

**Notice Concerning the Introduction of *LeoAI 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 *LeoAI Chat*, a generative AI chat system for internal use that is powered by Azure OpenAI 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.

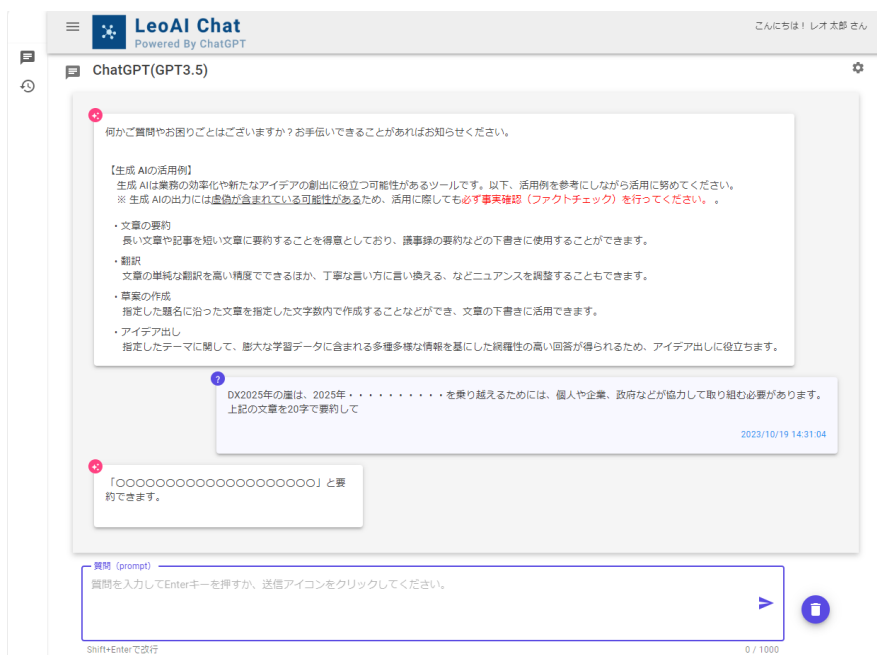


Purpose of Introduction

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 *LeoAI Chat*

The Company has built a secure system infrastructure powered by Azure OpenAI Service to allow all of its employees to utilize AI 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 *LeoAI Chat*

What is Azure OpenAI Service?

Azure OpenAI Service is a service that enables various generative AI models, including ChatGPT and GPT-4, to be used on the Azure cloud platform. The use of OpenAI could lead to information leakage because the queries are used in the training process of OpenAI. Azure OpenAI Service, an enterprise version of ChatGPT provided by Microsoft, does not allow the customer data to be used for retraining process like what OpenAI does and prevent such leakage. It is possible to use the same large language models as OpenAI 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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