



# Bulls

JK Holdings  
Quarterly Report

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## CONTENTS

- P1 JK Holdings overview of 1Q financial results for Fiscal Year ending March 2026
- P2 Business Prospect for October–December 2025
- P3 Market Outlook of Plywood
- P4 Japan Kenzai establishes JK Logistics Cooperative Association, holds launch ceremony and networking reception
- Living Life Innovation relocates and opens Yokohama model house and office

## JK Holdings overview of 1Q financial results for Fiscal Year ending March 2026

Our new medium-term management plan Value Proposition 27 has already entered its first fiscal year, and the first quarter has come to a close. During this period, Japan's economy has continued its moderate recovery, supported by strong corporate earnings and increased inbound tourism demand, with no significant change from the previous year's trend. Meanwhile, in addition to the ongoing surge in prices caused by rising raw material costs, logistics expenses, and labor costs, global political and economic turmoil has yet to subside due to measures such as the tariff policies introduced by the second Trump administration in the U.S., leaving the outlook still uncertain.

In the housing industry, to which our group belongs, we continue to face headwinds such as a decline in housing starts, reduced floor space, an increase in single-story homes, rising prices, and longer construction periods. However, demand for housing materials in the first quarter was relatively firm, driven by last-minute construction starts ahead of the revisions to the Building Standards Act and other regulations that took effect on April 1. That said, current housing starts are hovering at historically low levels due to the recoil from this last-minute demand, raising concerns about a decline in demand from the second quarter onward.

Under these circumstances, our group has launched the new three-year medium-term management plan Value Proposition 27 starting this fiscal year. With the plan, we aim to strengthen ties with our partners through value propositions and thereby achieve further growth. To realize this goal, we have established four key pillars — Strengthening core businesses, Expanding and deepening business domains,

### Keiichiro Aoki

President  
JK Holdings Co., Ltd.



Building a sustainable management foundation, and Implementing human capital management — and are rolling out various initiatives under each pillar.

As a result, in the first quarter, we overcame the aftereffects of the “wood crisis” and, for the first time in a while, achieved both increased revenue and profit compared to the same period of the previous year, with no negative marks at all. Specifically, this resulted in net sales of 97.219 billion yen (up 4.6% year-on-year), operating income of 1.451 billion yen (up 5.5%), ordinary income of 1.629 billion yen (up 6.2%), and net income attributable to parent company shareholders of 0.893 billion yen (up 15.9%), with profit increasing at every level.

As mentioned at the outset, the environment surrounding the housing industry remains challenging, and the political and economic outlook is uncertain not only in Japan but worldwide. Nevertheless, our group continues to perform in a way that maintains the momentum seen in the first quarter. Going forward, we will continue to put into practice the various initiatives set forth in the new medium-term management plan Value Proposition 27 and strive for further growth and development.

## Survey

### Business Prospect for October–December 2025

The Ministry of Land, Infrastructure, Transport and Tourism announced that the number of housing starts from January to June 2025 totaled 361,900 units, or 92.5% of the previous year's level. Due in part to a surge in housing starts in March ahead of the revisions to the Building Standards Act, numbers for April and May dropped to record lows. (April was 73.4% of the previous year's level, and May was 65.6%). Recovery remains sluggish. One factor behind this situation is the longer confirmation review period resulting from the legal revisions. From April to June, housing starts by owner/occupant also declined by more than 20% year-on-year across all categories except for company housing.

#### 〈Demand Forecast by Builders and Distributors〉

Small builders (contractors and other

building companies) predicted a negative index of 23.8 points, and distributors predicted a negative index of 27.3 points. Although both indicators still show a strong downward trend, the outlook has improved compared with the same survey period last year, with more respondents expecting an increase and fewer expecting a decrease. Improvements in Hokkaido, Kanto, Kinki, and Shikoku are particularly driving the overall rise. On the other hand, there is a shift toward expectations of a decline in Koshinetsu, Hokuriku, and Chugoku. Hokuriku in particular shifted into negative territory for the first time since the July–September 2024 survey when expectations of an increase had consistently been dominant, indicating a clear shift in the overall situation.

#### 〈Sales Forecast by Leading Manufacturers〉

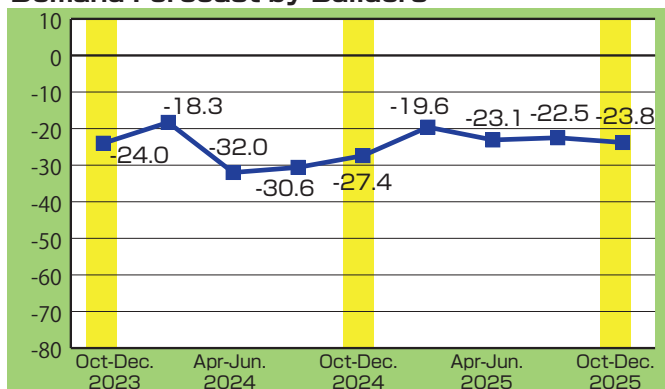
In the sectors of plywood, ceramics and insulation, as well as housing equipment, sales forecasts for decrease

exceeded those for increase. This is likely due to the decline in housing starts since April, with manufacturers of basic housing materials—such as plywood and insulation—expressing concern over weakening demand. On the other hand, forecasts for increase in the sector of wood-based building materials rose significantly, likely influenced in part by price revisions implemented by multiple manufacturers this term.

