

YORIMICHI RESEARCH LAB

NIGHT FLIGHT SPECIAL

JAPAN HAS ¥4,158 TRILLION.

THEN WHY...?

INTERMEDIATE ROUTE

A Huge Amount of Wealth Does Not Automatically Mean a Rich Everyday Life



TAKEOFF

¥4,158 Trillion — But Where Is It?

Japan has:

¥4,158 TRILLION

IN ASSETS.

When we see such an enormous number, it is natural to think:

“Then Japan must be an incredibly wealthy country.”

But another question immediately appears.

**IF JAPAN HAS SO MANY ASSETS,
WHY DON'T WE FEEL
THAT SAME LEVEL OF WEALTH
IN OUR EVERYDAY LIVES?**

To answer that question, we need to separate two things:

ASSETS

and:

MONEY THAT CAN ACTUALLY MOVE.

That is today's flight.



FIRST:

ASSETS ARE NOT THE SAME AS CASH

Imagine a family owns:

HOUSE — ¥30 MILLION

LAND — ¥20 MILLION

SAVINGS — ¥5 MILLION

Total:

¥55 MILLION IN ASSETS.

Does that mean the family can freely spend ¥55 million today?

Of course not.

The house and land may be valuable.

They might be sold and converted into cash.

But you cannot cut off a piece of your house and take it to the supermarket to pay for dinner.

(笑)

So:

WEALTH YOU OWN

and:

MONEY YOU CAN ACTUALLY MOVE

are different things.



HERE THEY COME:

STOCK AND FLOW

Economics gives us two useful words:

STOCK

and:

FLOW.

They may sound difficult.

But the idea is quite simple.



STOCK

How Much Is There at a Particular Point in Time?

Examples include:

Savings balances.

Land.

Buildings.

Stocks and other financial assets.

Think of:

STOCK

=

WATER STORED IN A TANK.

It tells us:

HOW MUCH HAS ACCUMULATED.



FLOW

How Much Moves During a Period of Time?

Examples include:

Wages.

Corporate sales.

Rent.

Shopping.

Taxes.

Think of:

FLOW

=

WATER MOVING THROUGH A PIPE.

It tells us:

HOW MUCH IS MOVING.

So:

STOCK = WATER IN THE TANK

FLOW = WATER THROUGH THE PIPE.

That is our first important instrument.



WHAT IF THE TANK IS HUGE...

BUT THE PIPE IS BLOCKED?

Imagine an enormous water tank.

There is plenty of water inside.

But the pipe is narrow.

Or perhaps—

the pipe is blocked somewhere.

What happens?

THE WATER DOES NOT REACH THE PLACE WHERE IT IS NEEDED.

The Japanese economy can be viewed in a similar way.

Japan may have enormous assets.

But suppose these flows are weak:

COMPANIES → CAPITAL INVESTMENT

COMPANIES → SUPPLIERS

COMPANIES → WAGES

HOUSEHOLDS → CONSUMPTION.

Then the enormous stock of assets does not automatically translate into everyday prosperity.

So:

“HOW MUCH DO WE HAVE?”

and:

“HOW MUCH IS CIRCULATING?”

are two different questions.



NOW LET'S OPEN THE PIPE

Imagine a company has:

¥10 BILLION.

If that ¥10 billion simply remains in a bank account—

the money is there.

But now suppose the company decides:

“LET’ S BUILD A NEW FACTORY.”

Suddenly—

the money begins to move.

To:

CONSTRUCTION COMPANIES

MACHINERY MAKERS

COMPONENT MANUFACTURERS

MATERIALS COMPANIES

POWER INFRASTRUCTURE

LOGISTICS COMPANIES

and eventually:

THE PEOPLE WORKING THERE.

Those workers receive wages.

Then they may:

Buy groceries.

Eat at restaurants.

Rent homes.

Buy cars.

Travel.

The company's money has now moved into:

OTHER COMPANIES

and:

HOUSEHOLDS.

That is:

ECONOMIC CIRCULATION.

