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(Stock Exchange Code 9682)

June 3, 2025

(Date of commencement of measures for providing information in electronic format: May 28, 2025)

To Shareholders with Voting Rights:

Tomoaki Kitamura
Representative Director and President
DTS CORPORATION
2-23-1 Hatchobori Chuo-ku, Tokyo

NOTICE OF THE 53RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby notify you of the 53rd Annual General Meeting of Shareholders of DTS CORPORATION (the “Company”). The meeting will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format and posted items subject to measures for providing information in electronic format as “Notice of the 53rd Annual General Meeting of Shareholders” on the website indicated below.

The Company’s website <https://www.dts.co.jp/ir/stock/meeting/>
(in Japanese)

In addition to the above website, the Notice is also posted on the website of the Tokyo Stock Exchange (TSE). To review the information on the TSE website, access the TSE website (TSE Listed Company Search), enter the Company’s name “DTS” in the “Issue name (company name)” field or the Company’s securities code “9682” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and select the Notice.

TSE website <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Instead of attending the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders described in the items subject to measures for providing information in electronic format, and exercise your voting rights.

Guide to Exercise of Voting Rights

Exercise of Voting Rights by attending the General Meeting of Shareholders

Date of the meeting: Tuesday, June 24, 2025 at 10:00 a.m. (reception will open at 9:00 a.m.)

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Please bring this convocation notice with you to conserve natural resources.

Exercise of Voting Rights by Mail

Voting deadline: By 5:35 p.m. on Monday, June 23, 2025 (Arrival of Voting Forms)

Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it so that it is received by the voting deadline.

If there is no indication for or against any proposal, the vote will be deemed to have been cast for such proposal.

Exercise of Voting Rights by electromagnetic means (via the Internet, etc.)

Voting deadline: By 5:35 p.m. on Monday, June 23, 2025

Please access the voting rights exercise website noted on the Voting Rights Exercise Form (<https://www.web54.net>), review the Reference Documents for the General Meeting of Shareholders that are attached on this convocation notice or posted on the voting rights exercise website, and enter your vote for or against the proposals following the on-screen instructions.

* For the details of Exercise of Voting Rights via the Internet, etc., please refer to page 4 through 5.

- 1. Date and Time:** Tuesday, June 24, 2025 at 10:00 a.m. (reception will open at 9:00 a.m.)
- 2. Venue:** 8F Conference Room (reception on 8F)
DTS CORPORATION Headquarters
Empire Building, 2-23-1 Hatchobori Chuo-ku, Tokyo
- 3. Meeting Agenda:**
- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the Company's 53rd Fiscal Year (April 1, 2024–March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 53rd Fiscal Year (April 1, 2024–March 31, 2025)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members
- Proposal 3:** Election of Two (2) Directors Who Are Audit and Supervisory Committee Members

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- (Request) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please also bring this Notice of Convocation with you.
- (Notice) Should the items subject to measures for providing information in electronic format require revision, the revised versions will be posted on each website on which the information is posted. For this General Meeting of Shareholders, we have sent documents containing the items subject to measures for providing information in electronic format to all shareholders regardless of whether they requested the delivery of paper-based documents or not. (However, pursuant to laws and regulations and provisions of the Articles of Incorporation, certain items are not included.)
- Pursuant to laws and regulations and provisions of the Articles of Incorporation, the paper-based documents to be delivered to shareholders do not include the following items subject to measures for providing information in electronic format: system to ensure proper business execution; overview of operational progress of framework for ensuring appropriate business operations; consolidated statement of changes in equity; notes to the consolidated financial statements; non-consolidated statement of changes in equity; and notes to the non-consolidated financial statements. Therefore, the paper-based documents to be delivered to shareholders are part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their respective audit reports.

Notes Regarding Exercise of Voting Rights via the Internet, etc.

When exercising your voting rights via the Internet, please access the voting rights exercise website using a smartphone, personal computer, or other similar device, and follow the on-screen instructions.

Voting deadline: By 5:35 p.m. on Monday, June 23, 2025

For the sake of tallying votes, please exercise your voting rights as soon as possible.

How to exercise your voting rights with smartphone

By reading the “QR Code for Login,” you can log in without entering the voting rights exercise code or password.

(QR code is a registered trademark of DENSO WAVE INCORPORATED.)

With the following method, only one vote can be entered.

1. Read the QR code

Using your smartphone, read the “QR Code for Login” printed on the enclosed Voting Rights Exercise Form (right section).

2. Choose how to exercise your voting rights

The screen for selecting your voting rights exercise method will be displayed. Please choose how to exercise your voting rights.

Please follow the on-screen instructions to complete the exercise.

From the second login onward, please follow the method using a personal computer on the next page.

3. Choose to vote for or against each proposal

Follow the on-screen instructions to choose to vote for or against each proposal.

Please follow the on-screen instructions to complete the exercise.

From the second login onward, please follow the method using a personal computer on the next page.

* For security reasons, **from the second login onward, entering your login ID and password will be required** even when accessing via QR code.

* **Depending on your smartphone model, you may not be able to log in using the QR code.**

In that case, please exercise your voting rights following the method using a personal computer on the next page.

How to exercise your voting rights using a personal computer

1. Access the voting rights exercise website
<https://www.web54.net>
 - Click “Next”
2. Log in
 - Enter the voting rights exercise code
 - Click “Log In”
3. Register a password
 - Enter the password
Please set the new password you will actually use.
 - Click “Register”

After that, please follow the on-screen instructions.

If you are using a smartphone or mobile phone with a QR code reading function, you can also access the website by reading the QR code on the right.



Voting rights exercise website

- (1) Exercise of voting rights via the Internet is only possible by accessing the voting rights exercise website designated by the Company (<https://www.web54.net>) using a personal computer, smartphone, or mobile phone.
- (2) Depending on your Internet usage environment, subscribed services, or the model for the personal computer, smartphone, or mobile phone, you may not be able to access the voting rights exercise website. For further details, please contact the help desk below.

Costs incurred when accessing the voting rights exercise website

Internet connection fees, communication charges, and other costs incurred when accessing the voting rights exercise website via a personal computer, smartphone, or mobile phone shall be borne by the shareholder.

Handling of voting rights in the event of multiple submissions

- (1) If voting rights are exercised both by mail and via the Internet, the exercise of voting rights via the Internet will be deemed valid.
- (2) If voting rights are exercised via the Internet multiple times, the last exercise of voting rights will be deemed valid.

For any inquiries on exercise of voting rights via the Internet, please contact the following:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Dedicated line

0120 (652) 031 (Toll free within Japan)
Open from 9:00 a.m. to 9:00 p.m.

Other inquiries

0120 (782) 031 (Toll free within Japan)
Open from 9:00 a.m. to 5:00 p.m. (except for weekends and holidays)

For institutional investors

Nominal shareholders (including standing proxies) such as management trust banks, etc. can use the electronic voting rights exercise platform operated by ICJ, Inc., which was incorporated by the Tokyo Stock Exchange, Inc., as the electromagnetic method of exercising voting rights for the General Meeting of Shareholders of the Company, in addition to exercise of voting via the Internet as described above, if an application for participation in the platform is made in advance.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Regarding the appropriation of surplus, the Company proposes the following.

Matters concerning year-end dividends

The Company recognizes the return of profits to shareholders as one of its most important management issues, and believes that the enhancement of corporate value over the medium to long term will serve as the greatest source of the return of profits. Moving forward, by considering required funds held for business expansion and comprehensively taking into account trends in business results and financial conditions, the Company will strive to maintain a stable dividend policy and agilely implement capital management measures such as the purchase of treasury shares, with the aim of ensuring the return of profits to shareholders over the medium to long term.

Based on the above policy, the Company proposes the year-end dividend as follows.

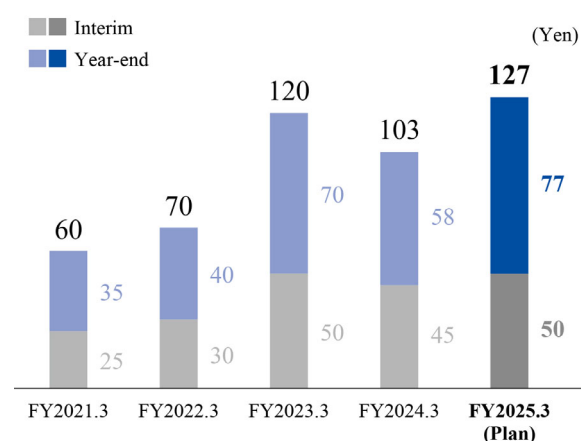
- (1) Matters concerning the allotment of dividend assets and the total amount

Amount per share of common stock: 77.0 yen
Total amount: 3,102,794,079 yen

Annual dividend for this fiscal year including the interim dividend of 50 yen that has been already paid will be 127 yen per share.

- (2) Effective date of distribution of surplus
June 25, 2025

Dividend per share




* The dividend for the fiscal year ended March 31, 2023 includes a commemorative dividend for the 50th anniversary of the Company's foundation (20 yen for the interim dividend and 30 yen for the year-end dividend).



Proposal 2: Election of Six (6) Directors Who Are Not Audit and Supervisory Committee Members


The terms of office of all of the six (6) Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect six (6) Directors who are not Audit and Supervisory Committee Members.


