FOR MONEY.

The factory does more than manufacture products.

It can also send work—and therefore money—through an entire network.

Factory



Construction



Equipment



Components



Materials



Logistics



Workers



Wages



Shopping

Money begins to circulate.

This is what NIGHT FLIGHT is searching for:

THE BLOOD FLOW OF THE JAPANESE ECONOMY.



BUT WAIT...

Here comes the NIGHT FLIGHT question mark again.

“?”

(笑)

A factory was built.

Orders increased.

Sales increased.

So can we immediately say:

“Everyone is richer now!”

Not yet.

Suppose a small factory receives many new orders.

Its sales rise.

Wonderful.

But at the same time:

Materials become more expensive.

Electricity costs rise.

Transportation costs rise.

Workers need higher wages.

Something strange can happen:

**The company sells more—
but very little money remains.**

That means we need another instrument on our cockpit panel.

SELLING A ¥100 APPLE DOES NOT MEAN EARNING ¥100

Imagine an apple shop.

It sells one apple for:

¥100

Did the shop make ¥100 in profit?

Of course not.

The apple itself had to be purchased.

The shop uses electricity.

The apple had to be transported.

Employees need to be paid.

So:

SALES

and:

MONEY LEFT OVER

are not the same thing.

This distinction becomes extremely important on our Domestic Route.



HERE IT COMES:

“GROSS PROFIT”

There it is.

Another economic term.

(笑)

GROSS PROFIT

Don't worry.

At Beginner altitude, we do not need complicated accounting.

For now, think of it this way:

After selling something, and subtracting the direct cost of obtaining or producing that thing, how much is left?

That remaining amount gives us our first idea of gross profit.

Why does it matter?

Because if too little remains—

the company has difficulty moving to the next stage.



IF MONEY REMAINS, IT CAN MOVE AGAIN

Suppose the company earns enough.

Then it can:

Raise wages.

Buy new machinery.

Hire more people.

Conduct research.

Accept larger orders.

Now watch what happens.

Build a factory

↓

More work reaches surrounding companies

↓

Those companies retain enough profit

↓

Wages rise

↓

People spend more

↓

More products are sold

↓

Companies invest again

Something has happened.

The money did not move only once.

It started going around and around.

And that—

is exactly what we have been looking for.



RETURN TO ¥4,158 TRILLION

Now let's return to the number that started our entire NIGHT FLIGHT:

¥4,158 TRILLION

Our first question was:

“Japan has ¥4,158 trillion. So why don't we feel richer?”

On our first flight, we learned:

Having a lot of money

and:

Being able to use a lot of money

are not the same thing.

Now, on the Domestic Route, we can add another idea:

It is not enough for money simply to exist.

Money has to move.

Assets.



Investment.



Factories.

↓

Companies.

↓

People.

↓

Towns.

↓

The next investment.

That is the route we want to follow.



LANDING

Follow the Money

Money earned around the world does not finish its journey simply by arriving in Japan.

The important question is:

WHERE DOES IT GO NEXT?

Does it stop at a giant corporation?

Or does work reach SMEs?

Do those companies retain enough money?

Does it reach workers through wages?

Can households spend it?

Can companies invest again?

We follow the money—

one destination at a time.

Because an economy does not become healthier simply because:

Money exists.

The real question is:

Is the money circulating?

RE-FLIGHT

Same Money. Different Altitude.

BEGINNER

Follow the blood flow

Factory.

Companies.

Workers.

Wages.

Shopping.

Investment.

Understand how money begins moving through everyday life.

→ **Return to**  **Beginner**

INTERMEDIATE

Examine the pipes

Capital investment.

Economic ripple effects.

Gross profit.

Corporate profits.

Wages.

Consumption.

Where does the money flow become stronger—

and where does it become weaker?

→ Continue to  Intermediate

ADVANCED

Read the economic instruments

Capital investment.

Value added.

Gross margins.

Operating profit.

Wages.

Consumption.

Economic spillover effects.

Connect the blood flow with economic statistics.

→ Continue to  Advanced

SELECT YOUR ALTITUDE

 **Beginner** →  **Intermediate** →  **Advanced**

Follow the story at Beginner altitude.

Follow the mechanism at Intermediate altitude.

Follow the statistics at Advanced altitude.

And whenever the air becomes complicated—

Descend.

Fly again.

Because on NIGHT FLIGHT:

You are the Captain.

You choose your own altitude.

NEXT FLIGHT

Does Building More Factories Automatically Make Japan Richer?

We have discovered that one large factory can send money toward many companies and households.

But another question has appeared:

“If we build lots of factories, does that alone make Japan richer?”

We do not know yet.

The next thing we need to investigate is:

“When sales rise, does enough profit actually remain?”

Now we enter a narrower blood vessel:

SALES

↓

GROSS PROFIT

↓

PROFIT

↓

WAGES



THE NEXT CAPITAL INVESTMENT

This is where our next flight begins.

NIGHT FLIGHT SPECIAL II

Numbers Take Flight.

You are the Captain.

I am your Co-Pilot.

AI is in the Control Tower.

DOMESTIC ROUTE — BEGINNER

RE-FLIGHT COMPLETE.

NEXT FLIGHT:

INTERMEDIATE ROUTE

CLEARED FOR TAKEOFF. 