 **BUT EVEN**

“THE MONEY MOVED”

IS NOT ENOUGH

Now we climb another thousand feet.

A factory was built.

Nearby companies received more work.

Sales increased.

Can we now say:

“JAPAN IS BACK!”

Not yet.

Suppose:

Material costs rose sharply.

Electricity became more expensive.

Labor costs increased.

Then even if sales increased—

NOT ENOUGH MONEY

MAY REMAIN INSIDE THE COMPANY.

So our next question becomes:

DID THE COMPANY RETAIN PROFIT?

And after that:

WHERE DID THAT PROFIT GO?

Did it go into:

WAGES?

CAPITAL INVESTMENT?

RESEARCH & DEVELOPMENT?

Now we are no longer looking for money that moved:

ONCE.

We are looking for money that moves:

NEXT...

AND THEN NEXT AGAIN.

That distinction is central to the Intermediate Route.



HERE IT COMES:

JAPAN' S MONEY BLOODSTREAM

Now connect the entire route.

COMPANY INVESTS



FACTORIES & EQUIPMENT ARE BUILT

↓

**SURROUNDING COMPANIES RECEIVE
MORE WORK**

↓

COMPANIES RETAIN PROFIT

↓

WAGES RISE

↓

**HOUSEHOLD CONSUMPTION
INCREASES**

↓

COMPANIES SELL MORE PRODUCTS

↓

COMPANIES INVEST AGAIN.

And then—

THE CIRCLE STARTS AGAIN.

If this cycle repeats—

the flow of money through the entire economy becomes:

WIDER

and:

STRONGER.

This is what NIGHT FLIGHT has been searching for:

JAPAN' S MONEY BLOODSTREAM.



BUT WAIT...

THE PIPE DOESN' T END

AT JAPAN' S BORDER

There is another important point.

Modern Japanese companies do not operate only inside Japan.

Some have factories overseas.

Some invest in foreign companies.

Some sell products around the world.

So money does not flow only:

JAPAN → WORLD.

It can also flow:

WORLD → JAPAN.

For example:

Income earned overseas may return to Japan.

Foreign investors may invest in Japanese companies.

Global companies may build factories in Japan.

These movements are also part of:

JAPAN' S ECONOMIC MONEY FLOW.

That is another reason why a single figure such as ¥4,158 trillion cannot show us the entire Japanese economy.



SO WHAT SHOULD

NIGHT FLIGHT WATCH?

Now our original question becomes more useful.

Instead of asking only:

**“HOW MANY ASSETS DOES JAPAN
HAVE?”**

we can ask:

**DID CORPORATE CAPITAL
INVESTMENT INCREASE?**

DID CORPORATE PROFITS INCREASE?

DID WAGES INCREASE?

**DID HOUSEHOLD CONSUMPTION
INCREASE?**

**IS CAPITAL FLOWING INTO JAPAN
FROM OVERSEAS?**

**DID THAT MONEY CREATE THE NEXT
INVESTMENT?**

Now we are watching:

THE MOVEMENT OF THE ECONOMY

rather than simply:

THE SIZE OF THE ASSET PILE.



¥4,158 TRILLION

WAS THE DEPARTURE POINT

Now return to our original question:

“JAPAN HAS ¥4,158 TRILLION.

THEN WHY...?”

The ¥4,158 trillion figure matters.

It tells us something important about the size of Japan's assets.

But—

IT IS NOT THE ANSWER

TO THE JAPANESE ECONOMY.

Instead, it creates a much more interesting question:

“HOW ARE THOSE ENORMOUS ASSETS

ACTUALLY MOVING?”

That is why NIGHT FLIGHT follows not only:

STOCK

the size of accumulated assets

but also:

FLOW

the movement of money.



THE CYCLE WE REALLY WANT TO SEE

Now we can reduce our entire flight to one route:

CAPITAL INVESTMENT



CORPORATE PROFIT



WAGES



CONSUMPTION



THE NEXT CAPITAL INVESTMENT.

