

FOR IMMEDIATE RELEASE

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Notice Concerning Formulating DX Strategy

Leopalace21 (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced that the Company has resolved to adopt its DX strategy at the Board of Directors meeting held on August 5. Please refer to Leopalace21 DX Strategy which is attached as supplementary information.

The Company has introduced various DX solutions such as electronic contract service, smart locks and web-based rental agreement service. The Company promotes DX solution offerings as a part of the management policy of promoting sustainability for the fiscal year ending March 2023. In order to respond to drastic changes in the business climate including advancement of digital technology and decline in working population, the Company adopted the DX strategy in order to further advance the DX solutions, improve productivity and enhance competitiveness.

The Company strives to materialize its vision of creating new value by offering advanced solutions for meeting people needs and expectations through DX.

END

Leopalace21 DX strategy

2022.08

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The appendix reflects the latest conditions as of August 2022 and subject to change



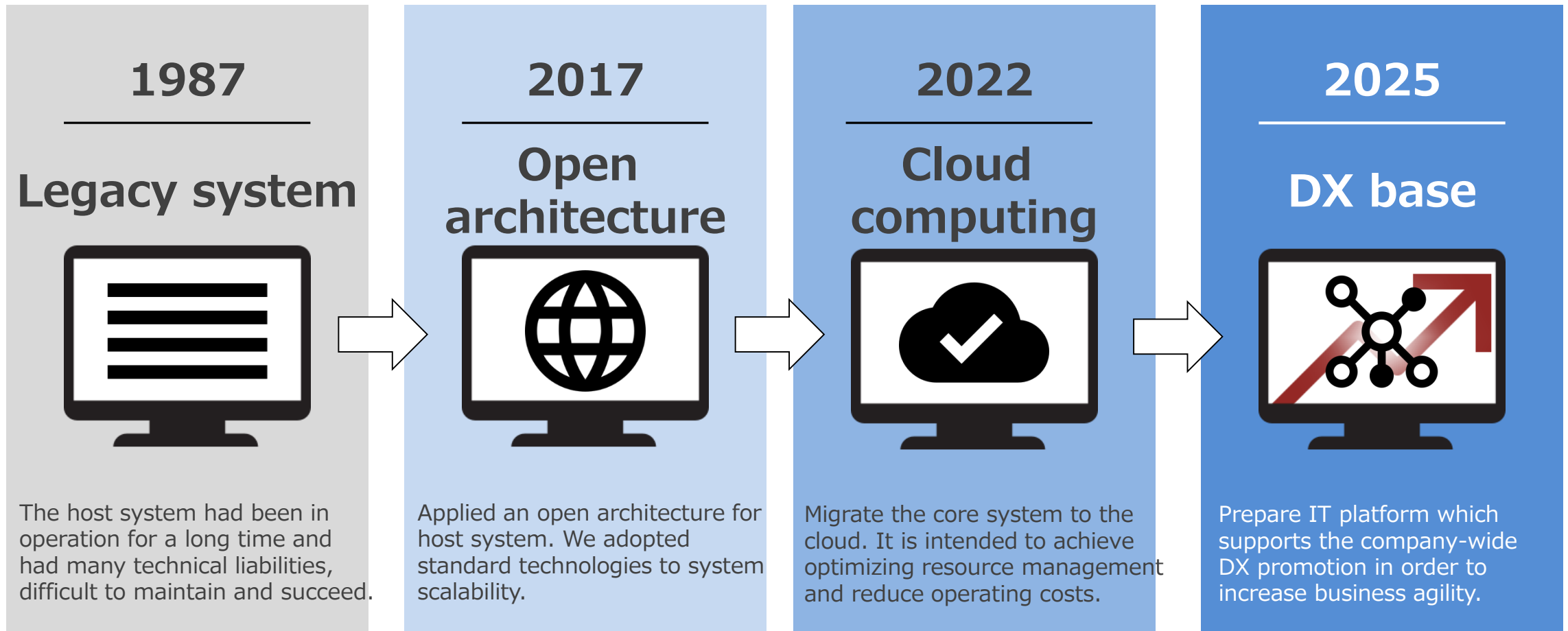
01 DX vision

Utilizing data and digital technology, Leopalace21 strives to contribute to the creation of society for better future through enhanced connection with all stakeholders and revive ourselves to a company as a new value creator.



