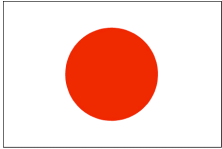


Market update Japan



Fredrik Westling,
CEO Forssell Timber

Forssell Timber



- Sales and marketing with focus on Japan
- Est 1996 by Peter Forssell
- Biggest suppliers are SCA and Fiskarheden
- Main product is raw material to Japanese glulam industry
- We supply the biggest producers in the market and also some of the smallest.
- Abt 20.000m³ per months, abt 30% of Swedish export

A few japanese facts



- Decreasing population
- Lack of workforce
- Record weak Yen



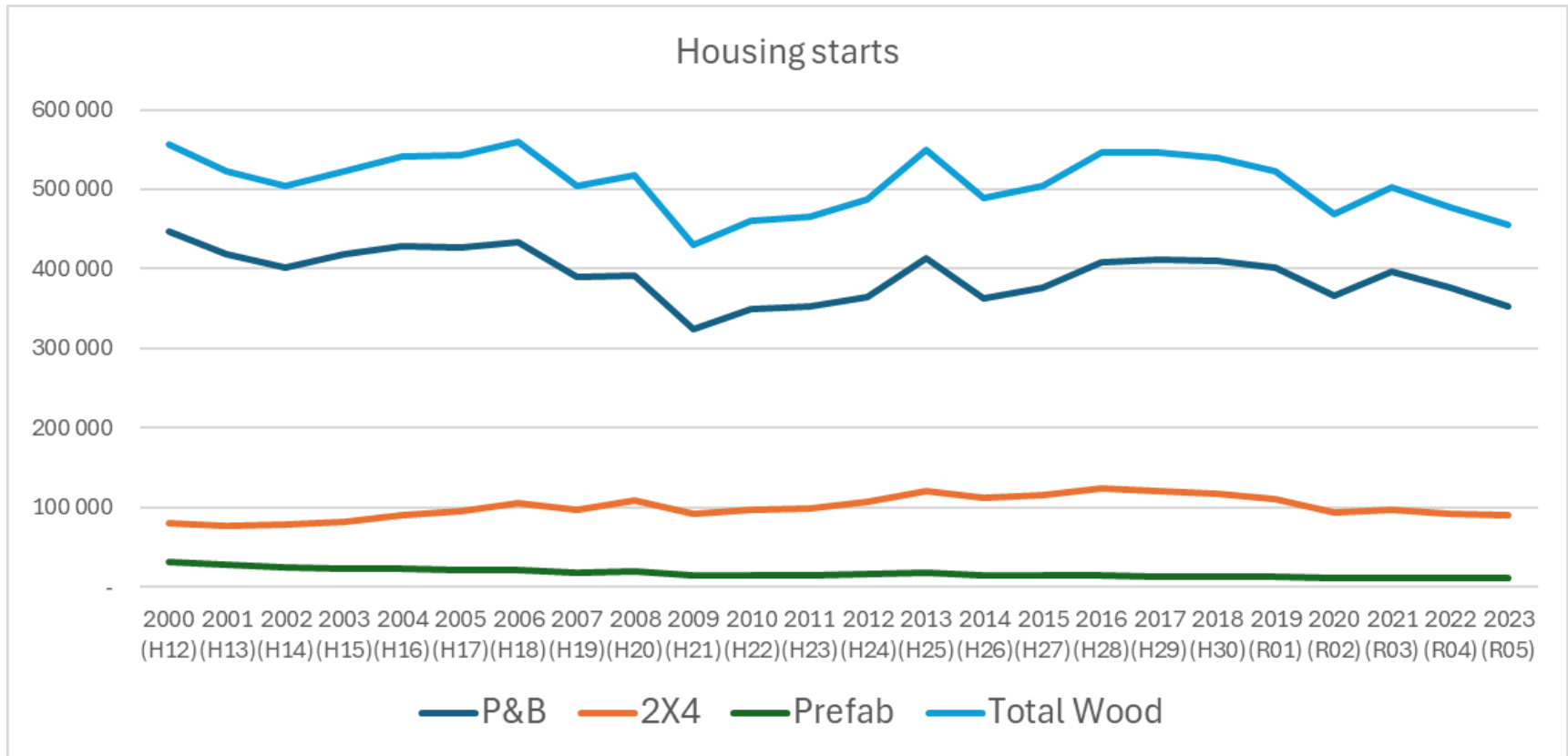
- Low inflation
- Interest rates close to zero

