THE REAL PICTURE

Industry Structure Map: Housing in Japan 2026

Why We Didn't Buy From the Giants — and Why We Regret It

Advertising is less than 1% of the price. You don't buy a house — you buy the next thirty years of the builder.



Ikuo Hiraishi — DreamVision Inc. · November 2026

A shrinking market, an unchanging long tail

1.29M → 0.74M

housing starts, 2006 → 2025

−33%

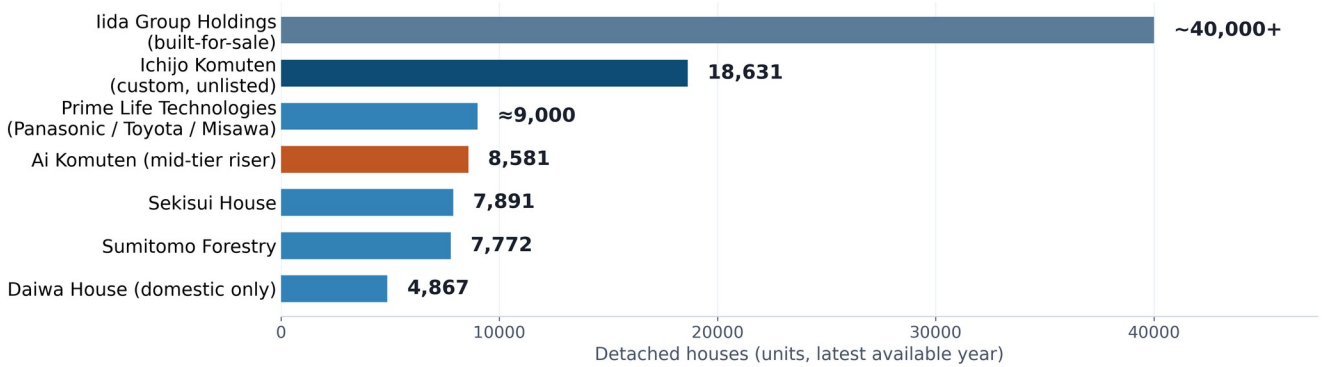
custom-built homes, FY2016 → FY2025

≈15%

the top-10 majors' share of detached houses

Who Builds Japan's Detached Houses?

Individual builders — detached houses supplied



Share of all detached houses — ≈310,000 built in fiscal 2025



Counting bases differ by company (contracts, deliveries, orders, sales) and periods mix FY2025 and CY2024; Prime Life Technologies is the industry ranking's approximate figure. The residual for regional builders & komuten is total detached starts minus the identified builders — an estimate. Sources: MLIT housing starts; Jutaku Sangyo Shimbun FY2025 ranking; Guinness World Records (Ichijo, CY2024); company materials (Iida Group, Ai Komuten).

THE REAL PICTURE

Industry Structure Map: Housing in Japan 2026

Detached houses ≈310,000
FY2025: custom-built 195,000
built-for-sale 115,000

TOP-10 MAJORS — ≈15% of detached

≈47,400 units: Sekisui House 7,891 · Sumitomo Forestry 7,772 · Daiwa House (domestic) 4,867 · Prime Life Technologies ≈9,000 (Panasonic / Toyota / Misawa) · Asahi Kasei Homes · Sekisui Heim · Mitsui Home

THE HIDDEN GIANTS — outside the majors' ranking

Ichijo Komuten — 18,631 custom homes in 2024 (Guinness world record) · Iida Group — ≈40,000 built-for-sale homes a year, ≈30% of that market

THE MIDDLE — the squeezed layer

Ai Komuten — 8,581 orders, growing on the majors' playbook · Tama Home — low price, housing segment in loss · Mid-tier makers — "from" prices of ¥0.72–1.00M per tsubo

REGIONAL BUILDERS & LOCAL KOMUTEN — ≈63% of all detached houses

Thousands of small firms across Japan. The typical komuten builds a few to about ten houses a year — most of Japan's detached houses are still built locally.

THE FIXED-COST GAME

335 housing exhibition parks · 4,176 model houses (2025). Each model house costs ¥100M+ and is rebuilt every 5–10 years — a game only scale can play.

AFTER-SERVICE IS THE PRODUCT

The law guarantees 10 years — structure and rainwater only. The majors sell 30-year initial warranties, extendable to 60 with in-group inspections and paid maintenance. Sekisui House's stock-related revenue: ¥870.9bn a year.