The important question is:

IS THIS CYCLE

BECOMING WIDER AND STRONGER?

Because only when this circulation grows stronger does the enormous stock of assets begin moving closer to:

PROSPERITY IN EVERYDAY LIFE.

That is the destination of this Intermediate Route.



INTERMEDIATE ROUTE

THE KEY POINT

¥4,158 TRILLION

≠

¥4,158 TRILLION

THAT EVERYONE CAN FREELY SPEND.

The important distinction is:

STOCK

What has accumulated?

versus:

FLOW

What is moving?

But NIGHT FLIGHT goes one step further.

We ask:

DOES THE FLOW CONTINUE?

Does money move:

TO COMPANIES?

↓

TO FACTORIES?

↓

TO WORKERS?

↓

TO WAGES?

↓

TO CONSUMPTION?

↓

AND BACK TO INVESTMENT?

If it does—

the huge stock of assets begins connecting with:

EVERYDAY PROSPERITY.



LANDING

A Big Tank Is Not Enough.

We Need Strong Pipes.

Japan may have a huge:

WATER TANK.

That is:

STOCK.

But the economy also needs:

PIPES.

That is:

FLOW.

And those pipes need to carry money through:

Companies.

Factories.

Workers.

Households.

Consumption.

Investment.

Again and again.

So NIGHT FLIGHT does not stop at:

“JAPAN HAS ¥4,158 TRILLION.”

We ask:

“WHERE IS IT FLOWING?”

Then:

“WHERE DOES IT STOP?”

And finally:

“DOES IT CREATE THE NEXT FLOW?”



RE-FLIGHT

Same ¥4,158 Trillion.

Three Altitudes.

● BEGINNER

Assets and spending money are different

What does Japan own?

What can actually move?

Why does money need to circulate?

→ Return to ● Beginner

● INTERMEDIATE

Stock and Flow

Stock = accumulated wealth.

Flow = money moving over time.

Capital investment.

Profit.

Wages.

Consumption.

Reinvestment.

This is the altitude we flew today.

→ Return to  Intermediate

 **ADVANCED**

Read the entire economic circulation

National assets.

Corporate balance sheets.

Income flows.

Capital formation.

Household income.

Consumption.

International income.

Reinvestment.

How does accumulated wealth become:

NEW ECONOMIC VALUE?

→ Continue to  Advanced



SELECT YOUR ALTITUDE

 Beginner →  Intermediate →  Advanced

Beginner asks:

“WHAT DOES JAPAN HAVE?”

Intermediate asks:

“WHERE IS THE MONEY FLOWING?”

Advanced asks:

“IS THAT FLOW

CREATING THE NEXT VALUE?”

Same ¥4,158 trillion.

Three altitudes.

One economic bloodstream.

Because on NIGHT FLIGHT:

You are the Captain.

You choose your own altitude.



AND NOW...

THE FINAL “?” IS WAITING

We now understand:

STOCK

and:

FLOW.

We also understand that:

FLOW MUST CONTINUE.

But one final question remains.

Suppose Japan has enormous assets.

Suppose companies invest.

Suppose money circulates.

HOW DO WE KNOW WHETHER THAT CIRCULATION IS REALLY MAKING JAPAN WEALTHIER?

Do we look at:

GDP?

National wealth?

Corporate profits?

Household income?

Real wages?

Capital investment?

Income earned overseas?

And—

HOW DO ALL OF THESE FIT TOGETHER?

There it is.

Our final altitude.

THE ENTIRE COCKPIT.

YORIMICHI RESEARCH LAB

NIGHT FLIGHT SPECIAL

Numbers Take Flight.

You are the Captain.

I am your Co-Pilot.

AI is in the Control Tower.

● INTERMEDIATE ROUTE

RE-FLIGHT COMPLETE.

FINAL FLIGHT:

FROM NATIONAL WEALTH

TO EVERYDAY PROSPERITY

STOCK / FLOW / INCOME / INVESTMENT / CONSUMPTION

CLEARED FOR TAKEOFF.