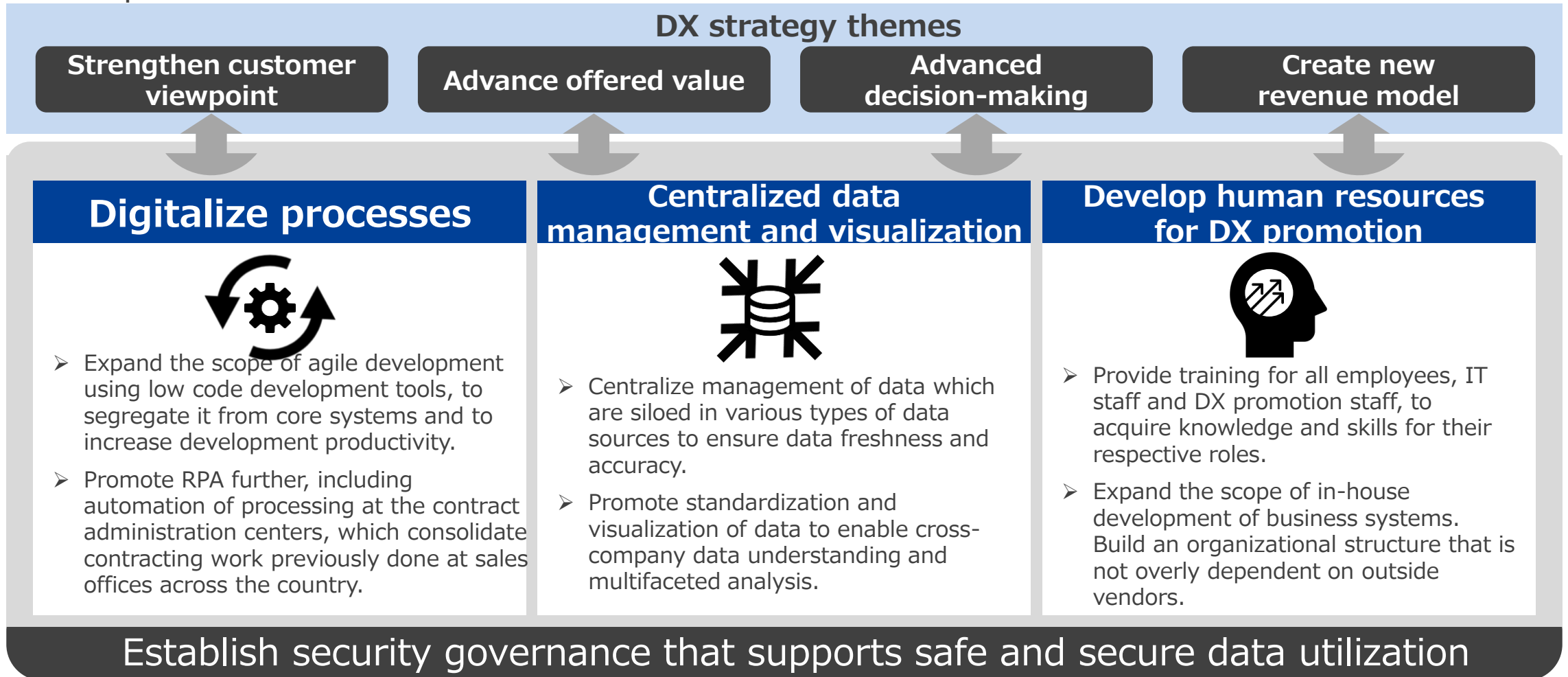
02 DX environment improvement

We shifted from 30-year-old legacy system in 2017 and introduced a new core system to be operated in public clouds in 2022. Based on the clouds foundation, we move further to realize advanced DX.