THE ONE EXIT: OUTBOUND

Foreign builders in Japan: essentially none. Sekisui House bought MDC Holdings (US, $4.9bn) to become America's 5th-largest builder. Ichijo: organic in the US since 2009, 900+ homes.

Basis: fiscal 2025 — MLIT housing starts and company disclosures. Unit counts differ in basis by company (contracts / deliveries / sales). Prices per tsubo: Housing Industry News, realized FY2025.

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The majors compared

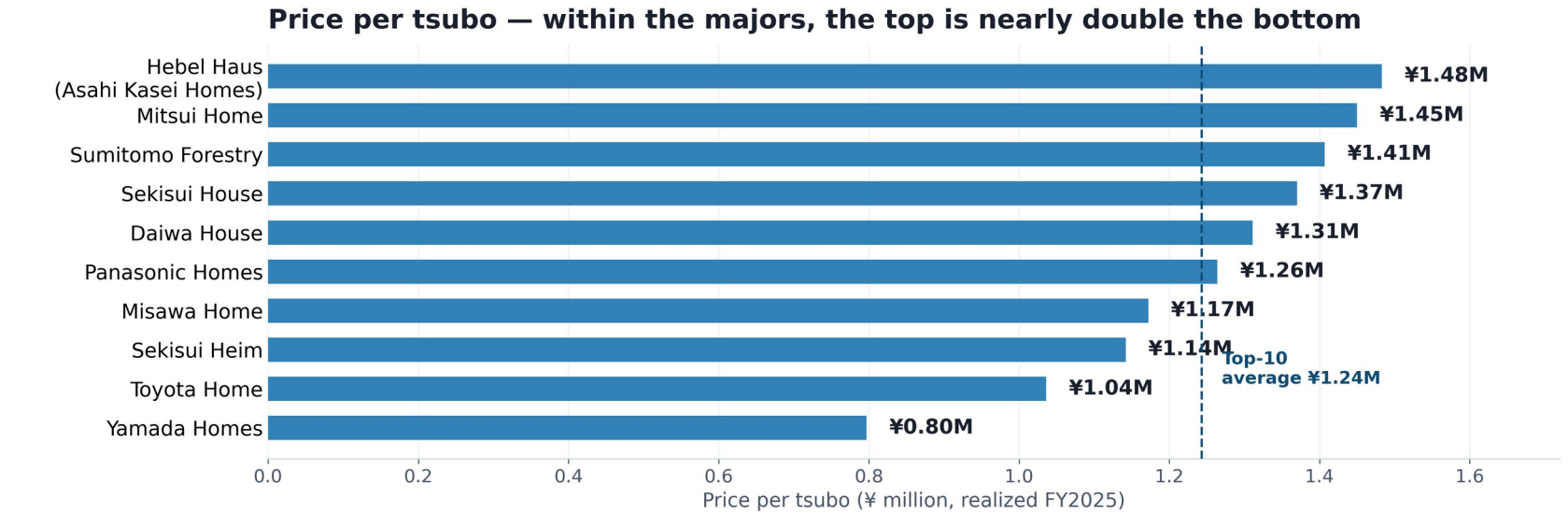
Company	Revenue	Operating profit	OP margin
Daiwa House	¥5,576.9bn	¥614.9bn	11.0% *
Sekisui House	¥4,197.9bn	¥341.4bn	8.1%
Asahi Kasei	¥3,074.5bn	¥231.2bn	7.5%
Sumitomo Forestry	¥2,267.6bn	¥168.7bn	7.4%
Open House Group	¥1,478.0bn	¥181.8bn	12.3%
Sekisui Chemical	¥1,309.3bn	¥106.5bn	8.1%
Tama Home	¥197.7bn	¥3.8bn	1.9%