Softwood Market in Japan



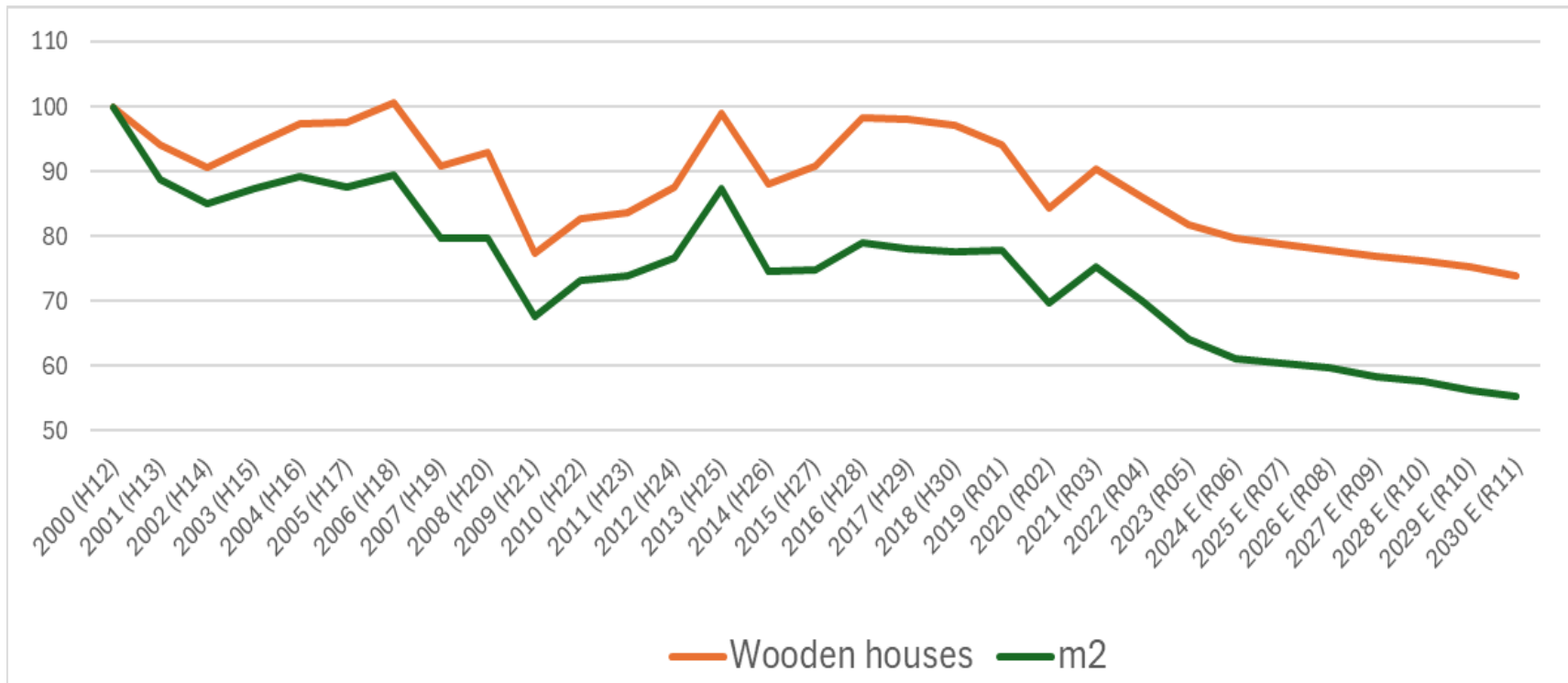
- One of the largest market for wooden houses and world's largest producer and consumer of glulam
 - Main usage is as building material in residential buildings, non visual usage
 - Two main value chains for residential wooden houses
 - Traditional Post & Beam
 - 2x4 constructions
-

