



Bulls

JK Holdings
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JK Holdings: overview of 3Q financial results for Fiscal Year ending March 2026

In the third quarter, Japan's economy generally continued a moderate recovery, supported by solid capital investment. On the other hand, consumption lacked strength due to prolonged price increases, and external demand weakened, partly as a result of U.S. tariff hikes. Looking ahead, the outlook remains uncertain, with factors such as changes in U.S. trade policy and the continued slowdown in the Chinese economy.

In the housing industry, to which our group belongs, housing starts have remained extremely sluggish due to factors such as a declining population, rising prices and labor costs, and disruptions associated with regulatory changes.

Under these circumstances, our group has been implementing the initiatives set forth in the new medium-term management plan “Value Proposition 27” under the slogan “Life is Better with Smile”, while deploying strong sales efforts to overcome the challenging environment. In addition, we have continued to develop our business bases through M&A during the current period, while carrying out organizational restructuring aimed at rationalizing group management. Furthermore, we are striving to practice management with an awareness of capital costs and share price, including enhancing dialogue with institutional investors and conducting share buybacks.

As a result, our business performance for the third quarter of the fiscal year was as follows.



Keiichiro Aoki
President
JK Holdings Co., Ltd.

The net sales increased by 1.4% compared to a year ago, reaching 300.793 billion yen, while profits declined at all levels. Specifically, the operating income was 5.484 billion yen (down 10.1% year on year) and the ordinary income was 5.957 billion yen (down 8.0%). The net income attributable to the shareholders of the parent company was 3.374 billion yen (down 11.4%).

As described above, while recent performance has seen an increase in gross profit driven by higher sales and an improved gross margin, selling, general and administrative expenses—such as personnel costs and freight charges—have risen even more. As a result, we are experiencing a trend of higher revenue but lower profits. Looking ahead, the business environment remains uncertain, and conditions are expected to stay challenging. However, we believe a recovery is fully achievable in the fourth quarter with the Japan Kenzai Fair. We have successfully completed the first year of the new medium-term management plan “Value Proposition 27”, and will continue to work together as a united group to drive further growth.

Survey

Business Prospect for April-June 2026

The Ministry of Land, Infrastructure, Transport and Tourism has released the number of housing starts up to December 2025. The cumulative total for 2025 reached 93.4% of the previous year's results, or 740,297 units, falling below 750,000 units for the first time in 61 years since 1964.

By owner/occupant, all segments declined year on year, with owner-occupied housing in particular continuing to fall below the previous year from April onward, totaling 92.3% of the previous year's record. Meanwhile, built-for-sale detached houses stood at 95.7%, but have exceeded the previous year's results since October, showing signs of recovery.

〈Demand Forecast by Builders and Distributors〉

Both small builders (contractors and other building companies) and distributors have recovered from the previ-

ous survey, with small builders improving to a negative index of 16.8 points and distributors to a negative index of 25.5 points, indicating that a gradual recovery is being maintained. By region, five areas—Tohoku, Kanto, Koshinetsu, Chugoku, and Kyushu—recorded improvements over the previous survey, with the Chugoku region in particular seeing a notable increase of 15 points. In addition, Hokuriku, Kanto, and Kinki continued to exceed the national average as in the previous survey. Last year was a period heavily affected by legal revisions, and attention will be focused on whether the recovery trend continues in the next survey.

〈Sales Forecast by Leading Manufacturers〉

Sales forecasts by major manufacturers showed a significant improvement from the previous survey, with the share predicting a decline in the plywood sector dropping sharply from 75.0% to 23.1%. Meanwhile, for wood-based building materials and housing equipment, forecasts of growth continued to exceed those of decline. Notably, the

38% for the first time since the July-September 2024 survey. Attention will be focused on whether this trend continues in the next survey.

〈Various Surveys〉

Among the subsidies available under the "Future Eco Housing Project 2026," renovation-related measures were identified in the survey as having the greatest business potential. In surveys on changing housing selection trends, renovation and existing homes were also identified as generating the highest level of inquiries, suggesting growing interest in renovation amid limited expectations for a significant recovery in new housing starts.

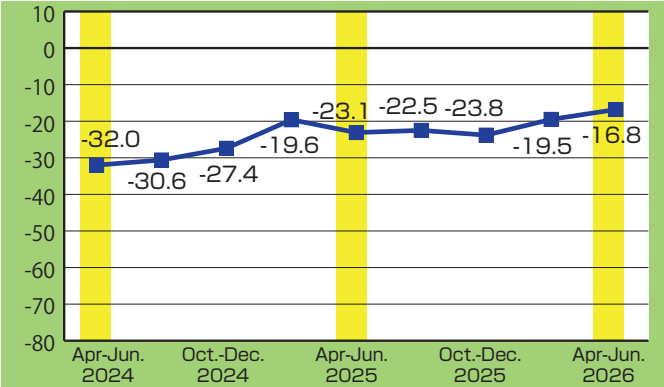
In terms of properties increasing outside of detached housing, retail and private-sector facilities accounted for approximately half. On the other hand, about 25% of respondents do not engage in initiatives other than those related to detached housing, with this tendency particularly pronounced in northern and eastern Japan.