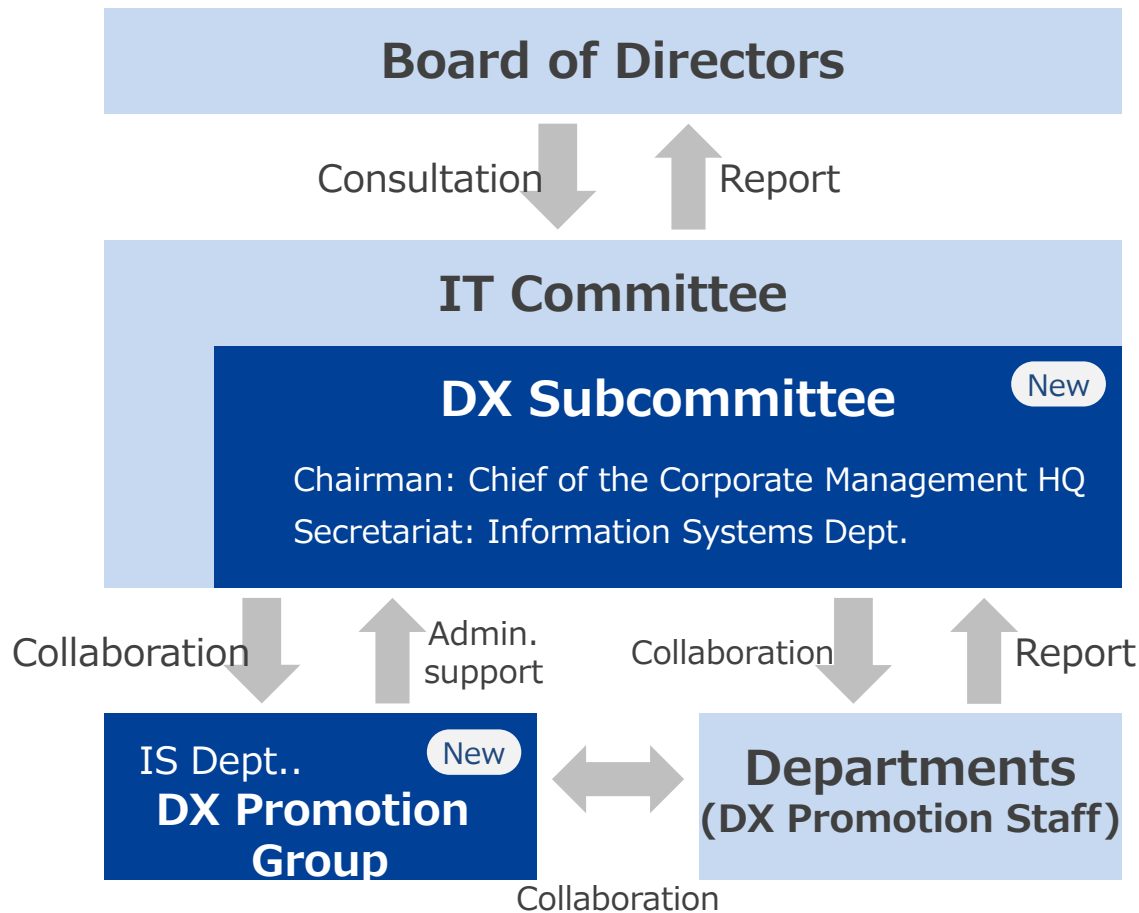
03 DX base construction and strategies

We will build a resilient digital environment that responds quickly to customer needs and changes in the social conditions by linking people and processes, with a focus on the development of a data utilization environment.



04 DX promotion structure

DX subcommittee was established under IT Committee to discuss digital strategies. DX Promotion Group, newly established in Information Systems Department, will serve as the secretariat to check the progress and verify the effectiveness of DX measures.



Organization	Roles
IT Committee	<ul style="list-style-type: none"> Discuss and report DX strategies Understand and verify IT investment plans
DX Subcommittee	<ul style="list-style-type: none"> Confirm the progress and verify the effects of DX measures Coordinate and collaborate with the responsible departments
IS Department DX promotion Group	<ul style="list-style-type: none"> Plan and consolidate DX strategies Develop DX base and DX promotion structure Promote company-wide data utilization Provide technical support for DX measures
Departments (DX Promotion Staff)	<ul style="list-style-type: none"> Consider DX measures Promote application of DX to the frontline of business