Wooden residential houses – Slight downward trend



... Less m2 built

Wooden houses and m2, as index, year 2000 = 100



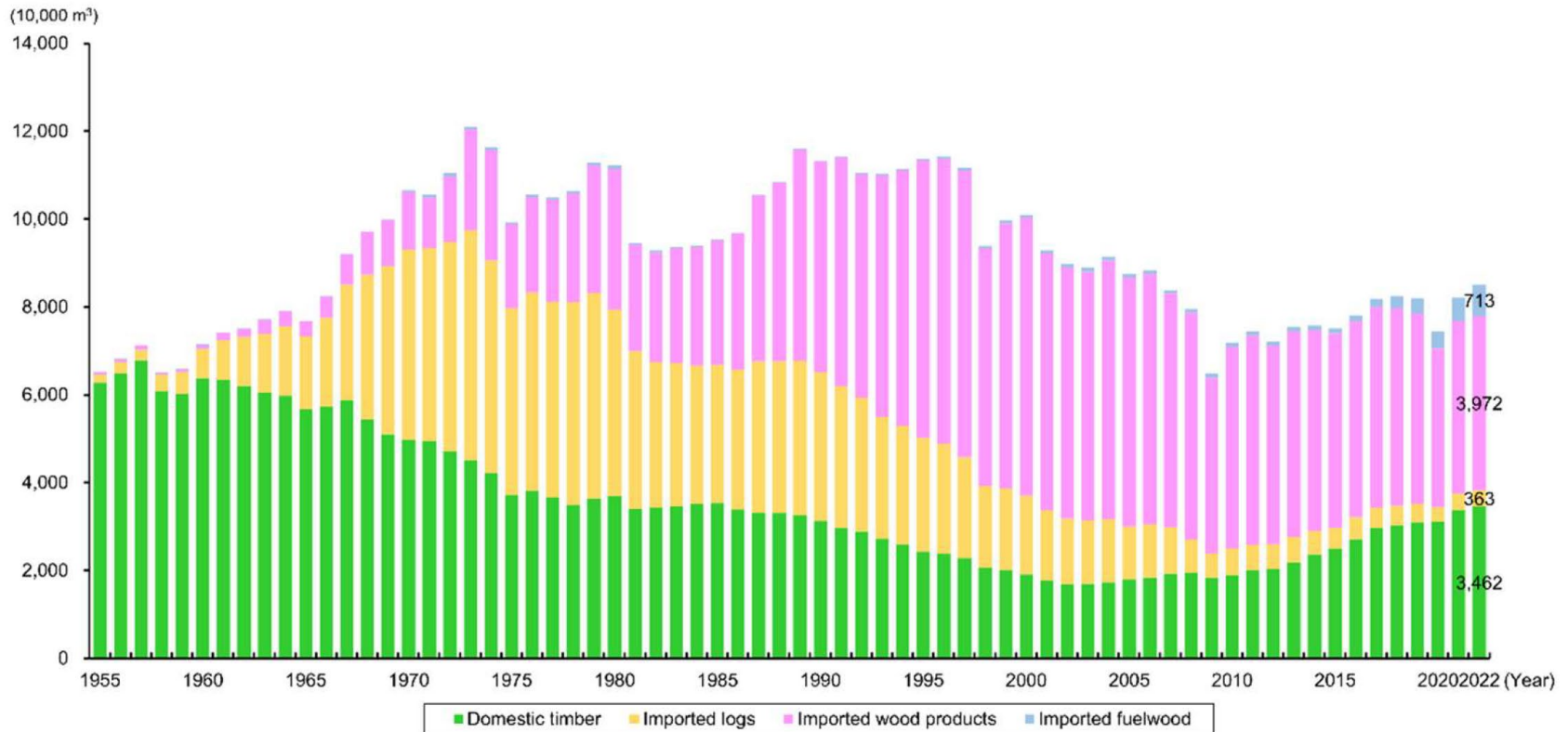
-20% in area per unit since 2000

Non residential



- 8% of m2 are wooden structures
- Government aim to double wood usage from 2022 to 2032
- Compensate for decrease in residential