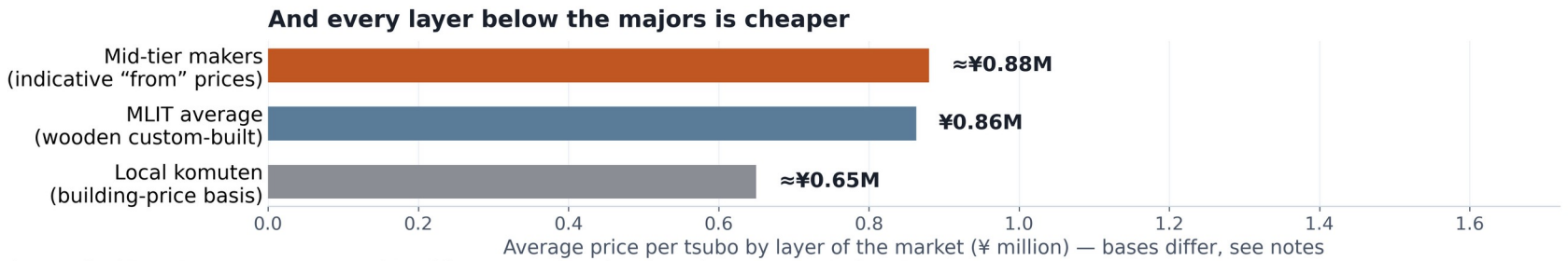
Housing segments: Sekisui House detached 10.0% · Asahi Kasei Homes 9.3% · Sekisui Chemical Housing 6.9% · Tama Home housing — a ¥1.1bn loss

* Daiwa House's operating profit includes ¥115.7bn of pension actuarial-difference amortisation gains — an accounting gain, not house-selling profit. Excluding it, operating profit is ≈¥499.2bn and the margin ≈9.0%. Latest full fiscal years; periods differ by company; official earnings releases. Sumitomo Forestry's segment profit is on an ordinary-profit basis.

Price: the giants are the most expensive layer

Realized prices per tsubo, FY2025. The premium is real — the question is what it buys.