#### 〈Various Surveys〉

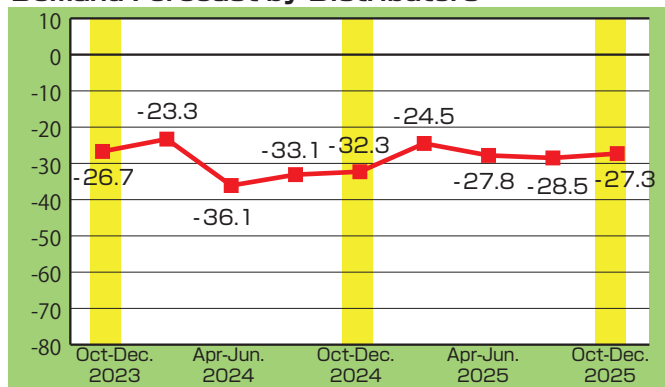
Currently, the average review period required for building permit applications has lengthened to six to eight weeks or more for roughly half of all valid responses. While many respondents are outsourcing application-related tasks as a countermeasure against these longer review times, a significant number reported taking no particular action. Similarly, many respondents indicated that they have taken no specific measures to address labor shortages or to improve working conditions for a diverse workforce. Given that a growing number of bankruptcies in the construction and logistics industries are attributed to labor shortages, efforts to secure a more diverse labor force are becoming increasingly urgent.

**Demand Forecast by Builders**



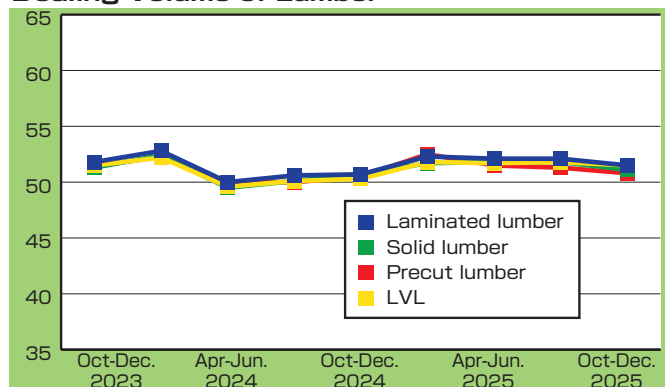
Point0=business result in April-June, 1992

**Demand Forecast by Distributors**



Point0=business result in April-June, 1992

**Dealing Volume of Lumber**



Point100=all responses expect increase

The forecast survey for October – December, 2025 is based on the totaled data gathered from 3,000 client companies in Japan through the internet, which took place from late-July to mid-August, 2025.

## Trend

### Market Outlook of Plywood

#### 〈Trend of Japanese Plywood〉

Japan's production of softwood plywood in July 2025 was 212,260 cubic meters (105.8% of the same month in the previous year), and the shipments of the item 207,947 cubic meters (99.6%). The inventory was 188,941 cubic meters (104.8%).

Japanese manufacturers continue to announce price increases after September. However, with a lack of a surge in real demand due to a decline in housing starts, there is resistance to the price hikes in the market, and actual market prices remain flat. Manufacturers' inventories are gradually increasing, which is another factor preventing a strong push forward. While the industry hopes for an uptick in autumn demand, rising costs raise the question of whether production adjustments that take supply and demand into account can continue. The situation is approaching a critical juncture, and it requires ongoing close monitoring.

#### 〈Trend of Imported Plywood〉

In July 2025, Japan's import of plywood totaled 186,430 cubic meters (102.6% of the same month in the

previous year), which increased 9.5% from 170,240 cubic meters marked in the previous month. By country of origin, 68,771 cubic meters (137.8%) came from Malaysia, 53,133 cubic meters (91.4%) from Indonesia, and 37,056 cubic meters (82.6%) from China.

