

GLOBAL MASS TIMBER SERVICE

2025 Annual Report

Interior of a data center

Global analysis, plus updates on
capacity, production, imports,
and exports



Forest Economic Advisors

+39 333 933 1655

aschmon@getfea.com

getfea.com

© 2024 Forest Economic Advisors, LLC. All contents copyrighted. All rights reserved.

JAPAN

Unlike in many countries, notably in Europe and North America, where mass timber capacity is growing at a brisk pace, the growth of CLT in Japan continues to be subdued. Japan is wrestling with sectoral challenges, including a lack of engineering and architectural expertise, the high cost of CLT buildings, the inability to fill demand in a timely manner, and a lack of rationalization of materials (including CLT and connections) and building standards.

Nevertheless, we continue to believe that the long-term prospects of mass timber in Japan are positive. Japanese building construction is a resilient and important industrial sector that accounts for around 5% of GDP. This represents a substantial substitution opportunity for wooden structural assemblies, including CLT, considering their lower environmental footprint relative to other materials. The CLT technology is poised to expand the use of wood products into nonresidential-building construction, a market segment in which wood has little market share, thus contributing to the government’s objective of net-zero carbon emissions by 2050.

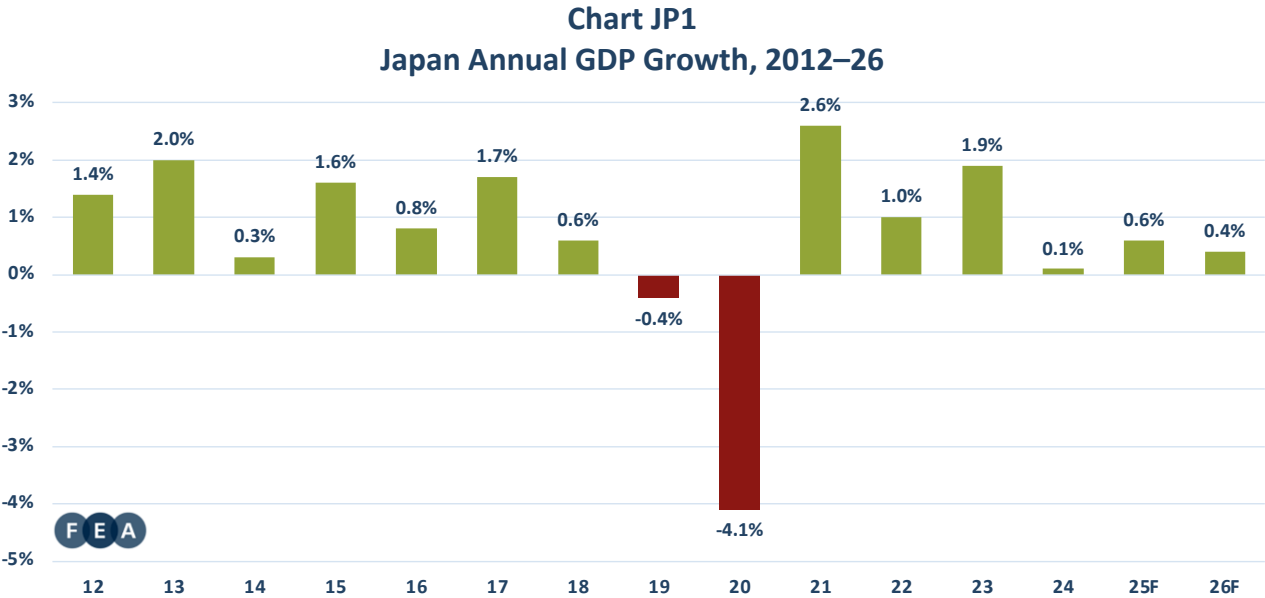
Another positive driver is the fact that Japanese forest resources are plentiful, and mass timber has been identified by the government as a technology that can consume vast amounts of domestic fiber, supporting the development of the forest sector and the revitalization of regional communities.

