

AI inside's AI-OCR Supports Payroll Report

Contributes to promoting DX in municipality by reducing workload during busy seasons, and completing the work in-house in an on-premise environment

Tokyo, October 26, 2021 -- AI inside Inc, a provider of an AI platform, announces our "DX Suite" is expanding its AI-OCR features to support the latest payroll reports for fiscal year 2022 (January to December in 2021).

In addition, by using it with our on-premise environment edge computing device, AI inside Cube, it is possible to complete the processing of large volumes of forms with personal information such as individual numbers (*1)work within the company network.

In general, local governments and companies providing business process outsourcing services have their busiest season from January to March in Japan. By streamlining their data entry work for payroll reports, we contribute to creating more time for their core work for the local community and improve the quality of their administrative services.

*1: Also known as My Number, which is a 12- digit ID number issued to all citizens and residents of Japan, used for taxation, social security and disaster response purposes.

Background in Japan

Companies in Japan report payrolls to the local governments where the employee resides to calculate resident tax. In recent years, the use of electronic filing systems has been increasing. For example, companies with more than a certain number of forms to submit are required to file electronically using the local tax portal system "eLTAX."

However, many reports are still submitted on paper forms in Japan. While the number of salary acquirers is around 60 million people for 2020 in Japan, only about 40% (*3) payroll reports are filed electronically as of FY2018. Every year, companies usually submit their forms to local governments by the deadline of January 31. Therefore, the taxation division of each local government has to input data on a large number of submitted paper forms from January to March for processing, which is outsourced to BPO companies (*4) in many cases.

Now, as the "DX Suite" supports the latest payroll report for January to December in 2021, this will reduce the excessive data entry tasks and improve work efficiency in local governments and BPO companies.

*2: BPO is an abbreviation for "Business Process Outsourcing," in which business operations and business processes are outsourced to specialized companies.

*3 Source: The 16th Tax Commission "Promotion of digitization of tax procedures, etc. (related to local taxes)"

*4 Source: National Tax Agency of Japan "Results of Statistical survey on private sector salary status for the year 2020 April 1 to 2021 March 31"

Use case of AI-OCR for payroll report

Local governments must calculate the resident tax by May 31 based on the payroll report and notify the amount of special collection tax (*5) to the company or business. During the limited period from January to March every year, 100 items on paper forms have to be entered manually into the system. To ensure accuracy, two people have to cross-reference the data, which requires time and workload. Also, a highly secure environment is needed due to the handling of personal information such as identification numbers.

By using the edge computing device "AI inside Cube" equipped with "DX Suite," users can now stably digitize large volumes of forms in an on-premise environment. In addition, since data entry tasks will be no longer

necessary, human errors such as input and conversion errors will be reduced, leading to labor-saving and quality improvement.

*5 In Japan, residents have two methods to pay resident tax, by special collection or general collection. Special collection is when the company will deduct the resident tax from the salary paid to the employee, and pay to the local government on the employees behalf.

Future expansion of functions

"DX Suite" is expanding the types of supporting forms with higher accuracy, as well as expanding methods for information entry. In the future, we plan to add a data extraction function that allows users to freely set the key-values from the sheet, and another function called the Full Page OCR that digitizes all text in documents or images. We also plan to expand AI-OCR functions for converting image files into the Searchable PDF (PDF with transparent text data), which will turn image files into text-searchable PDF files. Furthermore, in response to the accelerating trend towards digitization in recent years, AI inside plans to provide "Digital Input," which integrates digital data and data read by AI-OCR from paper forms. This feature will support the information entry from both paper and digital entry such as web forms.

About DX Suite (<https://dx-suite.com/global/lp/?lang=en>)

"DX Suite" is an application that digitizes all kinds of documents with AI inside's in-house developed "character recognition AI." "DX Suite" has the AI-OCR "Intelligent OCR" and the "Elastic Sorter" that sorts large volumes of documents in the same format. "Intelligent OCR" can read handwritten characters with high accuracy, which was challenging for conventional OCR to read. It also supports the reading of Japanese, English, Traditional Chinese, Thai, and Vietnamese Languages. Additionally, it offers a privacy control function that allows users to control their information, and users can choose to have AI learn or not. "DX Suite" contributes to automating the data entry work that has been completed manually and leads to improvement of the productivity and digital transformation for many companies.

About AI inside Inc.

With our mission, "to bring AI to every being in the world and contribute to a richer future society", AI inside aims to realize a society in which AI has spread to every corner of people's life. We provide a platform for anyone to utilize AI easily through our services: Workflows for using AI and applications including our DX Suite, Learning Center for everyone to build high precision AI without code, and AI inside Cube for running various AI.

Company Name: AI inside Inc. (<https://inside.ai/en/>)

Location: 4th Floor, 3-8-12 Shibuya Shibuya-Ku, Tokyo, Japan

Representative: Representative Director, President and CEO Taku Toguchi

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Business details: Development and provision of artificial intelligence and related information services

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Contact for Press Inquiries

AI inside Inc. (<https://inside.ai>) Public Relations Unit

TEL: +81-3-5468-5041 E-mail: pr@inside.ai