

Japan construction sector: sinkhole near Hakata Station

EQUITY: JAPAN CONSTRUCTION

Taisei JV and Zenitaka JV doing work nearby

First Look

Large sinkhole near Hakata Station

According to the Fukuoka City Transportation Bureau, a huge sinkhole opened up at the 2-chome intersection near Hakata Station around 5:15am on 8 November. The cause of the sinkhole is currently under investigation. There were two Nanakuma Line subway extension projects under way near the site of the accident. A Taisei [1801]/Sato Kogyo/Morimoto/Sanki Construction/Saiko Kensetsu JV was carrying out work on a section of construction for a Nanakuma Line Hakata Station project, and a Zenitaka [1811]/JDC/Kyuken JV was carrying out work on the eastern section of a Nanakuma Line Nakama Station project. The value of orders (before tax) looks to be ¥10.8bn for the work being undertaken by the Taisei JV and ¥4.1bn for the work being carried out by the Zenitaka JV.

Cause unclear; we will be closely monitoring results of investigation

We spoke with Taisei about the matter, but the company noted that it could not comment as the cause of the sinkhole is unclear. The prevailing view is that there are natural factors at play even in urban civil engineering projects, and it is therefore difficult to accurately predict the effects of factors such as underground water. According to a release from Taisei on 8 April 2016, the company has developed a measurement system that is capable of taking detailed measurements of displacement ahead of a tunnel face using measurements inside the tunnel, and this is the first project for which the company is making use of this equipment. Our understanding is that the company has been carrying out work on the project using its cutting-edge technologies. The first priority will be on understanding why the accident occurred and restoring the site, and we will be keeping a close eye on developments going forward.

Global Markets Research

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Japan construction

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Appendix A-1

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