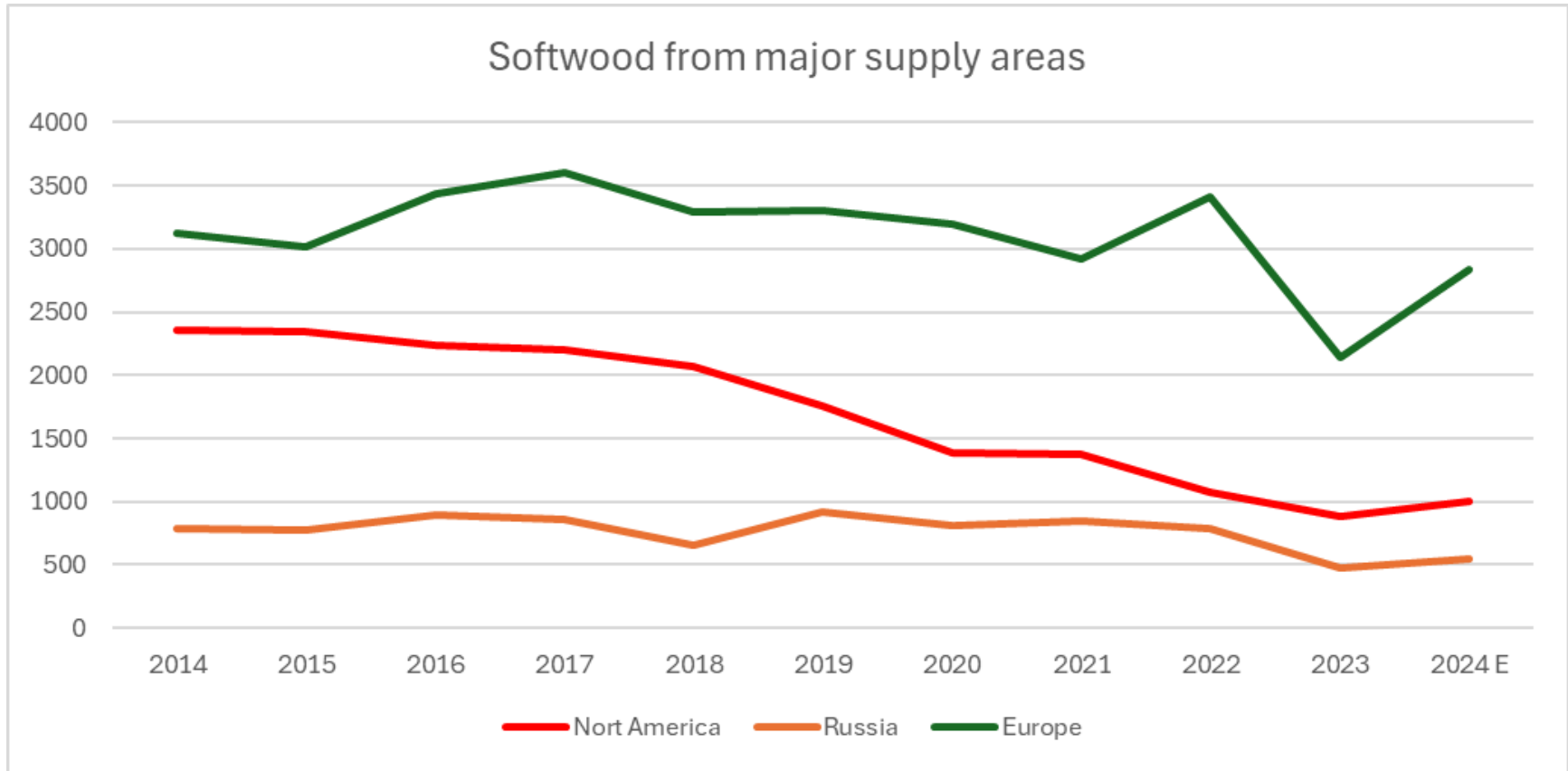
Supply of Softwood



Source: Forestry Agency "Wood Supply and Demand Chart"