The candidates are as follows:


No.	Name				Current positions at the Company	Attendance at the Board of Directors meetings	Number of years served as Director
1	<div>Reelection</div>	Tomoaki Kitamura	<div>Male</div>		Representative Director and President	15/15 (100%)	5 years
2	<div>Reelection</div>	Isao Asami	<div>Male</div>		Director Senior Managing Executive Officer	15/15 (100%)	6 years
3	<div>New election</div>	Kazumasa Taninaka	<div>Male</div>		Managing Executive Officer	—	—
4	<div>Reelection</div>	Shinichi Yamada	<div>Outside Independent</div>	<div>Male</div>	Director	15/15 (100%)	5 years
5	<div>Reelection</div>	Yumiko Masuda	<div>Outside Independent</div>	<div>Female</div>	Director	15/15 (100%)	3 years
6	<div>New election</div>	Shigeo Kizaki	<div>Outside Independent</div>	<div>Male</div>	—	—	—

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 <div> <div>Reelection</div> <div>Male</div> </div> <p>Tomoaki Kitamura (September 24, 1964)</p> <p>Number of years served as Director: 5 years (at the conclusion of the meeting)</p>	<p>July 2003 Head, Business Development Sector, NTT DATA Corporation</p> <p>July 2009 Head, Data Center Business Unit, Business Solution Sector, NTT DATA Corporation</p> <p>July 2012 Head, Data Center Business Unit, Fundamental System Platforms Sector, NTT DATA Corporation</p> <p>June 2015 President and CEO, NTT DATA TOKAI Corporation</p> <p>June 2018 Senior Vice President and Head, Business Solution Sector, NTT DATA Corporation</p> <p>June 2018 Director, NTT DATA BUSINESS SYSTEMS CORPORATION</p> <p>June 2020 Director and Executive Vice President, the Company</p> <p>April 2021 Head, Digital Solution Sector</p> <p>April 2021 Representative Director and President (current position)</p> <p>[Significant concurrent positions]</p> <p>Not applicable</p>	8,358
<p>[Reasons for nomination and outline of expected roles]</p> <p>Mr. Tomoaki Kitamura has a wealth of experience in technology and R&D and corporate management at a major information and telecommunications company and its group companies. He has been responsible for managing the Group as Representative Director and President since FY2021. The Company expects that he will leverage his abundant experience and achievements to continue promoting the business of the Group and play a role in supervising its business execution for promoting ESG management and creating new corporate value. Therefore, the Company reappoints him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 <div> <div>Reelection</div> <div>Male</div> <div>Isao Asami (October 20, 1964)</div> </div>	<p> April 1987 Joined the Company April 2010 General Manager, Corporate Planning Department April 2012 Executive Officer April 2013 General Manager, Embedded Systems Business Department, iCT Sector April 2017 Representative Director and President, DTS INSIGHT CORPORATION (current position) June 2019 Director and Executive Officer, the Company April 2020 Director and Senior Executive Officer April 2022 Director and Managing Executive Officer March 2024 General Manager, Accounting and Finance Department April 2025 Director and Senior Managing Executive Officer (current position) April 2025 Head of Business Segments (current position) </p> <p> [Significant concurrent positions] Representative Director and President, DTS INSIGHT CORPORATION </p>	20,124
<p>[Reasons for nomination and outline of expected roles]</p> <p>In addition to organizational management in the built-in software and telecommunications sector, Mr. Isao Asami has a wealth of experience and achievements in administrative departments, and has been responsible for the management of the Company. The Company expects that he will leverage his experience and achievements to continue promoting the business of the Group and playing a role in supervising its business execution. Therefore, the Company reappoints him as a candidate for Director.</p>			
3	 <div> <div>New election</div> <div>Male</div> <div>Kazumasa Taninaka (January 21, 1970)</div> </div>	<p> July 2012 Head, Sales Administration Department, Data Center & Cloud Services Division, NTT DATA Corporation July 2015 Head, Planning Department, Business Solution Sector, NTT DATA Corporation April 2018 Head, AI & IoT Division, Business Solution Sector, NTT DATA Corporation July 2021 Head, Data & Intelligence Division, Consulting & Solution Sector, NTT DATA Corporation July 2022 Head, Technology Consulting Sector, NTT DATA Corporation July 2024 Joined the Company July 2024 Senior Executive Officer July 2024 Head of New Business Group November 2024 Head of New Business Group and Head of Common Group December 2024 Chairman, Partners Information Technology, Inc. (current position) April 2025 Managing Executive Officer, the Company (current position) April 2025 Head of Corporate Management (current position) </p> <p> [Significant concurrent positions] Chairman, Partners Information Technology, Inc. </p>	42
<p>[Reasons for nomination and outline of expected roles]</p> <p>In addition to technology consulting services at a major information and communications company, Mr. Kazumasa Taninaka has a wealth of expertise and achievements in administrative departments, and has been responsible for the management of the Company. The Company expects that he will leverage his experience and achievements to continue promoting the business of the Group and playing a role in supervising its business execution. Therefore, the Company reappoints him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
	 <div> <div>Reelection</div> <div>Outside</div> <div>Independent</div> <div>Male</div> </div> <p>Shinichi Yamada (February 25, 1952)</p> <p>Number of years served as Director: 5 years (at the conclusion of the meeting)</p>	<p>June 2003 Director and Deputy Head, Business Development Sector, NTT DATA Corporation</p> <p>May 2004 Director and Head, Business Development Sector, NTT DATA Corporation</p> <p>June 2005 Senior Vice President and Head, Fundamental System Platforms Sector, NTT DATA Corporation</p> <p>June 2007 President and CEO, NTT DATA INTELLILINK Corporation (retired in June 2011)</p> <p>June 2007 Executive Vice President; Head, Fundamental System Platforms Sector and Head, Technology Development Sector, NTT DATA Corporation</p> <p>June 2009 Representative Director and Executive Vice President; Head, Fundamental System Platforms Sector and Head, Technology Development Sector, NTT DATA Corporation</p> <p>July 2009 Representative Director and Executive Vice President; Head, S&T Company; Head, SI Competency Sector and Head, Technology Development Sector, NTT DATA Corporation (retired in June 2011)</p> <p>June 2011 President and CEO, NTT Software Corporation (retired in March 2017)</p> <p>April 2017 Director, NTT TechnoCross Corporation (retired in June 2017)</p> <p>June 2017 Special Advisor, NTT TechnoCross Corporation (retired in June 2018)</p> <p>June 2020 Director, the Company (current position)</p> <p>[Significant concurrent positions] Not applicable</p>	—
4	<p>[Reasons for nomination and outline of expected roles]</p> <p>Mr. Shinichi Yamada has abundant experience and a high level of insight regarding the industry trends and corporate management in the IT industry. The Company expects that he will utilize this experience and insight in its management decisions and that he will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective. Therefore, the Company appoints him as a candidate for Outside Director. He will have served as an Outside Director of the Company for five (5) years as of the conclusion of this Annual General Meeting of Shareholders.</p> <p>[Matters concerning independence]</p> <p>Mr. Shinichi Yamada satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Yamada, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured.</p> <p>Mr. Shinichi Yamada previously served as an executive officer of NTT DATA Corporation, which is one of our business partners. However, as it has already been 14 years since he resigned from said company, and he has not been involved in the execution of business of the company after his resignation, the Company has determined that his former position does not have any influence on his independence. NTT DATA Corporation and the Group had business transactions totaling less than 9.1 billion yen per year and less than 8% of net sales (the amount of business transactions including not only sales but also purchasing, etc. as a percentage of gross net sales; hereinafter the same applies.) (consolidated results for the fiscal year ended March 31, 2025).</p> <p>Furthermore, Mr. Shinichi Yamada previously served as an executive officer of NTT TechnoCross Corporation (NTT Software Corporation and NTT-IT Corporation were merged into NTT TechnoCross Corporation), which is one of our business partners. However, as it has already been eight years since he resigned from said company, and he has not been involved in the execution of business of the company after his resignation, the Company has determined that his former position does not have any influence on his independence. NTT TechnoCross Corporation and the Group had business transactions totaling less than 100 million yen per year and less than 0.1% of net sales (consolidated results for the fiscal year ended March 31, 2025).</p> <p>(Note) Mr. Shinichi Yamada is a candidate for Outside Director. The Company has notified the Tokyo Stock Exchange that Mr. Shinichi Yamada is an Independent Officer. If his election is approved, the Company will continue to designate him as an Independent Officer.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	 <div> <div>Reelection</div> <div>Outside</div> <div>Independent</div> <div>Female</div> </div> <p>Yumiko Masuda (October 20, 1955)</p> <p>Number of years served as Director: 3 years (at the conclusion of the meeting)</p>	<p>May 1990 Joined BELLSYSTEM24, Inc. as Banking Group Manager (retired in June 1996)</p> <p>September 1996 Solution Sales Representative, IBM Japan, Ltd.</p> <p>January 2003 Cluster Partner, Financial Strategy Consulting, GS Consulting Sector, IBM Japan, Ltd. (retired in June 2006)</p> <p>July 2006 Director, Strategic Industry Sales Department, Field Service Administration Division, SAP Japan Co., Ltd. (retired in May 2009)</p> <p>June 2009 Representative Director, Consumer Voice Research Institute, Limited. (current position)</p> <p>June 2018 Outside Director, PC DEPOT CORPORATION (retired in June 2024)</p> <p>June 2022 Director, the Company (current position)</p> <p>June 2024 Outside Director, NITTAN Corporation (current position)</p> <p>March 2025 Outside Director, K&O Energy Group Inc. (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Consumer Voice Research Institute, Limited.</p> <p>Outside Director, NITTAN Corporation</p> <p>Outside Director, K&O Energy Group Inc.</p>	—
<p>[Reasons for nomination and outline of expected roles]</p> <p>Ms. Yumiko Masuda has management experience at multiple major foreign IT companies, and has expertise in consumer- and customer-oriented management and customer relations, and abundant experience and a high level of insight regarding diversity & inclusion. The Company expects that she will utilize this experience and insight in its management decisions and that she will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective. Therefore, the Company appoints her as a candidate for Outside Director. She will have served as an Outside Director of the Company for three (3) years as of the conclusion of this Annual General Meeting of Shareholders.</p> <p>[Matters concerning independence]</p> <p>Ms. Yumiko Masuda satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Ms. Masuda, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that her independence has been secured.</p> <p>Ms. Yumiko Masuda serves as an executive officer of Consumer Voice Research Institute, Limited. However, the Group has no business relationship with said company.</p> <p>(Note) Ms. Yumiko Masuda is a candidate for Outside Director. The Company has notified the Tokyo Stock Exchange that Ms. Yumiko Masuda is an Independent Officer. If her election is approved, the Company will continue to designate her as an Independent Officer.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	 <div> <div>New election</div> <div>Outside</div> <div>Independent</div> <div>Male</div> <div>Shigeo Kizaki</div> <div>(June 28, 1963)</div> </div>	<p>January 2003 Vice President, Booz Allen Hamilton Inc. (retired in March 2010)</p> <p>April 2010 Partner, IBM Japan, Ltd.</p> <p>January 2012 Director, IBM Japan, Ltd. (retired in March 2013)</p> <p>April 2013 Representative Director and President, Brain and Capital Holdings, Inc.</p> <p>January 2014 Vice Chairman of the Board, Brain and Capital Holdings, Inc. (retired in March 2017)</p> <p>April 2015 Representative Director and President, ORION ELECTRIC Co., LTD.</p> <p>November 2016 Chairman of the Board, ORION ELECTRIC Co., LTD. (retired in March 2017)</p> <p>November 2017 Executive Officer, Future Corporation (retired in February 2019)</p> <p>March 2019 Representative Director, Kizaki Enterprise, Ltd. (current position)</p> <p>March 2019 External Director, Billing System Corporation (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Kizaki Enterprise, Ltd.</p> <p>External Director, Billing System Corporation</p>	—
	<p>[Reasons for nomination and outline of expected roles]</p> <p>Mr. Shigeo Kizaki has abundant experience and a high level of insight in consulting business and corporate management. The Company expects that he will utilize this experience and insight in its management decisions and that he will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective. Therefore, the Company appoints him as a candidate for Outside Director.</p> <p>[Matters concerning independence]</p> <p>Mr. Shigeo Kizaki satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Kizaki, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured.</p> <p>Mr. Shigeo Kizaki serves as Representative Director of Kizaki Enterprise, Ltd., which was one of our business partners. From May to September 2023, the Company entered into a management support advisory agreement with Kizaki Enterprise, Ltd. and received management advisory services. The total compensation paid was 4.40 million yen (results for the fiscal year ended March 31, 2024). Since there have been no business transactions between the company and the Group since October 2023, we have determined that there is no influence on his independence.</p> <p>(Note) Mr. Shigeo Kizaki is a candidate for Outside Director. If his election is approved, the Company will notify the Tokyo Stock Exchange that Mr. Shigeo Kizaki is an Independent Officer.</p>		