The use of generative AI remains limited at around 10% overall, while more than 40% reported not using it. As generative AI has the potential to serve as a tool to improve efficiency, especially in back-office functions such as cost estimation and document preparation, it would be best to begin reviewing and establishing internal policies in preparation for future adoption.

housing equipment sector has improved for five consecutive surveys, and the percentage of respondents predicting an "increase" exceeded

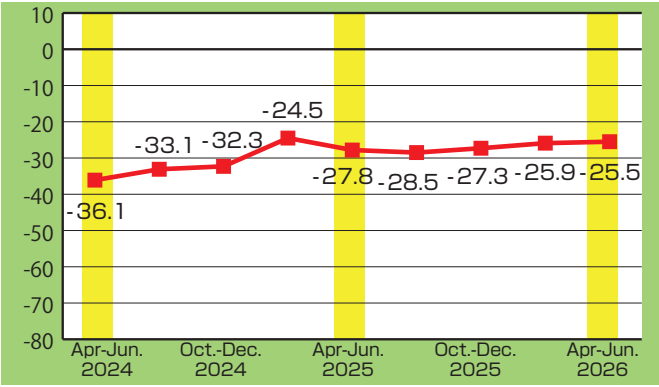
The forecast survey for April to June, 2026 is based on the totaled data gathered from 3,000 client companies in Japan through the internet, which took place from late-January to mid-February, 2026.

Demand Forecast by Builders



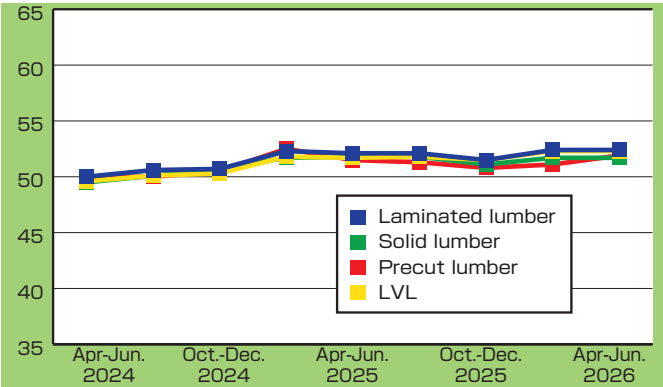
Point0=business result in April-June, 1992

Demand Forecast by Distributors



Point0=business result in April-June, 1992

Dealing Volume of Lumber



Point100=all responses expect increase

Trend

Market Outlook of Plywood

〈Trend of Japanese Plywood〉

Japan's production of softwood plywood in January 2026 was 203,234 cubic meters (93.8% of the same month in the previous year), and the shipments of the item were 197,619 cubic meters (89.0%). The inventory was 185,676 cubic meters (113.6%).

In an effort to halt the prolonged decline in market prices, domestic manufacturers finally announced price increases for March onward in February. While the announcements were led primarily by major manufacturers in eastern and western Japan, other manufacturers are also showing signs of following suit, and for the time being, the downward trend in prices has been brought to a halt.

Although prices recovered slightly in March compared with February, they have yet to reach the levels targeted by manufacturers, making the period from April onward a test of their resolve. However, with real demand remaining weak due to the decline in housing starts, how much prices can be raised going forward will be a key factor in profitability, and the situation warrants close attention. Amid rising costs across the board, concerns remain as to whether production adjustments based

on supply–demand balance can be sustained.

〈Trend of Imported Plywood〉

In January 2026, Japan's import of plywood totaled 202,898 cubic meters (113.1% of the same month in the previous year), which increased 14.1% from 177,754 cubic meters marked in the previous month. By country of origin, 52,352 cubic meters (111.0%) came from Malaysia, 61,022 cubic meters (116.7%) from Indonesia, and 48,347 cubic meters (111.8%) from China.