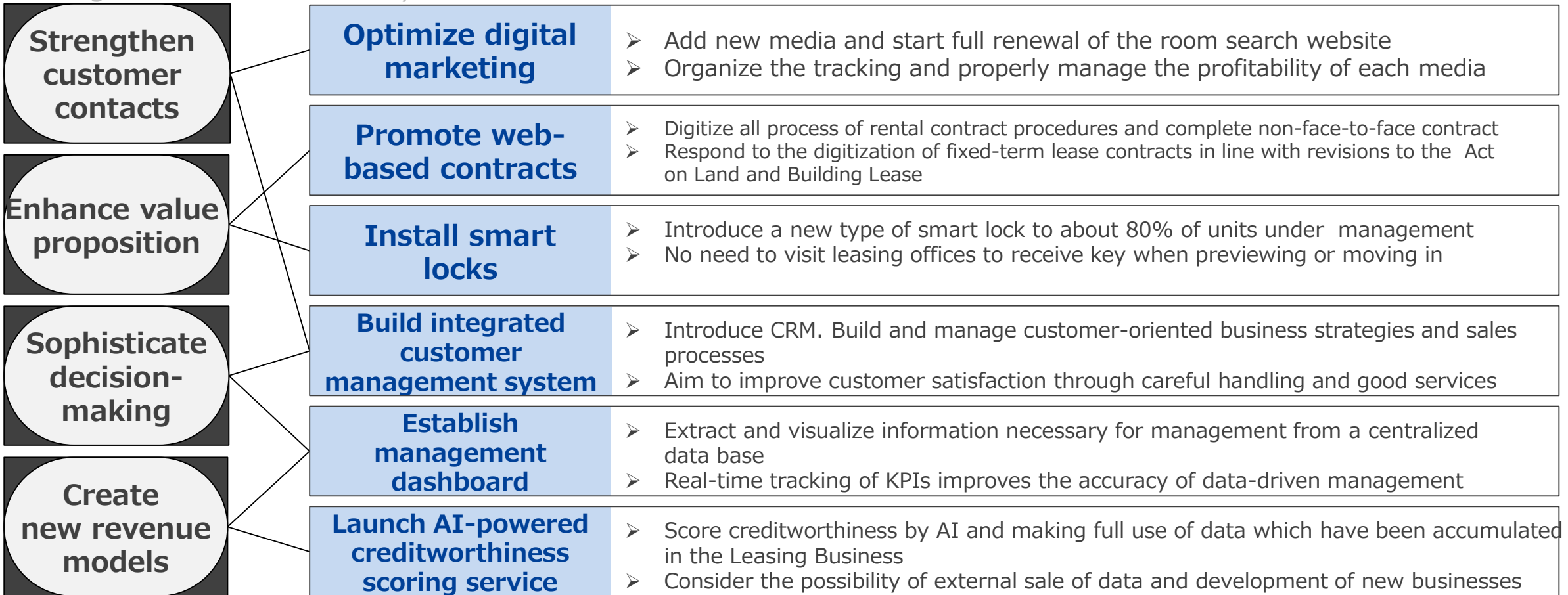
Appendix

01 DX key measures

We will transform the organization and business model to provide new value to our stakeholders by leveraging the vast amount of data and technology accumulated within the company to achieve sustainable growth and increase corporate value.

Strategic themes

Key measures



02 DX promotion indicators

As indices of measuring achievement in DX promotion, we set the degree of progress of the plan and quantitative effects caused by strategy promotion. DX subcommittee under IT Committee will regularly evaluate and review the progress of the plan.

Category	Measure	KPI	Target	Achieved by	Remark
Foundation improvement	Implement automated operations by RPA	Task saving time	73 k hours	FY2025	Total annual hours of work saved
	Promote further use of cloud computing	Number of servers migrated to cloud	180	FY2025	Cumulative number of servers migrated to cloud
	Conduct in-house security training	Comprehension test average score	+ 10%	FY2024	Training Comprehension test average score (pct. increase from FY2022)
	Reinforce IT systems construction structure	Number of in-house IT engineers	+ 15	FY2025	No. of staff in Information Systems Dept.. (increase from FY2022)
Strategy promotion	Optimize digital marketing	Conversion rate from inquiry to lead	+10%	FY2023	Number of inquiries per year (pct. increase from FY2022)
	Promote web-based rental contracts	Number of web-based contracts	39,338	Actual	Cumulative number of web-based contracts (Result at e/o FY2022)
	Install smart locks	Number of rooms with a smart lock installed	440 k units	FY2025	Cumulative no. of rooms with a smart lock (80% of units under management)
	Launch AI creditworthiness scoring service	Number of analyzed data	100 k data	FY2025	Cumulative number of data which are collected and learned by AI

The logo features the text "Leopalace21" in a blue sans-serif font, with a stylized grey 'L' icon to its left. Below this, the letters "DX" are rendered in a large, bold, blue sans-serif font. To the right of "DX", the word "strategy" is written in a smaller, blue, lowercase sans-serif font. A faint, light grey watermark of the Leopalace21 logo is visible in the background behind the main text.

Leopalace21
DX strategy