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Shinichi Yamada and Ms. Yumiko Masuda to limit their liability stipulated in Article 423, Paragraph 1 of the Companies Act. Under the agreement, their liability is limited to one (1) million yen or the amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is greater. If the reappointment of each of these candidates is approved, the Company plans to continue these liability limitation agreements with the candidates. If the election of Mr. Shigeo Kizaki is approved, the Company plans to enter into the same liability limitation agreement with him.
3. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers damages that may arise when the Directors, etc. assume liability for the performance of their duties as well as litigation expenses. If each of the candidates is elected as a Director and assumes office, each of them will be insured under the insurance contract. The term of the insurance contract is one year, and will be renewed by resolution of the Board of Directors prior to the expiration of its term. The insurance premiums are fully borne by the Company.

Proposal 3: Election of Two (2) Directors Who Are Audit and Supervisory Committee Members

Director who is an Audit and Supervisory Committee Member Takao Sakamoto will resign, and the term of office of Director who is an Audit and Supervisory Committee Member Nobuyasu Iimuro will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect two (2) Directors who are Audit and Supervisory Committee Members. If this proposal is approved and resolved, the number of Directors who are Audit and Supervisory Committee Members will be four (4), including the incumbent Directors who are Audit and Supervisory Committee Members.


The Audit and Supervisory Committee has given its consent to this Proposal.

The candidates are as follows:


No.	Name	Current positions at the Company	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings	Number of years served as Director who is Audit and Supervisory Committee Member
1	<div>New election</div> Yutaka Nakamura <div>Male</div>	Executive Officer	—	—	—
2	<div>Reelection</div> Nobuyasu Iimuro <div>Outside Independent</div> <div>Male</div>	Director Audit and Supervisory Committee Member	15/15 (100%)	13/13 (100%)	2 years

(Note)

- Ms. Taeko Ishii and Mr. Hiroshi Ohno will continue to serve as Directors who are Audit and Supervisory Committee Members.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<div><div>New election Male</div><div>Yutaka Nakamura (September 28, 1961)</div></div>	<div><div>April 2010</div><div>General Manager, Kujo Branch, Mizuho Bank, Ltd.</div></div> <div><div>September 2013</div><div>Joined the Company</div></div> <div><div>April 2015</div><div>Executive Officer (scheduled to retire in June 2025)</div></div> <div><div>April 2015</div><div>General Manager, Business Planning Department 1, Financial Sector 1 and General Manager, Business Planning and Sales Department 2, Financial Sector 2</div></div> <div><div>April 2016</div><div>Head, Sales Sector</div></div> <div><div>April 2019</div><div>General Manager, Corporate Planning Department</div></div> <div><div>June 2020</div><div>Director, DTS INSIGHT CORPORATION</div></div> <div><div>April 2023</div><div>General Manager, Business Development Department, the Company (scheduled to retire in June 2025)</div></div> <div><div>April 2024</div><div>Chairperson and Representative Director, avanza Co., Ltd.</div></div> <div><div>[Significant concurrent positions]</div><div>Not applicable</div></div>	5,582
<div>[Reasons for nomination and outline of expected roles]</div> <div>Mr. Yutaka Nakamura has extensive experience in the financial sector, as well as experience and track record in the sales, corporate planning and business development departments. In order to utilize his experience in the Company’s business execution in the audit structure of the Company, the Company appoints him as a candidate for Director who is an Audit and Supervisory Committee Member.</div>			

5,582

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 <div style="border: 1px solid black; padding: 2px; text-align: center;"> Reelection Outside Independent Male </div> <p>Nobuyasu Iimuro (April 21, 1962)</p> <p>Number of years served as Director who is Audit and Supervisory Committee Member: 2 years (at the conclusion of the meeting)</p>	<p>September 1991 Joined Aoyama Audit Corporation</p> <p>August 1995 Registered as Certified Public Accountant</p> <p>April 2000 Audit unit, ChuoAoyama PricewaterhouseCoopers (retired in August 2006)</p> <p>September 2006 PricewaterhouseCoopers Aarata (retired in July 2012)</p> <p>July 2012 Chief Examiner, Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (retired in June 2014)</p> <p>July 2014 Director, Audit unit, PricewaterhouseCoopers Aarata</p> <p>July 2017 Partner, Audit unit, PricewaterhouseCoopers Aarata LLC (retired in June 2022)</p> <p>July 2022 President, Nobuyasu Iimuro Certified Public Accountant Office (current position)</p> <p>June 2023 Director (Audit and Supervisory Committee Member), the Company (current position)</p> <p>November 2023 Auditor, Meiji Pharmaceutical University (current position)</p> <p>[Significant concurrent positions] President, Nobuyasu Iimuro Certified Public Accountant Office Auditor, Meiji Pharmaceutical University</p>	—
<p>[Reasons for nomination and outline of expected roles]</p> <p>Mr. Nobuyasu Iimuro is a certified public accountant, and has abundant experience and expertise regarding finance and accounting. The Company expects that he will utilize this experience and expertise in the audit structure of the Company, and that he will contribute to strengthening the supervisory functions of business execution and provide advice from a broader perspective. Therefore, the Company appoints him as a candidate for Outside Director who is an Audit and Supervisory Committee Member. He will have served as an Outside Director who is an Audit and Supervisory Committee Member of the Company for two (2) years as of the conclusion of this Annual General Meeting of Shareholders.</p> <p>Although he has never been involved in corporate management in any way other than as an outside officer in the past, for the above reasons, the Company believes that he is capable of appropriately performing his duties as an Outside Director who is an Audit and Supervisory Committee Member.</p> <p>[Matters concerning independence]</p> <p>Mr. Nobuyasu Iimuro satisfies the requirements for independence as set forth by the Tokyo Stock Exchange. In comprehensive consideration of personal, capital and business relationships between the Company and Mr. Iimuro, it is judged that there is no risk of a conflict of interests with general shareholders. Therefore, the Company has determined that his independence has been secured.</p> <p>Mr. Nobuyasu Iimuro serves as an executive officer of Nobuyasu Iimuro Certified Public Accountant Office. However, the Group has no business relationship with these companies.</p> <p>(Note) Mr. Nobuyasu Iimuro is a candidate for Outside Director who is an Audit and Supervisory Committee Member. The Company has notified the Tokyo Stock Exchange that Mr. Nobuyasu Iimuro is an Independent Officer. If his election is approved, the Company will continue to designate him as an Independent Officer.</p>			

(Notes)

1. There are no special interests between each of the candidates for Directors who are Audit and Supervisory Committee Members and the Company.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Nobuyasu Imuro to limit his liability stipulated in Article 423, Paragraph 1 of the Companies Act. Under the agreement, his liability is limited to one (1) million yen or the amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is greater. If the reappointment of Mr. Nobuyasu Imuro is approved, the Company plans to continue said liability limitation agreement with him. If the election of Mr. Yutaka Nakamura is approved, the Company plans to enter into the same liability limitation agreement with him.
3. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers damages that may arise when the Directors, etc. assume liability for the performance of their duties as well as litigation expenses. If each of the candidates is elected as a Director who is an Audit and Supervisory Committee Member and assumes office, each of them will be insured under the insurance contract. The term of the insurance contract is one year, and will be renewed by resolution of the Board of Directors prior to the expiration of its term. The insurance premiums are fully borne by the Company.

[Reference] Skills Matrix

Toward achieving the Company's Long-Term Outlook (Vision 2030) and the Medium-Term Management Plan (FY2025 to FY2027), we identified skills that Directors are expected to demonstrate in light of the five key issues. These skills and the skills matrix are as follows:

■ Key issues

Increase in the value of proposals; Combination of SI and digital technology; Pursuit of new fields and the global market; Enhancement of ESG initiatives; and Reform of its management base

■ Our stance on skills

Skills	Our stance on skills
Corporate management	To <u>enhance ESG initiatives</u> with an aim to become a company that practices sustainable management and grows together with society, management experience and skills gained at listed companies are expected.
Internationality	To <u>pursue new fields and the global market</u> with an aim to capture new opportunities for business growth and revenue source, insight gained through experiencing overseas businesses and skills for future business development are expected.
Sales / Marketing	To <u>increase the value of proposals</u> through a broad range of proposal capabilities and solutions based on leading technologies, business experience and skills in sales and marketing field are expected.
Development / R&D	To add on digital solution services to the SI business at which we excel with an aim to realize the <u>combination of SI and digital technology</u> , business experience and skills in development / R&D field are expected.
Finance / Capital strategy	Besides accurate financial reporting, to strengthen the operations and <u>reform our management base</u> through continuous investments by taking advantage of our solid financial base, business experience and skills in finance / capital strategy field are expected.
Human resource development / D&I	To realize diversity and inclusion where employees share the joy of work and respect diversity with an aim to <u>enhance ESG initiatives</u> , business experience and skills in human resource development / D&I field are expected.
Internal control / Risk management	To strengthen governance and to establish and practice risk management systems, as well as to <u>enhance ESG initiatives</u> , business experience and skills in internal control / risk management field are expected.