BUILDING CONSTRUCTION IN JAPAN

GENERAL ECONOMIC SITUATION

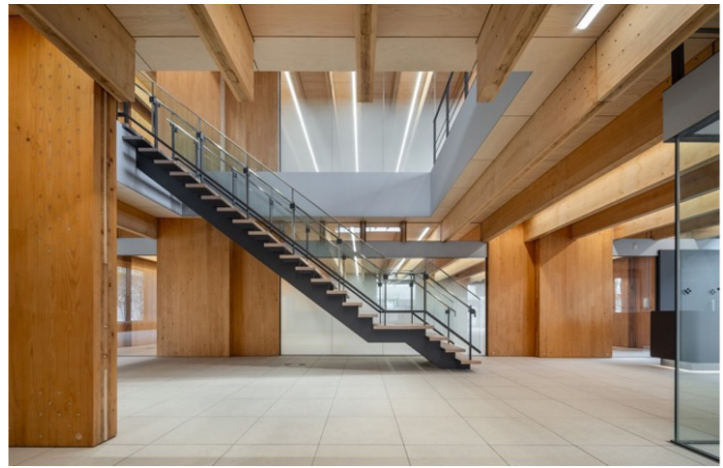
Japan’s economy has entered a period of softening growth, following a modest rebound from the pandemic-era slowdown. After expanding by 1.9% in 2023 and just 0.1% in 2024, GDP growth turned negative in early 2025, contracting at an annualized rate of 0.2% in Q1. While domestic demand—particularly private consumption—has been weighed down by persistent inflation and high import prices, recent wage gains and government stimulus measures have provided some support.

Inflation remains elevated, with core CPI (excluding fresh food) trending above 3%, well above the Bank of Japan’s 2% target. This prompted the central bank to exit its negative interest rate policy in early 2025. However, it has maintained a cautious



Sources: Cabinet Office, Japan; Japan Center for Economic Research

© 2025 Forest Economic Advisors



Location: Gifu City, Gifu Prefecture

Building owner: Ryuden Co., Ltd.

Mass timber suppliers:

Cypress Sunadaya Co. Ltd. and Emachu Lumber Co. Ltd.

Architecture: Daiken Sekkei Co., Ltd. (Eiji Suzuki, Hisanori Hiramatsu)

Structural design:

Office Building: Nawaken Gym (Kenji Nawa)

House: DIX (Naoto Tamura, Takuya Tsuji)

	Office	House
Structural system:	Wood & partial steel frame	Wood structure
Floor area (m²)	984.41	304.56
CLT volume (m³)	169.38	134.81
CLT species	Hinoki	Sugi-Hinoki hybrid

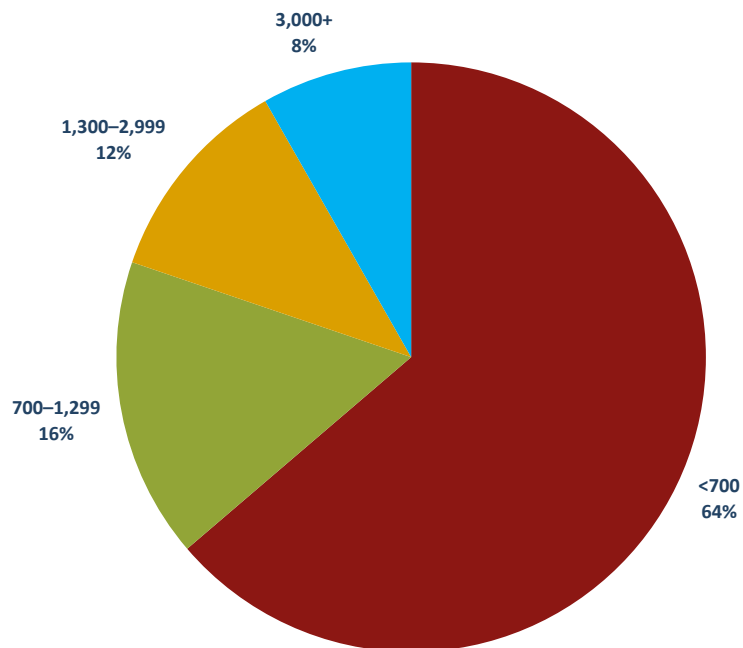
The higher share of CLT in the “Public Buildings” category (15% compared with 3% for wood buildings and 2% for all buildings) highlights the strong support from both the national government and prefectural authorities for CLT development in Japan. Moreover, the growing presence of CLT in high visibility sectors such as “Business Services,” “Commercial Wholesale & Retail,” “Education & Learning Support,” and “Restaurants & Accommodation” is increasing public awareness and showcasing the technical capabilities of CLT—and of wood construction more broadly.

At the same time, the data also make clear the relatively low overall market penetration of CLT, a topic that will be examined in more detail in a later section of this report.

Floor area & building height

The Cabinet Secretariat dataset lacks sufficient detailed information to accurately characterize the floor area of buildings, so we will rely on the floor area estimates presented in our 2022 annual report, which were based on a detailed analysis of 151 nonresidential CLT projects featured on the Japan CLT Association website. This analysis indicates that 80% of the buildings are small, low-rise structures with a floor area of less than 1,300 m² (Graph JP23).

Graph JP23
CLT Nonresidential Units by Floor Area (m²)



Source: FEA

© 2025 Forest Economic Advisors