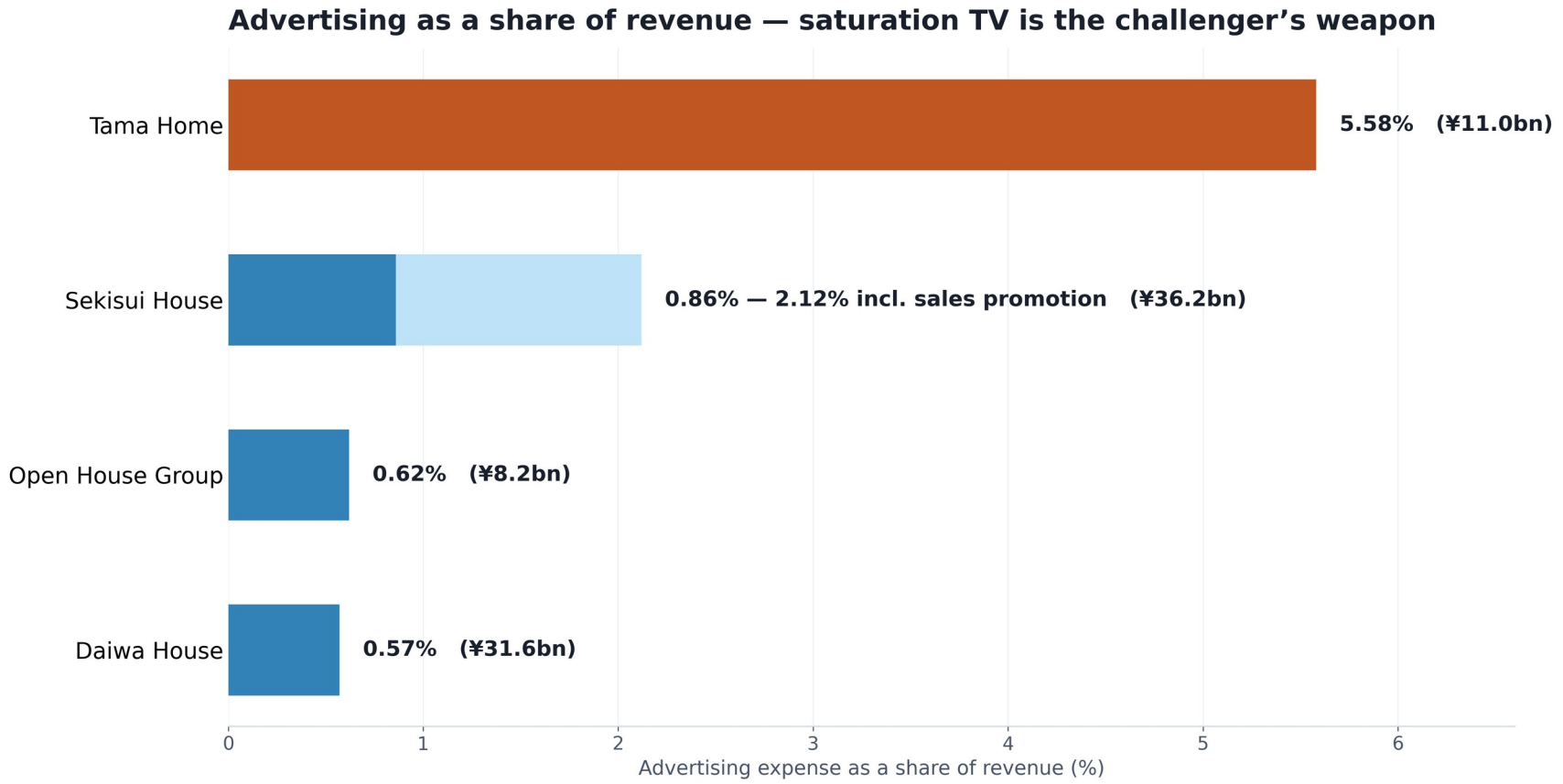




Makers: realized FY2025, contract amount ÷ registered floor area, excl. tax (Housing Industry News). 1 tsubo ≈ 3.3 m².
Layers are computed on different bases (contract total / indicative published prices incl. tax & attached works / building price only) — part of the gap is definitional.

The advertising paradox

Context: real-estate & housing-equipment advertising across the four mass media was ¥108.8bn in 2025, 77.7% of it terrestrial TV (Dentsu).



Latest full fiscal years; consolidated figures from securities reports. Sekisui House: advertising ¥36.2bn; ¥89.1bn including sales promotion.
Sumitomo Forestry, Asahi Kasei and Sekisui Chemical do not itemize advertising on a consolidated basis
(Asahi Kasei, parent company only: ¥1.8bn — for reference; its housing subsidiary’s advertising is not included).

After-service is the real product

- **The legal floor is low.** The law guarantees ten years — structural elements and rainwater ingress only. Builder-failure insurance covers the same narrow scope.
- **The majors sell time.** Initial warranties run to about 30 years (conditional on maker inspections), extendable to 60 years through paid maintenance inside the group.
- **The system runs itself.** Maker-managed periodic inspections flow into proposals, estimates and own-group construction — owners never need to shop for competing quotes (if anything, they are locked in). Daiwa House: free inspections to year 30. Sekisui Heim: a 60-year programme for every house. Asahi Kasei Homes: notices sent even for houses supplied decades ago.
- **The economics work.** Sekisui House's stock-related revenue is ¥870.9bn a year, carried by a customer organisation of about 1,500 people.
- **The other side is lock-in.** Inspections and in-group maintenance are conditions of warranty extension — at Sekisui House, exterior work by an outside contractor can void the waterproofing warranty.

The squeeze of the middle

- **Scale without the majors' costs.** Ichijo Komuten built 18,631 custom homes in 2024 — more than twice any single major. Iida Group supplies ≈40,000 built-for-sale homes a year, about 30% of that market.
- **A riser on the majors' playbook.** Ai Komuten took 8,581 orders with exhibition parks, advertising and standardised products — and grows while the market shrinks.
- **The base is thinning.** Regional builders and komuten still build ≈63% of detached houses, but bankruptcies among wooden-house builders reached 181 in January–October 2026, 1.8 times the year before.
- **Even a giant retreats from the thin end.** Daiwa House withdraws from new detached sales in 23 prefectures from April 2027, limiting custom orders to ¥50M and above. After-service for existing owners continues.

The most domestic industry — and its one exit

- **No entry.** Foreign builders essentially do not enter Japan: land practice, regulation, distribution and the after-service system all assume a domestic incumbent.
- **The giants' exit is America.** Sekisui House completed its $4.9bn acquisition of MDC Holdings in April 2024 and became the fifth-largest US homebuilder. In FY2026/1 the US business posted a ¥5.3bn operating loss as deliveries fell.
- **A second giant followed.** Sumitomo Forestry bought US builder Tri Pointe Homes — agreed in February 2026, completed in May 2026, about $4.5bn in total value — reaching roughly 15,000 homes a year, fifth-largest in the US by deliveries.
- **The challenger's exit is the same ocean, swum differently.** Ichijo has built organically in the US since 2009 — more than 900 homes, no acquisitions.