■ Skills Matrix

Name		Corporate management	Internationality	Sales / Marketing	Development / R&D	Finance / Capital strategy	Human resource development / D&I	Internal control / Risk management
	Tomoaki Kitamura	●		●	●		●	
	Isao Asami			●	●		●	●
	Kazumasa Taninaka		●		●	●		●
	Shinichi Yamada	Outside Independent	●		●			
	Yumiko Masuda	Outside Independent	●	●			●	
	Shigeo Kizaki	Outside Independent	●	●		●		
Audit and Supervisory Committee Member	Yutaka Nakamura			●		●		●
	Taeko Ishii	Outside Independent					●	●
	Nobuyasu Iimuro	Outside Independent	●			●		●
	Hiroshi Ohno	Outside Independent	●	●		●		

(Note) A maximum of four items that are particularly expected to be performed are indicated as ● for each person. Not all expertise and experience are presented in the table.

Business Report

(April 1, 2024 - March 31, 2025)

1. Overview of the Corporate Group

(1) Business Progress and Results

In the fiscal year under review, although the Japanese economy has been recovering moderately, it occasionally came to a standstill in some sectors. There is a risk that business sentiment in Japan could be dampened by factors including the impact of sustained price increases on personal consumption through falling consumer confidence, as well as the impact of developments in trade and other policies in the United States. Furthermore, we must be fully aware of the impacts of fluctuations in the financial and capital markets.

Amid these conditions, the Group formulated “Vision 2030” as its management vision heading toward 2030.

The DTS Group aims to keep abreast of environmental changes in the IT market, technologies, ESG, etc., build a new growth model by proactively investing in digital, solution and service businesses, as well as human resources to realize these businesses, in addition to evolution of existing SI business models, and further increase its corporate value through the dual approaches of creation of social value and economic value.

To achieve these objectives, the Group has set “increase sophistication of the value that we propose,” “combination of SI x digital,” “advance into new fields as well as globally,” “strengthen ESG initiatives,” and “reform management foundation” as key challenges, and worked on initiatives.

Net sales for the fiscal year under review were 125,908 million yen (+8.8% year on year) and EBITDA was 15,618 million yen (+14.9% year on year).

■ Increase sophistication of the value that we propose and combination of SI x digital

We are enhancing our initiatives in “focus businesses”^(Note 1) as the Group’s target areas to achieve rapid growth. In our Medium-Term Management Plan, we promoted our target of net sales of focus businesses making up 40% of total net sales by the fiscal year ended March 31, 2025. In the fiscal year under review, net sales of focus businesses made up 51.6% of total net sales, showing steady progress toward our goal.

Furthermore, the Company formed a capital and business alliance with Spice Factory Co., Ltd. The Company will continue to strengthen our response capabilities in the area of customer experience value (CX) and provide comprehensive support for our clients’ business growth by combining the upstream design with front-end development capabilities that leverage our system development know-how and service design capabilities of Spice Factory Co., Ltd.

■ Strengthen ESG initiatives

In April 2024, we formulated the DTS Group Human Rights Policy to clarify the Group’s stance on respecting human rights. We will continue to identify negative impacts on human rights, and strive to prevent and mitigate them through human rights due diligence.

Furthermore, in recognition of the results achieved in our health management initiatives, we received certification from the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as “Health & Productivity Management Outstanding Organization (White 500)” for the fourth consecutive year. In addition, our “Company of Health Excellence Certification/Gold Certification” was renewed for the fifth consecutive year.

In our environmental efforts, we earned the highest rating of “A” in the assessment of climate change 2024 reporting by CDP, an international non-profit organization that operates an environmental disclosure platform.

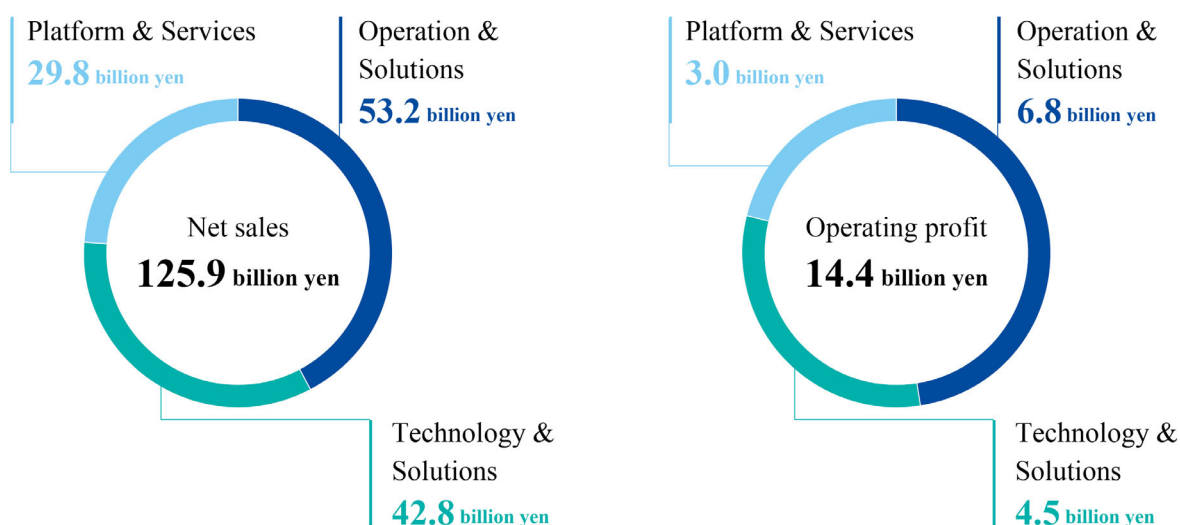
■ Shareholder returns

Based on a comprehensive consideration of opportunities for growth investment, capital conditions, etc., to improve capital efficiency and to further improve returns for our shareholders, we acquired approximately 6.0 billion yen in treasury shares from April to December 2024. Furthermore, we acquired approximately 5.0 billion yen in treasury shares from December 2024 to March 2025. All of the above treasury shares of approximately 11.0 billion yen acquired during the fiscal year under review have been cancelled.

(Note 1) Focus businesses

Business fields on which the Group will focus, composed of three growth engines: Digital Biz, Solution Biz and Service Biz.

The overview of the initiatives by segment is as follows.



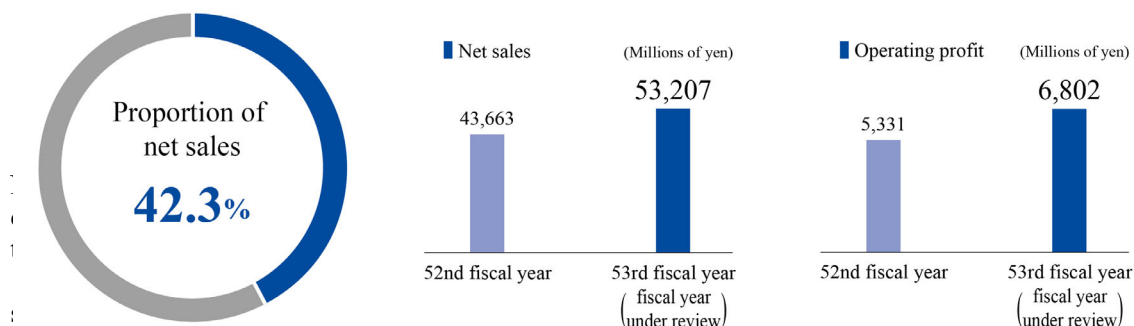
Net sales and operating profit by segment

(Figures in square brackets indicate proportions in total)

(Millions of yen)

	Net sales				Operating profit			
	52nd fiscal year (FY2023)	53rd fiscal year (FY2024)			52nd fiscal year (FY2023)	53rd fiscal year (FY2024)		
Operation & Solutions	43,663 [37.7%]	53,207 [42.3%]	Year-on-year Up 21.9%	↗	5,331 [42.6%]	6,802 [46.9%]	Year-on-year Up 27.6%	↗
Technology & Solutions	42,214 [36.5%]	42,877 [34.1%]	Year-on-year Up 1.6%	↗	4,193 [33.5%]	4,583 [31.6%]	Year-on-year Up 9.3%	↗
Platforms & Services	29,849 [25.8%]	29,823 [23.7%]	Year-on-year Down 0.1%	↘	2,978 [23.8%]	3,092 [21.3%]	Year-on-year Up 3.8%	↗
Total	115,727 [100.0%]	125,908 [100.0%]	Year-on-year Up 8.8%	↗	12,508 [100.0%]	14,489 [100.0%]	Year-on-year Up 15.8%	↗

Operation & Solutions Segment



les came to 53,207 million yen (+21.9% year on year), due to the increased projects for the banking industry and the impact of new consolidations.

In initiatives for our “focus businesses,” we strived to “strengthen application development capability based on cloud architecture,” “strengthen capabilities for agile/low code development,” and “expand and further create industry-specific solution services,” among others.

AMLion, packaged software for anti-money laundering and combating the financing of terrorism that complies with the latest domestic and international guidelines, has so far been introduced mainly by major securities firms. In the fiscal year under review, we started to provide the life insurance industry with AMLion that meets the unique requirements and needs of the life insurance industry.

In addition, in order to encourage greater efficiency in transaction management at medium-sized financial institutions in Japan, we have begun offering an anti-money laundering case management tool (Note 2) with a low introduction cost.

For the upcoming fifth review of the FATF (Note 3), we will strengthen proposals to life insurance companies and contribute to the advancement and efficiency of anti-money laundering operations in all types of finance businesses.

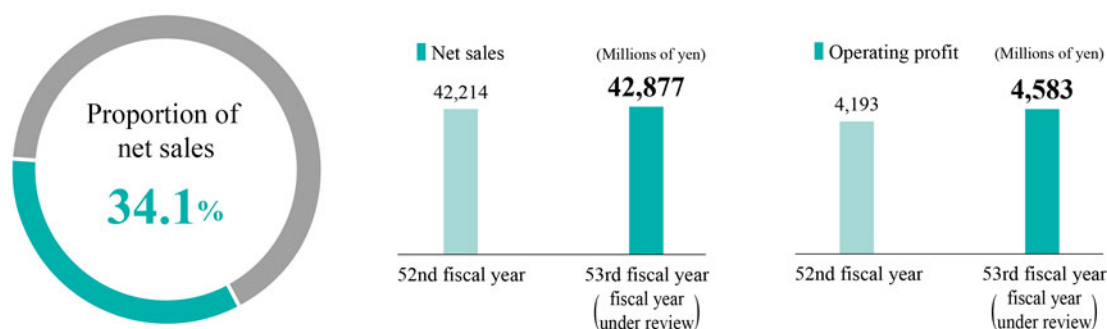
Moreover, KYUSHU DTS CORPORATION opened the Nagasaki Development Center to strengthen the nearshore development system and to contribute to boosting the local economy by promoting cooperation with local universities and companies.