Volume calculate in log-equivalents

Supply of Imported Softwood Lumber



Volume from Europe recover from a though 2023

Subsidies of Domestic wood



- Total subsidies for forest and wood industri: 3 billion EUR (2019)
 - 33 milj m³ harvested => 91 EUR/m³ (2019)
 - Forestry Agency asks for a budget increase 2025, +15,8% vs 2024
-

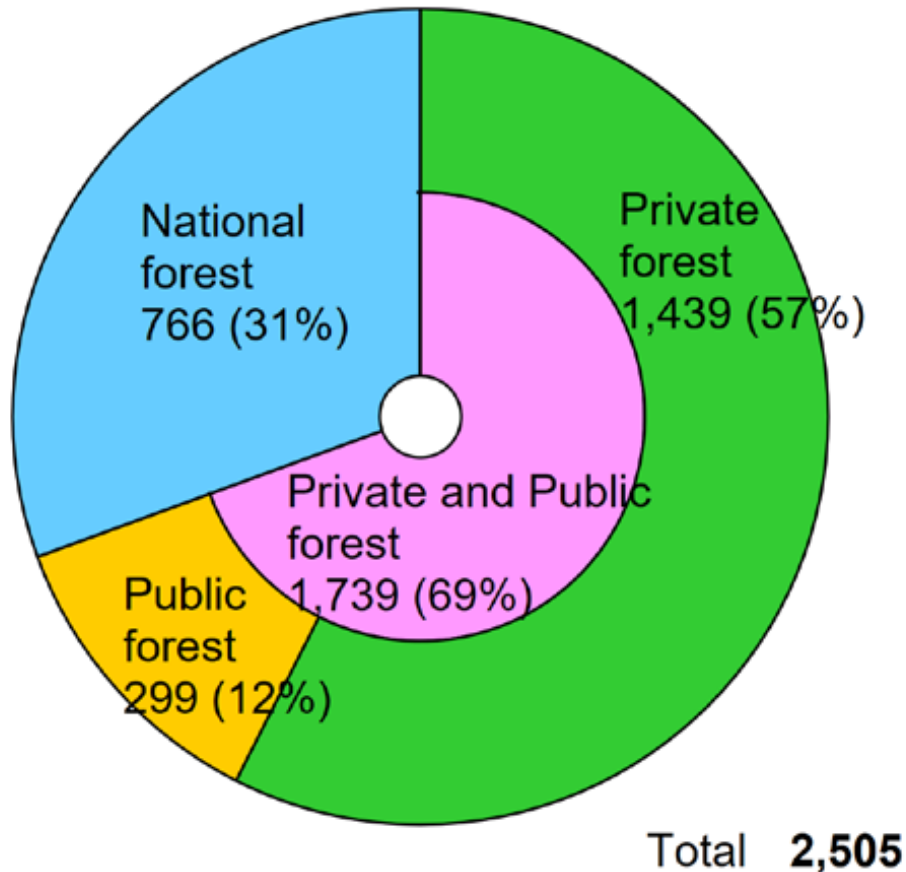
Domestic production



- Sawmill based on imported logs
 - One company with one mill, 1,2-1,5 milj m³ of logs
- Sawmill based on domestic logs, 80% Sugi (Cedar) and Hinoki (Cypress)
 - Abt 4000 sawills
 - Top 14 mills, below 200.000m³ of logs in average per year
 - Total log volume 12,4 million m³ (2022)
 - Focus on domestic market, very low export volumes
 - Without subsidies most would not survive

Forest in Japan

(Unit: 10,000 ha)



- 57% private owned
- 690.000 private forest owners, 80% owns less than 10 ha
- Lack of workforce and ownership will make increase of harvesting difficult

Japanese wood market - Forecast



- Number of residential building starts will continue to decrease
 - Lack of workforce increases automation in wood industry
 - Increased share of one storey houses
 - Government aim to support domestic production to increase
 - New investments
 - Increased wood usage in Non-residential buildings
-

Japanese wood market - Now



What's up 2025



- 1st of April 2025 import tax from EU will be ZERO
- World Expo in Osaka April 13th to October 13th 2025
“To contribute to the achievement of the Sustainable Development Goals”



Thank you!