You don't buy a house.
You buy the next thirty years of the builder.

- Advertising is less than 1% of the price. The giants' premium is not media waste.
- It is the price of inspections, records, parts — and a builder still there in thirty years.

Sources: MLIT housing starts; company securities reports and earnings releases; Housing Industry News (realized prices, FY2025); Dentsu, Advertising Expenditures in Japan 2025; Yano Research Institute (exhibition parks, 2025); Tokyo Shoko Research (bankruptcies). Figures as of November 2026. © 2026 Ikuo Hiraishi / DreamVision Inc.

Appendix — Sources: where the numbers come from

- **Market size & composition.** MLIT housing-starts statistics. Detached composition is on a fiscal-year basis (April–March): FY2025 ≈310,000 = owner-occupied 195,111 + built-for-sale 115,200. The headline starts totals (1.29M in 2006 → 740,667 in 2025) are calendar-year.
- **Builders' unit counts.** Jutaku Sangyo Shimbun FY2025 ranking and company disclosures; Ichijo Komuten CY2024 from Guinness World Records; Iida Group and Ai Komuten from company materials. Counting bases differ by company (contracts, deliveries, orders, sales); the ≈63% regional share is a residual estimate.
- **Company financials.** Official earnings releases and securities reports, latest full fiscal years (periods differ by company). Daiwa House's operating profit includes ¥115.7bn of pension actuarial-difference amortisation gains; excluding it, ≈¥499.2bn (≈9.0%). Sumitomo Forestry's segment profit is on an ordinary-profit basis.
- **Price per tsubo.** Housing Industry News realized prices, FY2025 (contract amount ÷ registered floor area, tax-excluded). Mid-tier figures are published indicative “from” prices; local-komuten figures are published ranges on a building-price-only basis; the MLIT figure is the declared-cost average for wooden owner-occupied houses (CY2025). The three layers rest on three different bases.
- **Advertising.** Securities reports (consolidated SG&A notes) for Sekisui House, Daiwa House, Open House Group and Tama Home. Sumitomo Forestry, Asahi Kasei and Sekisui Chemical do not break out advertising on a consolidated basis; Asahi Kasei's parent-only figure (¥1,768M, FY2026/3) is a reference and excludes its housing subsidiary. Category context: Dentsu, Advertising Expenditures in Japan (2025).
- **After-service.** The makers' official warranty and inspection pages, checked in November 2026. The legal baseline is the ten-year liability for structure and rainwater ingress under the Housing Quality Assurance Act.
- **Industry data.** Exhibition parks: Yano Research Institute (2025). Bankruptcies: Tokyo Shoko Research (Jan–Oct 2026). Daiwa House's withdrawal from 23 prefectures: company announcement, 4 September 2026. Sekisui House's US business: company releases (MDC Holdings acquisition, April 2024; FY2026/1 results).

Appendix — Methods, bases and limits

- **Primary sources first.** Where a figure carries an argument — the advertising ratios, the pension-gain adjustment, the per-tsubo ranking — it was checked against the original filing or release, not secondary coverage.
- **Mixed periods are labelled.** Fiscal vs calendar years, and differing company fiscal years (December for Sumitomo Forestry, March for most others), are distinguished where they appear.
- **The opening question cannot be settled from published data.** Are the giants cheaper at equal quality? Each builder's proprietary construction and specification systems make identical-spec quotes impractical — the essay states it only as a possibility.
- **Verified against primary sources on 22 November 2026:** Mitsui Home's Keep Well 60 terms (the company's official warranty page — the Chapter 5 passage follows that wording); the Sumitomo Forestry × Tri Pointe Homes acquisition (company release, 14 May 2026); Asahi Kasei Homes' current warranty conditions (official service pages). Detached unit counts for some makers still rest on the industry ranking rather than company-by-company releases.
- **Chapter 1 is the author's own experience** as a customer of a mid-sized Tokyo builder a decade ago; the builder is anonymised, and no claim in it depends on company documents.
- **Compiled in November 2026.** All figures are the latest available at that date.