Main businesses

The Group offers the following services by adding digital technology to project management capabilities and industry insights, which are some of our strengths, to generate new added values.

- Consulting in relation to the deployment of systems
- Design, development, operation, maintenance, etc. of systems (including design and construction of platforms, networks and so on)
- Development of industry-specific solutions

Technology & Solutions Segment



Net sales came to 42,877 million yen (+1.6% year on year), due to the strong sales of cloud infrastructure projects and embedded system projects.

In our initiatives for focus businesses, we strived to enhance our cloud business technologies and reform our business models, enhance functions for the expansion of package sales, strengthen ERP business expansion, and establish the technologies for edge AI and cyber security, among others.

We have positioned ServiceNow® as one of our key areas of focus in seeking to extend our business domain by creating new solutions and services that prompt evolution from existing SI business models centered on applications development. In the fiscal year under review, we launched Simple-Start-Pack, which enables the low-cost, speedy introduction of ServiceNow® by carefully selecting the functions necessary for internal help desk operations from among the rich menu functions available with ServiceNow®.

With regard to the housing solutions business, we launched “Walk in home 2024” with enhanced integration of structural calculation, the “Walk in home Property Management Web” subscription-based service that enables the safe management of property data in a cloud environment, and the Walk in home 360x” service with enhanced mobile presentation functionality. Furthermore, “Walk in home Allowable Stress Calculation Option Version 3.0,” which contributes to shortening the review time for building permit application and streamlining design operations, obtained the Wooden Building Computer Program certification (Note 4). Moreover, a group company Anshin Project Japan Inc. has launched the KT-PLAN service, which provides support for designing and proposing barrier-free and other senior-friendly living environments, in collaboration with the company’s “Walk in home Plus” service to support the building of safe and secure homes.

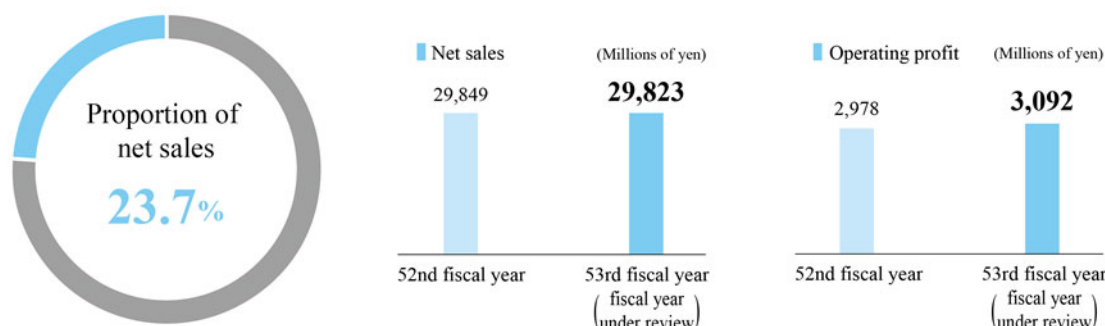
In initiatives utilizing cyber security technologies, we established a new organization specializing in security, and began offering DX Security Introduction and Operation Monitoring Support Service, which provides one-stop support from introduction to operation for the realization of zero trust security meeting the requirement levels of financial institutions. Going forward, we will aim to realize a secure and reliable system environment by offering security solutions. In addition, we started offering the “SecureWorkplace” service, which is a combination of the foregoing service and the “DX Workplace Introduction Support Service.” This service provides a secure information security environment and enhances communication within companies, supporting flexible work styles for our clients.

Main businesses

The Group offers the following services across industries and regions by specializing in digital technology and solutions, in order to meet the diverse needs of customers by using the latest technologies.

- Consulting in relation to the deployment of systems
- Design, development, operation, maintenance, etc. of systems (including design, construction and embedding of platforms, networks and so on)
- Deployment, operation, maintenance, etc. of (in-house or other companies’) solutions

Platforms & Services Segment



Despite expansion of operational and infrastructure construction projects, net sales were 29,823 million yen (−0.1% year on year) due to the reversal of a temporary increase in hardware sales in the previous fiscal year.

In our initiatives for focus businesses, we strived to expand operational service menu centered on ReSM/ReSM plus, enhance and promote the sales of HybridCloud, Data Management, etc., and promote network integration business, among others.

We are working to grow sales of ReSM, which efficiently supports system operation and provides remote operation monitoring on a 24/7 basis. The Company has assisted our client companies not only in switching their management and monitoring systems in a short period of time after starting to use a comprehensive set of our services, but also in reducing costs in the fiscal year under review.

We are additionally expanding the sales of ReSM plus, which promotes DX of helpdesk operations in client companies. ReSM plus combines a web portal and human operator and will provide a full range of FAQ services to streamline internal IT support operations in client companies. Our client companies successfully saw an improvement in user satisfaction in the fiscal year under review by introducing ReSM plus.

Going forward, we will continue to contribute to improving the service quality of our customers through the service provision of ReSM and ReSM plus.

Furthermore, we were certified as a Gold Solution Partner by Atlassian in recognition of our achievements in system integration, which includes the provision of introduction consulting and utilization support services for Jira Service Management and other Atlassian products, as well as engineer development.

Main businesses

The Group offers the following services across industries and regions in order to support IT environments in which customers can feel reassured.

- Deployment of advanced IT equipment and building of IT platforms
- Operational design and maintenance of total information systems, including cloud-related services and virtualization systems
- System operation either through permanently stationed personnel or remote access, monitoring services
- System operational diagnosis and optimization services, primarily for IT infrastructure
- Fee-based businesses, such as subscription and recurring business

(Note 2) Anti-money laundering case management tool

A tool to electronically manage investigation histories, etc. for suspicious transaction data at financial institutions.

(Note 3) FATF

FATF stands for Financial Action Task Force. It refers to an organization established as a multinational framework to develop and implement international standards to combat money laundering.

(Note 4) Wooden Building Computer Program certification

A certification based on the Wooden Building Computer Program certification system implemented by Japan Housing and Wood Technology Center. It is granted to programs compliant with standards issued by the Center, such as “Allowable Stress Design for Houses Employing Wooden Framework Construction Method.”

(2) Capital Investment

Capital investment during the fiscal year under review amounted to 946 million yen.

This mainly comprised 288 million yen for the purchase of tools, furniture and fixtures such as office equipment and network equipment, 150 million yen for the development and purchase of software for internal use, and 346 million yen for the development of software for market sale.

A description by type of business is omitted due to the difficulty in providing such information.

(3) Financing

There were no items to be reported in the fiscal year under review.

(4) Issues to Be Addressed

The environment surrounding the Group is expected to change drastically.

With advances in technology, executive agendas are increasingly centered around themes such as strengthening customer relationships and data-driven management. In line with and influenced by these shifts, corporate IT investments are expected to move toward information systems and customer contact services.

To achieve these objectives, in our Medium-Term Management Plan (FY2025 to FY2027), which is the 2nd Stage in Vision 2030, the Group will focus on three pillars: “evolution of focus businesses and deepening of core businesses,” “execution of strategic alliances,” and “strengthening of the Group’s management foundation,” and will work on initiatives to promote our business growth and expansion as well as enhance stability and reliability.

Moreover, in the Medium-Term Management Plan (FY2025 to FY2027), which is the 2nd Stage in Vision 2030, the Group has set the following goals.

<Management goals for the fiscal year ending March 31, 2028>

Operating revenue	Consolidated net sales	160.0 billion yen
	Operating profit	18.7 billion yen
	EBITDA	20.0 billion yen
	EBITDA margin	12.5%
	Percentage of focus businesses' (*1) net sales to total	57.0% or more
	Productivity (operating profit per employee)	3.2 million yen
Management efficiency	ROE	18% or more
Investment	Growth investment (cumulative total for three years)	32.5 billion yen
Shareholder returns	Payout ratio	50% or more
	Total return ratio	70% or more
Cash on hand	Percentage of cash on hand in total assets	33% or less
Non-financial targets (*2)	Engagement score	55 or more
	Ratio of female managers	8.5% or more
	Ratio of female Directors	20% or more
	Ratio of Independent Outside Directors	Majority

(*1) Business fields on which the Group will focus, composed of three growth engines: Digital Biz, Solution Biz and Service Biz.

(*2) Reduction of CO₂ emissions (relative to FY2021): 60% (reference value)

Seriously taking the investigation results published in the “Notice Concerning the Publication of the Special Investigation Committee’s Investigation Report for Disclosure” (in Japanese) dated August 6, 2024, the Company formulated recurrence prevention measures to improve and strengthen internal controls. The Company has conducted their implementation as planned.

We will continue to make efforts to maintain and further strengthen our internal controls.

(Recurrence prevention measures at the Company)

- (1) Clarification of global strategy
- (2) Strengthening of responses to global compliance risks
- (3) Review of Audit Office’s systems and audit items, etc.
- (4) Multifaceted deliberation and improvement of information sharing in emergency responses

(Recurrence prevention measures at the overseas subsidiary)

- (1) Strengthening of governance systems
- (2) Strengthening of compliance systems
- (3) Improvement of global hotline
- (4) Improvement of procurement processes and other internal controls

Medium-Term Management Plan (2025–2027)

Medium-Term Management Plan (2025–2027) is focused on 3 pillars to promote our business growth and expansion as well as enhance stability and reliability.