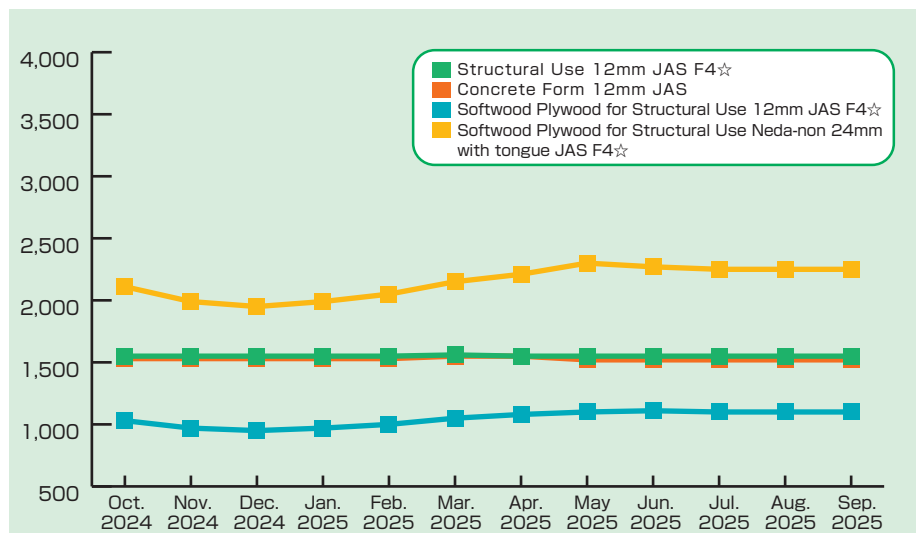
As with previous months, purchasing of imported plywood remains limited to spot buying. Demand continues to be sluggish. The recent arrival of delayed June and July backlogged shipments has also contributed to the current lack of any sense of shortage. However, with local prices remaining firm and no

factors to lower costs due to exchange rate effects, prices are expected to gradually rise from the second half of the fiscal year onward.

Importers are continuing to take a cautious approach, maintaining only the minimum necessary purchases to avoid risk. Inventories are expected to be gradually adjusted, with port stocks moving toward appropriate levels. While the outlook ultimately depends on demand, there is still a possibility that shortages may occur depending on the timing of arrivals, warranting continued close attention to market developments.

Wholesalers' Prices of Plywood in Tokyo

yen/sheet



Sales Forecast by Major Supplying Manufacturers (Oct-Dec. 2025)

	increase			level-off	decrease		
	over15%	14 ~ 10%	below10%		below10%	10 ~ 14%	over15%
Plywood (15 firms)	0.0	0.0	6.7	46.6	46.7	0.0	0.0
Wooden Building Materials (12 firms)	0.0	0.0	41.7	41.6	16.7	0.0	0.0
Ceramics & Insulation (15 firms)	0.0	0.0	20.0	53.3	20.0	6.7	0.0
Housing Equipment (16 firms)	0.0	0.0	18.8	49.9	31.3	0.0	0.0
average	0.0	0.0	21.8	47.8	28.7	1.7	0.0



## Topics 1

# Japan Kenzai establishes JK Logistics Cooperative Association, holds launch ceremony and networking reception



President Ogawa of the Japan Kenzai Co., Ltd.

We held the inaugural ceremony of the JK Logistics Cooperative Association, which is composed of 30 regular member logistics companies, JK CARGO as a supporting member, and our company as a special member, at Shinkiba Tower with a total of 47 participants.

The JK Logistics Cooperative Association aims to create a forum for active exchange of ideas and discussions with logistics companies that we regularly collaborate with, as a measure in preparation for 2030 when a significant shortage of transport capacity is expected. The goal is to build a sustainable logistics system while enhancing operational soundness and logistics quality. This initiative is rare on a national scale, as it provides a venue

for interactive communication between shippers and logistics providers, with shippers actively participating in its operation.

At the launch ceremony, President Ogawa expressed gratitude for the ongoing support and outlined the purpose of establishing the association. In addition, Mr. Yoshimoto, CEO of Yachiyo Unyu LLC who was inaugurated as the first chairman, addressed the attendees saying, "Taking today as an opportunity, we will further

strengthen our bonds, learn from each other, and cooperate to energize this association. By working together, we can overcome challenging situations, take new steps forward, and create a WIN-WIN relationship. I ask for everyone's cooperation to make this vision a reality."

The initiative will start in the Tokyo metropolitan area, and we plan to gradually expand it nationwide in Japan as we establish the operational framework.



The Launch Ceremony

## Living Life Innovation relocates and opens Yokohama model house and office

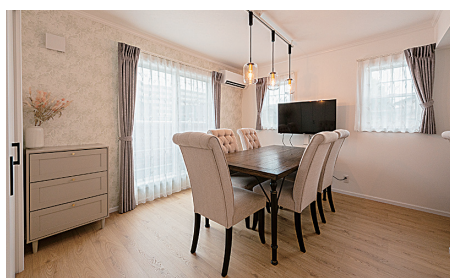
In April 2025, Living Life Innovation relocated and opened its Yokohama model house and Yokohama office.

Unlike our previous showroom, this standalone exhibition space is situated within a residential area, allowing prospective homeowners to experience a life-sized display that meets their real needs.

The facade uses brick with a sense of solidity, and the interior is coordinated to showcase two distinct styles: the first floor offers a sophisticated, hotel-like interior, while the second floor presents a warm and rustic farmhouse-style space. This allows visitors to explore both interior concepts during their visit.



Refined Spaces



Simple Interior Design

## Topics 2



Main Entrance of the New Facility

Having relocated to a new location, all the employees will continue working toward making the company that is more widely chosen and the showroom a place that people genuinely want to visit.



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