

[Provisional Translation Only]

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Ichigo Inc. (Tokyo Stock Exchange Prime, 2337)
Representative: Scott Callon, Chairman
Inquiries: Takanori Sakamatsu, Executive Managing Director
Telephone: +81-3-4485-5221 www.ichigo.gr.jp/en

Collinear Begins Deployment Testing of Generative AI Tool Using RAG With Yokosuka City

As a sustainable infrastructure company, Ichigo is continuing to build upon its existing businesses to expand its business domain, and drive new earnings streams. Ichigo views real estate as key infrastructure that is fundamental to people's lives, and is accelerating growth and value creation via DX.

Collinear, Ichigo's wholly-owned subsidiary with deep expertise in driving DX using generative AI, has begun a deployment testing at the Yokosuka City Municipal of Kanagawa Prefecture in collaboration with their Digital Government Promotion Office of an AI system that utilizes RAG (Retrieval-Augmented Generation) technology combining text generation capabilities of large language models (LLMs) with external information retrieval to increase the efficiency of contract closeout procedures that require references to numerous manuals and regulations.

1. Project Background and Objective

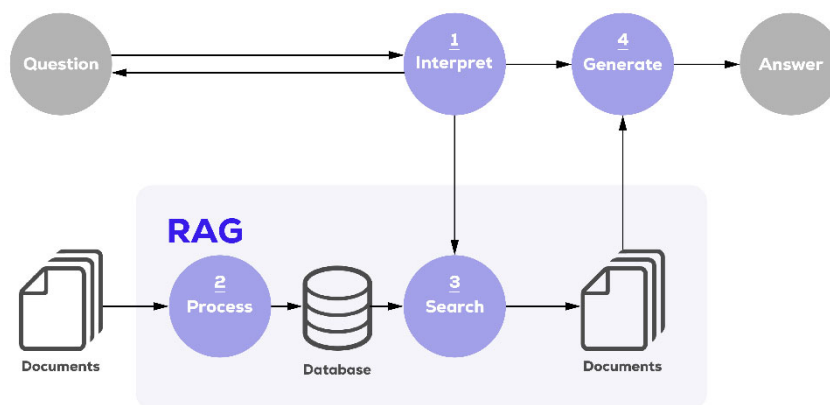
Yokosuka City is a municipality at the forefront of advanced initiatives such as DX and utilization of generative AI. The city is the first in Japan to implement the use of the generative AI service "ChatGPT" throughout the city hall. During Collinear's exploration of further efficiency improvements, it became apparent that employees spent a significant amount of time searching for information contained in numerous manuals and regulations in order to perform tasks. To address this issue, Collinear has launched a project to investigate the possibilities of developing a system that provides appropriate information based on internal documents and other relevant materials in response to user questions inputted in plain Japanese. This project, launched in collaboration with Yokosuka City, focuses on contract closeout operations, which require frequent references to numerous manuals and regulations. The project's goal is to alleviate the burden on employees via the development of an AI system that utilizes RAG tailored to their actual tasks. (Test deployment phase: until September-end 2024)

RAG is a technology that combines the text generation capabilities of LLMs with external information retrieval. This technology generates responses that incorporate information unique to a specific municipality or company, while adhering to their specific rules, thus allowing the LLM to provide answers tailored to the specific needs of the municipality or company's employees.

2. Project Overview

For the system to generate appropriate and accurate answers aligned with internal operations, a thorough understanding of the tasks and approaches was critical. Collinear conducted interviews with the Digital Government Promotion Office and on-site personnel to thoroughly investigate their business processes and requirements, including current inquiries and subsequent actions. Semantic searching and referencing of internal documents such as contract manuals and regulations were used for the generative AI to create answers based on the inputted information.

While humans can read between the lines and ask appropriate follow-up questions to extract necessary information, AI, which is not necessarily proficient at reading between the lines, may have a hard time surmising or collecting sufficient information to answer a user's question. To address cases where there is insufficient information to answer a user's question, the question is too abstract, or the users themselves are unclear about what exactly they are looking for, steps to clarify the question through dialogue with the user will be incorporated. This will allow the system to achieve a level of attention to detail not found in existing packaged services.



About Collinear

Collinear designs optimal solutions for issues faced by companies and works with companies to achieve the practical deployment of these solutions. In generative AI utilization, Collinear defines business requirements through the practical understanding of the business, and builds models that fit business challenges. In addition, Collinear provides solutions not found in existing packaged services, by incorporating interrogative steps to extract the information necessary to obtain the answers the user is looking for.

Website: <https://clnr.inc/> (Japanese only)

3. Earnings Impact

Although this initiative has minimal impact on Ichigo's FY25/2 earnings, Ichigo and Collinear will generate new earnings opportunities via the provision of multi-faceted, DX-driven real estate solutions achieved through the synergies between Ichigo's real estate assets and Collinear, thus driving shareholder value for Ichigo.