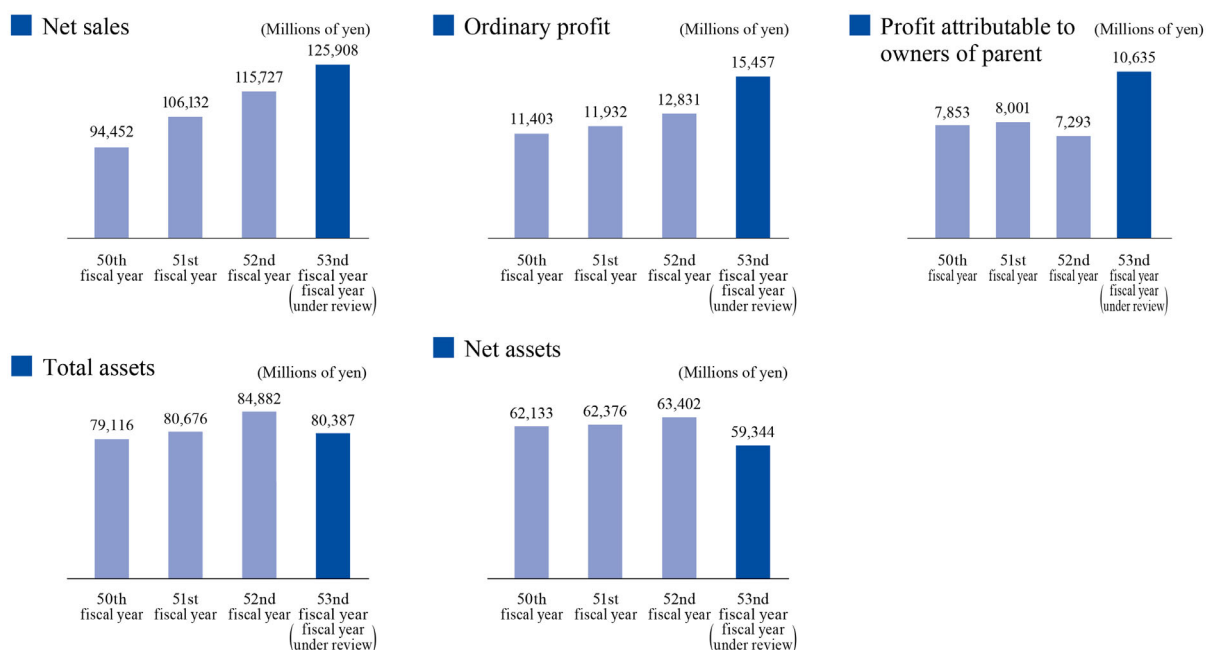
(5) Status of Assets and Income during the Most Recent Three Fiscal Years

1) Status of assets and income of the corporate group

(Millions of yen, unless otherwise specified)

Item	The 50th fiscal year ended March 31, 2022	The 51st fiscal year ended March 31, 2023	The 52nd fiscal year ended March 31, 2024	The 53rd fiscal year ended March 31, 2025 (Fiscal year under review)
Net sales	94,452	106,132	115,727	125,908
Ordinary profit	11,403	11,932	12,831	15,457
Profit attributable to owners of parent	7,853	8,001	7,293	10,635
Total assets	79,116	80,676	84,882	80,387
Net assets	62,133	62,376	63,402	59,344
Net assets per share (yen)	1,376.05	1,408.81	1,451.61	1,440.87
Basic earnings per share (yen)	172.78	181.41	168.51	253.80

- (Notes) 1. Net assets per share is calculated based on the total number of issued shares at the end of the period, and rounded down to two decimal points.
2. Basic earnings per share is calculated based on the average number of shares during the period, and rounded down to two decimal points.

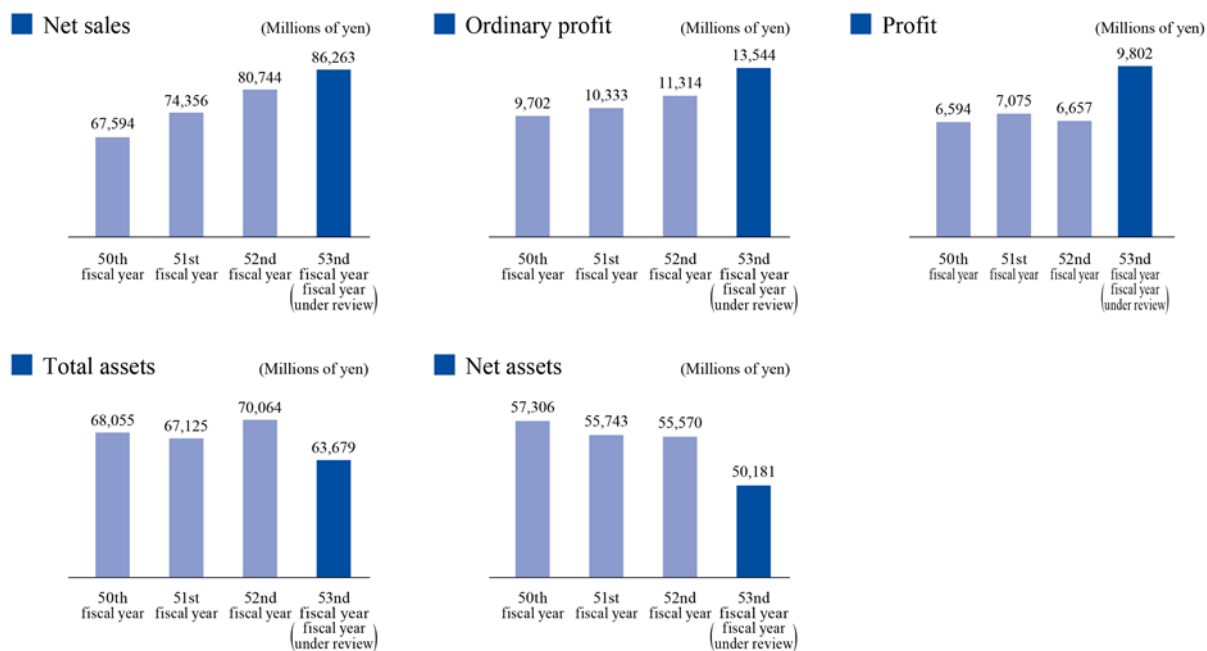


2) Status of assets and income of the Company

(Millions of yen, unless otherwise specified)

Item	The 50th fiscal year ended March 31, 2022	The 51st fiscal year ended March 31, 2023	The 52nd fiscal year ended March 31, 2024	The 53rd fiscal year ended March 31, 2025 (Fiscal year under review)
Net sales	67,594	74,356	80,744	86,263
Ordinary profit	9,702	10,333	11,314	13,544
Profit	6,594	7,075	6,657	9,802
Total assets	68,055	67,125	70,064	63,679
Net assets	57,306	55,743	55,570	50,181
Net assets per share (yen)	1,271.50	1,278.59	1,295.42	1,245.32
Basic earnings per share (yen)	145.07	160.41	153.82	233.93

- (Notes) 1. Net assets per share is calculated based on the total number of issued shares at the end of the period, and rounded down to two decimal points.
2. Basic earnings per share is calculated based on the average number of shares during the period, and rounded down to two decimal points.



(6) Main Places of Business and Material Subsidiaries

1) Main places of business

Name	Location
Head Office	2-23-1 Hatchobori, Chuo-ku, Tokyo
Hatchobori Center	2-31-1 Shinkawa, Chuo-ku, Tokyo
Monzen-Nakacho Development Center	2-5-4 Fukuzumi, Koto-ku, Tokyo
Shinkawa Development Center	1-28-44 Shinkawa, Chuo-ku, Tokyo
Kansai Development Center	2-3-13 Azuchimachi, Chuo-ku, Osaka City
Nippori Office	5-7-18 Higashinippori, Arakawa-ku, Tokyo

2) Material subsidiaries

Name	Location	Share capital	Percentage of voting rights held	Main business
DTS INSIGHT CORPORATION	4-30-3 Yoyogi, Shibuya-ku, Tokyo	200 million yen	100.00%	Information Service
Digital Technologies Corporation	5-7-18 Higashinippori, Arakawa-ku, Tokyo	100 million yen	100.00%	Information Service
Partners Information Technology, Inc.	888 S Disneyland Drive, Suite 500, Anaheim, CA, 92802-1846 USA	5,000 US dollars	51.00%	Information Service
JAPAN SYSTEMS ENGINEERING Corporation	2-7-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	310 million yen	100.00%	Information Service
DTS WEST CORPORATION	2-3-13 Azuchimachi, Chuo-ku, Osaka City	100 million yen	100.00%	Information Service
avanza Co., Ltd.	3-3-13 Shibuya, Shibuya-ku, Tokyo	60 million yen	100.00%	Information Service
KYUSHU DTS CORPORATION	2-19-24 Hakata-Ekimae, Hakata-ku, Fukuoka City	100 million yen	100.00%	Information Service
Tohoku Systems Support Co., Ltd.	1-6-35 Chuo, Aoba-ku, Sendai City	98.8 million yen	100.00%	Information Service

(7) Employees

1) Number of employees of the corporate group

Segment name	Number of employees
Operation & Solutions	3,184
Technology & Solutions	1,994
Platforms & Services	1,010
Total	6,188

(Note) The number of employees of the corporate group excludes those seconded to companies outside the Group, and includes those seconded to the Group from outside.

2) Number of employees of the Company

Number of employees	Increase (decrease) from the end of the previous fiscal year	Average age	Average years of service
3,172	+ 61	39.6	15.0

Segment name	Number of employees
Operation & Solutions	1,224
Technology & Solutions	1,116
Platforms & Services	832
Total	3,172

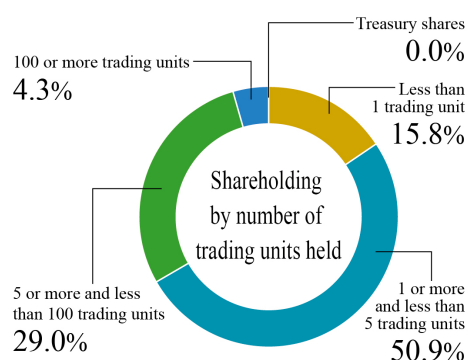
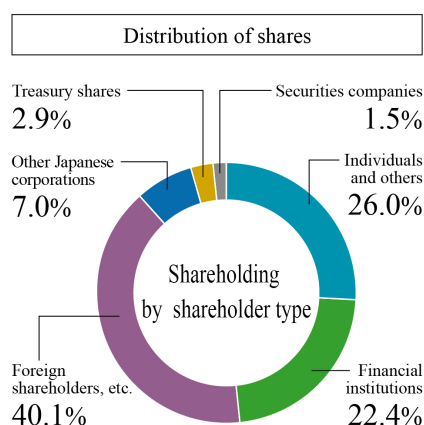
(Note) The number of employees of the Company excludes those seconded to other companies, and includes those seconded to the Company from other companies.

