

AHEC Japan MARKET REPORT



AMERICAN
HARDWOOD
EXPORT
COUNCIL

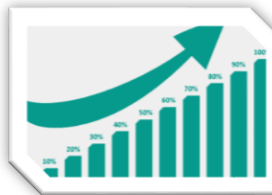
**November
&
December
2025**

HIGHLIGHTS



News flash

P1 – P2



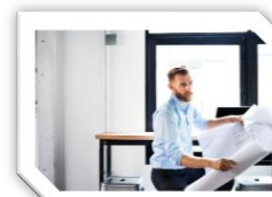
Industry news

P3 – P4



Industry opinion

P5 – P6



Event reports

P7 – P11



Coming up

P12

www.ahec-japan.org

Upcoming events

2025

AHEC members are encouraged to participate at overseas activities

News flash

New housing starts climb in October but fall the following month

Government statistics for monthly new housing starts are released at the end of the following month. According to data available at the end of 2025, total new housing starts in October grew by 3.2% over the same month last year to 71,900 units but fell by 8.5% year-on-year to 59,500 units in November. Multi-unit housing starts increased significantly in October, raising hopes that new units would become available before interest rates on housing loans rose much further, but sputtered the following month.

Breakdowns for the two months show that owner-initiated housing declined by 8.2% and 9.5%, respectively, to around 18,000 units in both months. (All percentages are year-on-year and numbers of units are rounded to the nearest hundred.) Single-unit tract homes increased slightly to around 10,000 units in both months. Build-to-sell multi-unit housing increased by 31.8% to 11,700 units in October but fell by 29.7% to 5,600 units in

November. Rental units increased by 4.2% then fell by 5.5% to 30,800 units and 25,300 units, respectively. By construction method, 2x4 housing declined by 3.8% to 8,700 in October and by 2.7% to 7,100 units in November. The Bank of Japan raised its benchmark rate to 0.75% on December 18 and intends to continue its exit from monetary easing. The next rate hike may be delayed for various reasons, but consumers are already skittish about the possibility of higher interest rates on housing loans. AHEC will continue to monitor the impact of rising rates on the housing market.

Industry news

A volatile year for consumer spending hits makers of wood furniture

Sales of hardwood furniture are flagging in Japan as continuing inflation eats into consumer spending on durables. Inflation over the past three years has been 2% or higher, and while the central bank emphasizes that some price spikes have been temporary, limited supply elasticity—particularly with regard to labor and rice—and a weak yen are keeping prices at elevated levels.

Last spring, the *shunto* annual wage negotiations culminated in the biggest wage hikes in three decades. Although the yen briefly rallied against the dollar on this news, wages are actually not keeping up with inflation. Coupled with the negative effects of economic and geopolitical uncertainty, consumer confidence has yo-yoed and spending has been volatile.

Many Japanese manufacturers of wood furniture shifted their production to factories in Southeast Asia and the People's Republic of China over the past three decades, providing consumers in Japan with low-priced products

whose quality improved steadily as local workers grew more skilled. Although domestic furniture makers have outcompeted imports on quality, they have been forced to hike prices over the past few years because they are paying more for logs and lumber from overseas.

As we have described in past reports, they are using more domestic hardwoods, highlighting their local sourcing efforts. Lately however, competition for limited supplies is causing the price of domestic hardwoods to increase as well.

Domestic manufacturers contacted by AHEC Japan representatives have said that American hardwoods are now too expensive for them. Interestingly, however, trade data show that the US exported 40,067m³ of sawn hardwood lumber to Japan in January through September 2025, a 33% increase over the same period in 2024. We will continue to meet with lumber importer/wholesalers and users such as manufacturers of furniture and interior fittings to provide them with information and encourage them to use American hardwoods.

Industry opinion

Advantages of American hardwoods for users in Japan

Lumber prices have gone up significantly in the US, with the Covid-19 pandemic playing a significant role. As mentioned in the section above, this has forced many Japanese users to turn to domestic hardwoods.

Local supplies will continue to be specified for projects receiving public funding, such as schools, libraries, and community centers. Buying local will also appeal to consumers concerned about the large carbon footprint of shipping materials over long distances. But over the long term, the supply of hardwoods in Japan is far smaller than the massive supply capability of the US and the shortage of workers needed to harvest and transport timber will continue to impact prices in Japan.

American hardwood lumber has an additional advantage in that it is kiln dried and graded by suppliers. AHEC's Responsible Procurement Policy (RPP) and American Hardwood Environmental Profiles (AHEPs) provide further reassurance that US hardwoods are ethically sourced and meet users' obligations under Japan's Clean Wood Law.

AHEC Japan will continue to communicate the advantages of American hardwoods to prospective users.

Event reports

AHEC Japan Project: “American Hardwoods in Japanese Architecture”

dates: November 19-21, 2025

venue: Tokyo Big Sight

The Japan Home Show & Building Show was held at Tokyo Big Sight on the above dates in November. AHEC Japan prepared a booklet featuring the work of two architects who have made extensive use of American cherry, hard maple, and white oak in their projects. The show is the largest event of its kind, showcasing building materials, equipment, fittings and furnishings. Besides distributing our booklet to visitors to our booth, we showed flooring made in the above species to promote the warmth and hard-wearing beauty of American hardwoods.





American Hardwood Panel Discussion with Japanese Architects

date: November 20, 2025

venue: Hilton Tokyo Odaiba

The two architects whose work we spotlighted at our booth at the Japan Home Show & Building Show were joined by two more residential architects who are members of the Kanto-Koshinetsu Chapter of the Japan Institute of Architects for a panel discussion on American hardwood products for interior applications.

Some 40 architects, designers, home builders and wood-related businesses were able to gather first-hand information on the kinds of products available and get tips on selection and installation. The attendees could also ask questions of our panelists at the reception following the panel discussion. Many participants gave us positive feedback, saying that the event had been very worthwhile.



Fifty attendees : Mainly architects, Designers , Lumber wholesalers



Mr. Yokouchi / Mr. Sakamoto

Coming up

American Hardwood Discussion Meeting in Osaka

date: March 2026

venue: TBA

outline: We last held an American Hardwood Discussion Meeting in Osaka in September 2020. It was a time of great uncertainty, as COVID-19 cases had begun to increase that spring—there were concerns about supply continuity and the safety of holding in-person events. Now that the virus is in the same classification as seasonal influenza, we do not expect to reschedule events as we were forced to do from 2020 through 2023.