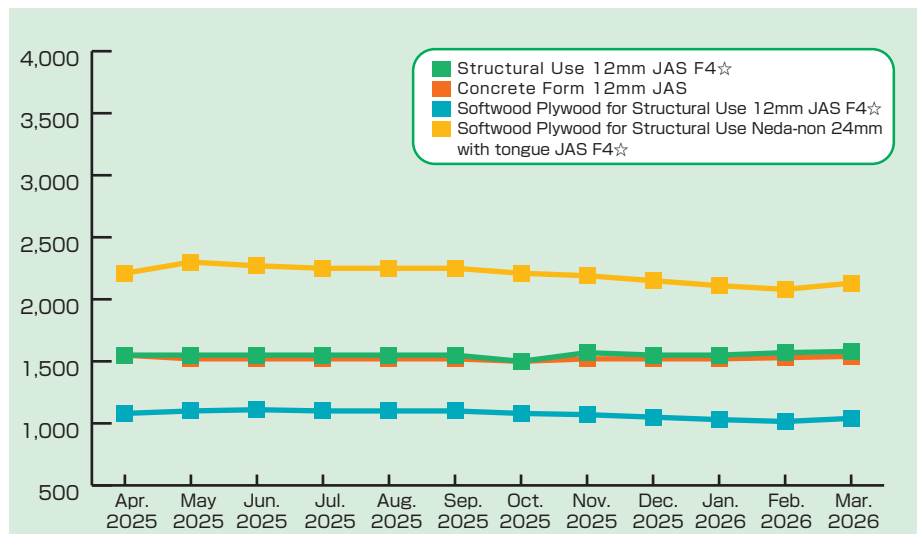
As with Japanese plywood, demand for imported plywood remains sluggish, and hand-to-mouth purchasing continues unchanged. In particular, demand for concrete formwork plywood has been weak due to the decline in housing starts, especially for condominiums. While importers' procurement costs are

rising, they have been unable to pass these increases on to resale prices, and difficult conditions are expected to persist for the time being. Regardless of market conditions in Japan, overseas suppliers remain firm. Coupled with exchange rate pressures, there are no signs of cost relief in the foreseeable future. Challenging conditions similar to those for Japanese plywood are expected to persist.

Importers continue hand-to-mouth purchasing. While inventories at regional ports are gradually being adjusted, stock levels at major metropolitan ports, particularly in the Tokyo area, stay high and adjustments are lagging. Although the outlook remains uncertain, including due to the situation in the Middle East, developments will need to be closely monitored going forward.

Wholesalers' Prices of Plywood in Tokyo

yen/sheet



Sales Forecast by Major Supplying Manufacturers (Apr-Jun. 2026)

	increase			level-off	decrease		
	over15%	14 ~ 10%	below10%		below10%	10 ~ 14%	over15%
Plywood (13 firms)	0.0	0.0	15.4	61.5	23.1	0.0	0.0
Wooden Building Materials (14 firms)	0.0	0.0	28.6	50.0	21.4	0.0	0.0
Ceramics & Insulation (18 firms)	0.0	0.0	22.2	55.6	22.2	0.0	0.0
Housing Equipment (13 firms)	0.0	0.0	38.5	46.1	15.4	0.0	0.0
average	0.0	0.0	26.2	53.3	20.5	0.0	0.0

Topics 1 Japan Kenzai holds 46th Japan Kenzai Fair



Ribbon cutting at opening ceremony



The venue crowded with customers

Japan Kenzai held its exhibition and sales event, the Japan Kenzai Fair, at Tokyo Big Sight on February 12 and 13, 2026. The event was a great success, attracting a total of 14,414 visitors and generating sales of 32.42 billion yen.

Under the theme JK BASE, original booths were set up in three areas—the “Remodeling and Renovation Area,” the “Disaster Preparedness Area,” and the



Venue Entrance

“Insulation, Airtightness, and Ventilation Area”—allowing visitors to gather information and compare, consider, and purchase products within each zone.

In addition, numerous industry-related seminars were held by well-known speakers, along with a variety of creatively curated exhibits. Japan Kenzai successfully provided visitors with an excellent opportunity to reexamine the environment surrounding the housing industry and experience the latest equipment and technologies.

Introducing the newest members of JKHD Group

Topics 2

Last autumn, two new companies joined the JKHD Group.

Bull-ken Masuda Co., Ltd. (formerly Masuda Mokuzai Co., Ltd.) became part of the JKHD Group in October 2025. The company primarily serves local building contractors and construction firms in and around Hakodate City,



Inside the Bull-ken Masuda warehouse



A bird's-eye view of PRIME POLY

Hokkaido, engaging in the sale of residential building materials and siding installation work.

PRIME POLY Co., Ltd. joined the JKHD Group in November 2025. The

company operates a production base at its Miyazaki plant in Kyushu and manufactures approximately 40,000 sheets of poly-coated plywood and poly lumber boards per month with a workforce of around 40 employees.



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