2. Matters Concerning the Company's Shares (as of March 31, 2025)

(1) Total Number of Authorized Shares	100,000,000 shares
(2) Total Number of Issued Shares	41,498,032 shares
(3) Number of Shareholders	5,170 persons
(4) Major Shareholders	

Name of shareholder	Number of shares held Thousand shares	Holding ratio %
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,181	12.86
DTS Group Employee Shareholding Association	3,032	7.53
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	2,282	5.66
Custody Bank of Japan, Ltd. (Trust Account)	1,832	4.55
STATE STREET BANK AND TRUST COMPANY 505001	1,693	4.20
NTC Corporation	1,171	2.91
Kumiko Akiyama	1,089	2.70
THE BANK OF NEW YORK MELLON 140044	1,063	2.64
Chitomu Kosaki	803	1.99
JP MORGAN CHASE BANK 385632	784	1.94

(Note) The Company holds 1,202 thousand shares of treasury stock. The holding ratio is calculated after deducting treasury stock.



(5) Shares Delivered to Company Officers as Compensation for Execution of Duties during the Fiscal Year Under Review

Details of the shares delivered to Company officers as compensation for execution of duties during the fiscal year under review are indicated below.

Category	Number of shares	Number of eligible officers
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	2,823 shares	3
Outside Directors (excluding Directors who are Audit and Supervisory Committee Members)	-	-
Directors who are Audit and Supervisory Committee Members	-	-

(Note) Details of the Company's stock compensation are as stated in "(4) Compensation for Directors for the Fiscal Year Under Review, 5) Content of non-monetary compensation" on page 37.

(6) Other Important Matters Concerning Shares

None.

3. Company Officers

(1) Directors and Auditors (as of March 31, 2025)

Positions	Name	Responsibilities and significant concurrent positions
Representative Director and President	Tomoaki Kitamura	-
Director	Isao Asami	Managing Executive Officer Representative Director and President, DTS INSIGHT CORPORATION
Director	Minoru Takeuchi	-
Director Outside Independent	Shinya Shishido	-
Director Outside Independent	Shinichi Yamada	-
Director Outside Independent	Yumiko Masuda	Representative Director, Consumer Voice Research Institute, Limited. Outside Director, NITTAN Corporation Outside Director, K&O Energy Group Inc.
Director (Full-time Audit and Supervisory Committee Member)	Takao Sakamoto	Corporate Auditor, avanza Co., Ltd.
Audit and Supervisory Committee Member Outside Independent	Taeko Ishii	Deputy Director, Ota Ishii Law Office Outside Corporate Auditor, Furusato Service Co., Ltd. Outside Director, Sumitomo Metal Mining Co., Ltd. Outside Statutory Auditor, Dai Nippon Printing Co., Ltd.
Audit and Supervisory Committee Member Outside Independent	Nobuyasu Iimuro	President, Nobuyasu Iimuro Certified Public Accountant Office Auditor, Meiji Pharmaceutical University
Audit and Supervisory Committee Member Outside Independent	Hiroshi Ohno	-

- (Notes)
1. Mr. Shinya Shishido, Mr. Shinichi Yamada, Ms. Yumiko Masuda, Ms. Taeko Ishii, Mr. Nobuyasu Iimuro and Mr. Hiroshi Ohno are Outside Directors.
 2. Director who is an Audit and Supervisory Committee Member Nobuyasu Iimuro is qualified as a certified public accountant, and has a considerable degree of knowledge concerning finance and accounting.
 3. Mr. Shinya Shishido, Mr. Shinichi Yamada, Ms. Yumiko Masuda, Ms. Taeko Ishii, Mr. Nobuyasu Iimuro and Mr. Hiroshi Ohno have been registered as Independent Officers with the Tokyo Stock Exchange.
 4. To enable the Audit and Supervisory Committee Members to continuously and effectively verify the legality, validity, and efficiency of management, the Company has appointed Mr. Takao Sakamoto as a full-time Audit and Supervisory Committee Member to perform day-to-day auditing duties, including internal control system audits and interviews with officers and employees of group companies, and to attend important internal meetings related to business execution such as the Management Council meetings to ensure sophisticated information gathering capabilities of the Audit and Supervisory Committee as a whole and smooth collaboration with the Internal Audit Office.

5. Mr. Koichi Nishida retired from office of Director who is not an Audit and Supervisory Committee Member due to the expiration of his term of office at the adjournment (upon the conclusion of deliberations) of the 52nd Annual General Meeting of Shareholders held on June 25, 2024.
6. Mr. Yutaka Takei retired from office of Director who is an Audit and Supervisory Committee Member due to the expiration of his term of office at the adjournment (upon the conclusion of deliberations) of the 52nd Annual General Meeting of Shareholders held on June 25, 2024.
7. The positions, responsibilities, and significant concurrent positions of Directors that changed effective April 1, 2025, after the end of the fiscal year under review, are as follows.

Position	Name	Responsibilities and significant concurrent positions
Director	Isao Asami	Senior Managing Executive Officer Chief Business Officer Representative Director and President, DTS INSIGHT CORPORATION

8. Executive Officers (excluding those serving concurrently as Directors) as of April 1, 2025, are as follows.

Name	Responsibilities and significant concurrent positions
Makoto Kondo	Managing Executive Officer Head of Operation and Solutions Segment and Head of Public Systems and Social Infrastructure Sector Chairman, DLSE Co., Ltd. Representative Director and Chairman, Japan Super Electronics Co., Ltd. Chairman, DTS (Shanghai) Corporation
Kazumasa Taninaka	Managing Executive Officer Chief Corporate Officer Chairman, Partners Information Technology, Inc.
Hiroyuki Norikane	Senior Executive Officer Head of Technology and Solutions Segment and Head of Digital Solution Sector Chairman, DTS SOFTWARE VIETNAM CO., LTD.
Hiroshi Tani	Senior Executive Officer Head of Platforms and Services Segment and Head of IT Platform Service Sector
Yutaka Nakamura	Executive Officer General Manager, Business Development Department
Hiroyuki Mabuchi	Executive Officer President, DTS America Corporation Director and Vice President, Partners Information Technology, Inc.
Masanori Tamura	Executive Officer Head of Financial Sector Director, Nelito Systems Private Limited
Masakazu Takada	Executive Officer Deputy Head of Technology and Solutions Segment Representative Director and President, Anshin Project Japan Inc.
Naoki Minase	Executive Officer General Manager, Sustainability Promotion Department Chairperson & Director, and Chairperson of Audit Committee, Nelito Systems Private Limited
Nobuhisa Abe	Executive Officer Deputy Head of Operation and Solutions Segment Director and Audit Member, Nelito Systems Private Limited Director, Spice Factory Co. Ltd.
Hiroshi Nakashima	Executive Officer General Manager, Innovative Business Promotion Department

Name	Responsibilities and significant concurrent positions
Ayano Kumagai	Executive Officer General Manager, Human Resources Department Representative Director and President, MIRUCA CORPORATION
Masayuki Kimura	Executive Officer Head of Enterprise and Solution Sector

(2) Summary of Agreement on Limitation of Liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Directors (excluding Executive Directors, etc.) to limit their liability stipulated in Article 423, Paragraph 1 of the Companies Act. Under the agreement, their liability is limited to one (1) million yen or the amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is greater.

(3) Summary of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract with an insurance company under which all the Directors, Auditors, and Executive Officers of the Company are the insured parties, stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance covers any damages that may arise when the Directors, etc. assume liability for the performance of their duties as well as litigation expenses. The term of the insurance contract is one year, and renewal is planned by resolution of the Board of Directors prior to the expiration of this term. The insurance premiums are fully borne by the Company. As a measure to ensure the appropriate execution of duties, the insurance contract does not cover causes subject to certain exemptions.

(4) Compensation for Directors for the Fiscal Year Under Review

1) Matters concerning to policy for determining individual compensation, etc. for Directors who are not Audit and Supervisory Committee Members

At the Board of Directors meeting held on June 22, 2023, the Company resolved on the policy to determine the details of compensation for individual Directors who are not Audit and Supervisory Committee Members (hereinafter referred to as the “Decision Policy”).

The amount or the method of calculation of compensation, etc. for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) shall be determined upon the comprehensive consideration of past payment records and the Company’s performance. Compensation, etc. shall consist of fixed compensation, performance-linked compensation and non-monetary compensation. Compensation for Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) shall consist of fixed compensation only.

Performance-linked compensation shall be paid as a bonus, and shall be calculated by establishing an amount of consolidated ordinary profit as a standard, comparing it against the consolidated ordinary profit in the fiscal year in which the bonus is to be paid, and multiplying the growth rate by the amount of the performance-linked standard and adjusting the result by the degree of achievement of performance forecasts and the degree of achievement of the medium-term management plan (financial and non-financial KPIs). However, in the event that business performance deteriorated significantly, the bonus may not be paid.

Non-monetary compensation shall be paid as stock-based compensation, in the form of restricted shares, and shall be calculated based on a standard amount predetermined in accordance with position in order to appropriately function as an incentive to sustainably enhance the corporate value of the Company. The standard amount shall be determined annually, based on an assessment of corporate value (Company’s TSR compared with TOPIX growth rate), the degree of achievement of performance forecasts, and the degree of achievement of the medium-term management plan.

When determining the payment ratios of fixed compensation, performance-linked compensation and non-monetary compensation, the ratio of basic compensation (fixed compensation) shall decrease the higher the position, and the ratios of bonus (performance-linked compensation) and stock-based compensation (non-monetary compensation) shall increase the higher the position. In the case of standard performance, the composition of compensation for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) is generally as follows: base compensation 62-71%, bonuses 30-23%, and stock compensation 8-6%.

The timing for payment of compensation, etc. for Directors who are not Audit and Supervisory Committee Members shall be monthly for basic compensation and once a year for bonuses and

stock-based compensation (for Directors who are not Outside Directors).

The Board of Directors refers the Decision Policy to the Nomination and Compensation Committee (the majority of whose members are Outside Directors) for deliberation, and determines it after receiving the report of the Nomination and Compensation Committee.

When determining the amounts of compensation for individual Directors who are not Audit and Supervisory Committee Members, the Nomination and Compensation Committee (the majority of whose members are Outside Directors) considers the matter from a variety of perspectives, including compatibility with the Decision Policy. The Representative Director and President, delegated authority by the Board of Directors, calculates these amounts in accordance with the results of deliberation reported by the Nomination and Compensation Committee (the majority of whose members are Outside Directors), and the Company therefore considers that they conform to the Decision Policy.

Fixed compensation (base compensation) for individual Directors who are Audit and Supervisory Committee Members is determined through discussion between Directors who are Audit and Supervisory Committee Members and performance-linked compensation (bonuses) and non-monetary compensation (stock compensation) are not paid to them.

