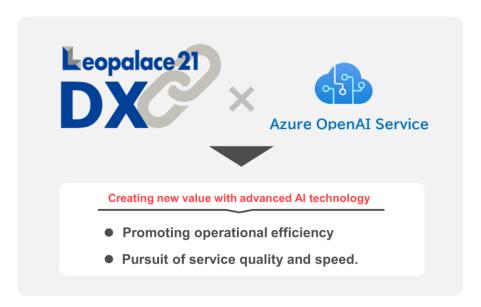
News Release

November 7, 2023

Notice Concerning the Introduction of *LeoAl Chat*:
Utilizing the Enterprise Version of ChatGPT to Promote
Operational Efficiency and Work Quality Improvement



Leopalace21 Corporation (Nakano-ku, Tokyo; President: Bunya Miyao; "the Company") announced that it introduced *LeoAl Chat*, a generative Al chat system for internal use that is powered by Azure OpenAl Service provided by Microsoft Japan Co., Ltd. (Minato-ku, Tokyo; Miki Tsusaka; "Microsoft"). The system can be accessed by all Leopalace21 employees, approximately 4,000 people in total, and will be used to summarize texts and create templates, thereby improving operational efficiency and work quality.

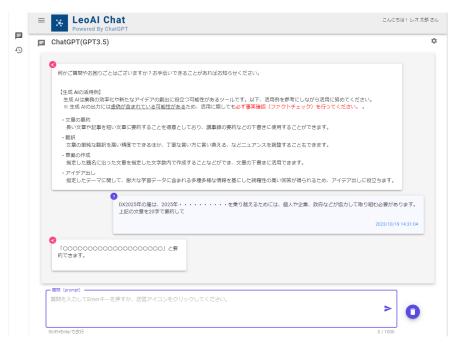


Purpose of Introduction

The Company is committed to promoting digital transformation under the DX strategy announced in August 2022. As part of this strategy, the Company introduced an AI-powered chatbot to handle inquiries by tenants in March 2023, and significantly improved the response rate. By adopting the generative AI chat system for internal use this time, employees of the Company will be able to use AI technology in a secure environment to promote operational efficiency and improve both quality and speed of its service.

About LeoAl Chat

The Company has built a secure system infrastructure powered by Azure OpenAl Service to allow all of its employees to utilize Al technology through its intranet. The Company will develop guidelines and other environmental improvements in order to encourage the employees to use the system properly.



Sample image of LeoAl Chat

What is Azure OpenAl Service?

Azure OpenAl Service is a service that enables various generative Al models, including ChatGPT and GPT-4, to be used on the Azure cloud platform. The use of OpenAl could lead to information leakage because the queries are used in the training process of OpenAl. Azure OpenAl Service, an enterprise version of ChatGPT provided by Microsoft, does not allow the customer data to be used for retraining process like what OpenAl does and prevent such leakage. It is possible to use the same large language models as OpenAl without compromising the security of information.

Future outlook

First, the Company will make it possible to use the generative AI to answer queries about internal rules and manuals, and to utilize the generative AI in template creation work. After that, the Company will continue to upgrade the system through discussions by implementing image generation and other features as AI technology advances.

■Company Information

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Established : August 17, 1973

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