2) Matters concerning resolutions by General Meetings of Shareholders on compensation for Directors

The date of the resolution of the shareholders' meeting concerning compensation, etc. for Directors who are not Audit and Supervisory Committee Members of the Company was June 23, 2022. The resolution established a maximum amount of compensation, including bonuses, for Directors who are not Audit and Supervisory Committee Members of 300 million yen per annum (including a maximum amount of 40 million yen per annum for Outside Directors). Nine Directors who are not Audit and Supervisory Committee Members (including four Outside Directors) are subject to this rule. The amount of compensation, etc. for Directors who are not Audit and Supervisory Committee Members does not include compensation received in the capacity of an employee, for Directors who serve concurrently as employees.

The date of the resolution of the shareholders' meeting concerning the payment of compensation for the allotment of restricted shares was June 23, 2022. The shareholders' meeting resolved to pay monetary compensation receivables for the allotment of restricted shares to Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) in an amount not exceeding 45 million yen per annum, separate from the compensation limit for Directors who are not Audit and Supervisory Committee Members of 300 million yen per annum. Under this resolution, the maximum total number of common shares to be issued or disposed of is 26 thousand shares per annum. Five Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) are subject to this rule. Restricted shares are also allotted to Executive Officers of the Company.

The date of the resolution of the shareholders' meeting concerning compensation for Directors who are Audit and Supervisory Committee Members of the Company was June 23, 2022. The resolution established a maximum amount of compensation for Directors who are Audit and Supervisory Committee Members of 60 million yen per annum. Four Directors who are Audit and Supervisory Committee Members are subject to this rule.

3) Matters concerning the delegation of decisions on compensation, etc. for individual Directors who are not Audit and Supervisory Committee Members

When determining the amounts of compensation for Directors who are not Audit and Supervisory Committee Members, the Company, at the meeting of the Board of Directors held after the Annual Shareholders' Meeting, delegates the determination of the amounts of compensation, bonuses, and stock compensation for individual Directors for the relevant fiscal year to the Representative Director and President Tomoaki Kitamura, within the annual compensation limits approved at the shareholders' meeting.

The reason for delegating this authority to the Representative Director and President is because he has the most thorough understanding of aspects such as the Company's business environment and condition, and is able to determine the amounts of compensation for individual Directors from a comprehensive perspective. Furthermore, the Company considers that this delegation of authority contributes to the flexible and agile determination of compensation amounts.

Measures are in place to ensure that the individual amounts of compensation are not determined arbitrarily, and this authority is appropriately exercised, with the Representative Director and President determining these amounts in accordance with the results of deliberation reported by the

Nomination and Compensation Committee (the majority of whose members are Independent Outside Directors).

4) Matters concerning performance-linked compensation

The indicators for performance-linked compensation comprise consolidated ordinary profit, as an indicator that ensures a healthy medium-term earnings structure across the entire Group, as well as the publicly announced performance forecasts (consolidated net sales, profit attributable to owners of parent, EBITDA, and ROE), as indicators associated with short-term business growth and the enhancement of corporate value. Moreover, the Company uses the targets of the medium-term management plan (consolidated net sales, EBITDA, growth investment, ROE) as financial indicators associated with medium-term enhancement of corporate value and non-financial indicators (reduction of CO₂ emissions, ratio of female managers) as sustainability indicators. The Company has established internal rules on how to determine the amount of performance-linked compensation.

Performance indicators as the basis for calculation of the amount of bonus

(calculated by comparing the standard amount against the consolidated ordinary profit in the fiscal year in which the bonus is to be paid, multiplying the growth rate by the amount of the performance-linked standard)

Financial/non-financial	Performance indicator	Standard amount	Result
Financial indicator	Consolidated ordinary profit	10.0 billion yen	15.45 billion yen

Indicators associated with short-term enhancement of corporate value

(assessed each year and reflected in bonuses and stock compensation)

Financial/non-financial	Performance indicators	Weight	Targets	Results
Financial indicators	Consolidated net sales	40%	125.00 billion yen	125.90 billion yen
	Profit attributable to owners of parent	15%	9.15 billion yen	10.63 billion yen
	EBITDA	15%	14.95 billion yen	15.61 billion yen
	ROE	30%	14.5%	17.7%

5) Content of non-monetary compensation

In order to provide an incentive to Directors who are not Audit and Supervisory Committee Members of the Company (excluding Outside Directors) to sustainably enhance the Company's corporate value and further promote the sharing of value with shareholders, the Company has introduced a restricted stock compensation plan as non-monetary compensation. An overview of the plan is shown below.

[Recipients]

Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors)

[Transfer restriction period]

30 years from the payment date (transfer restrictions removed upon retirement)

[Total amount of monetary compensation receivables]

Within 45 million yen per annum

[Maximum number of shares of common stock to be issued or disposed of]

Within 26,000 shares per annum

The standard amount used to calculate non-monetary compensation is predetermined based on position, but is revised annually based on factors such as corporate value (share price) and the degree of achievement of medium-term plans.

A similar restricted stock compensation plan has been introduced for Executive Officers of the Company.

Indicators associated with medium-term enhancement of corporate value
(assessed after the final year of the medium-term management plan and reflected in stock compensation)

Financial/non-financial	Performance indicators	Weight	Targets	Results
Financial indicators	Consolidated net sales	20%	110.0 billion yen or higher	125.9 billion yen
	EBITDA	20%	13.0 billion yen or higher	15.6 billion yen
	Growth investment (cumulative total for three years)	10%	25.0 billion yen	27.3 billion yen
	ROE	10%	13% or higher	17.7%
Non-financial indicators	Reduction of CO ₂ emissions (compared with FY2013 figures)	20%	50% or higher	52.7%
	Ratio of female managers	20%	6% or higher	5.6%

Indicators associated with long-term enhancement of corporate value
(assessed every year and reflected in stock compensation)

Performance indicator	Results (FY2024)		Assessment coefficient (Company's TSR compared with TOPIX growth rate including dividends)
	The Company's TSR	TOPIX growth rate including dividends	
The Company's TSR (compared with TOPIX growth rate)	102.5%	98.4%	104.1%

6) Total amounts of compensation, etc. for Directors

Category	Total amount of compensation, etc. (Millions of yen)	Amount of compensation, etc. by type (Millions of yen)			Number of eligible officers (persons)
		Fixed compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors who are not Audit and Supervisory Committee Members (Of whom Outside Directors)	192 (21)	112 (21)	66 (-)	12 (-)	7 (3)
Directors who are Audit and Supervisory Committee Members (Of whom Outside Directors)	41 (21)	41 (21)	- (-)	- (-)	5 (4)

(Notes) 1. The amount of compensation, etc. for Directors does not include compensation received in the capacity of an employee, for Directors who serve concurrently as employees.

2. Non-monetary compensation, etc. above is the amount of expense recorded for restricted stock compensation for four Directors (excluding Outside Directors) in the fiscal year under review.

3. The above table includes one Director and one Director (who is an Audit and Supervisory Committee Member) who retired from office at the adjournment of the 52nd Annual General Meeting of Shareholders (the end of discussions held on June 25, 2024).

(5) Matters Concerning Outside Officers

1) Significant concurrent positions and relationship with the Company (as of March 31, 2025)

i. Significant concurrent service as an executive officer of another company, etc., and the relationship between the Company and the company where this position is held

Director who is not an Audit and Supervisory Committee Member Yumiko Masuda serves as Representative Director of Consumer Voice Research Institute, Limited. However, the Company has no business relationship with said company.

Director who is an Audit and Supervisory Committee Member Taeko Ishii serves as Deputy Director of Ota Ishii Law Office. However, the Company has no business relationship with said office.

Director who is an Audit and Supervisory Committee Member Nobuyasu Iimuro serves as President, Nobuyasu Iimuro Certified Public Accountant Office. However, the Company has no business relationship with said office.

ii. Significant concurrent service as an outside officer of another company, etc., and the relationship between the Company and the company where this position is held

Director who is not an Audit and Supervisory Committee Member Yumiko Masuda serves as Outside Director of NITTAN Corporation and K&O Energy Group Inc. However, the Company has no business relationship with said companies.

Director who is an Audit and Supervisory Committee Member Taeko Ishii serves as Outside Corporate Auditor of Furusato Service Co., Ltd. and Outside Statutory Auditor of Dai Nippon Printing Co., Ltd. The Company has no business relationship with Furusato Service Co., Ltd. The Company has business relationship including systems development with Dai Nippon Printing Co., Ltd. She also serves as Outside Director of Sumitomo Metal Mining Co., Ltd. However, the Company has no business relationship with said company.

2) Main activities during the fiscal year under review

Position and name	Board of Directors meetings	Audit and Supervisory Committee meetings	Main activities (Status of statements at Board of Directors Meetings and expected roles, etc.)
	Number of meetings attended (Attendance rate)	Number of meetings attended (Attendance rate)	
Director Shinya Shishido	15/15 (100%)	– (–)	In addition to offering comments and remarks at Board of Directors meetings, mainly from the perspective of his abundant experience in the housing loan industry and the real estate industry, he contributed to effective supervision of the execution of duties. In this way, he fulfilled the roles expected of an outside officer.
Director Shinichi Yamada	15/15 (100%)	– (–)	In addition to offering comments and remarks at Board of Directors meetings, mainly from the perspective of his abundant experience regarding industry trends and corporate management in the IT industry, he contributed to effective supervision of the execution of duties. In this way, he fulfilled the roles expected of an outside officer.
Director Yumiko Masuda	15/15 (100%)	– (–)	In addition to offering comments and remarks at Board of Directors meetings, mainly from the perspective of her expertise in consumer- and customer-oriented management and customer relations, and abundant experience and a high level of insight regarding diversity & inclusion, she contributed to effective supervision of the execution of duties. In this way, she fulfilled the roles expected of an outside officer.
Director (Audit and Supervisory Committee Member) Taeko Ishii	14/15 (93%)	13/13 (100%)	In addition to offering comments and remarks at Board of Directors meetings, mainly based on her specialized perspective and high-level insight as an attorney, she contributed to the audit of the Company. At Audit and Supervisory Committee meetings, she conducted audits and provided advice based on such experience and knowledge. In this way, she fulfilled the roles expected of an outside officer.
Director (Audit and Supervisory Committee Member) Nobuyasu Iimuro	15/15 (100%)	13/13 (100%)	In addition to offering comments and remarks at Board of Directors meetings, mainly based on his specialized perspective and high-level insight as a certified public accountant, he contributed to the audit of the Company. At Audit and Supervisory Committee meetings, he conducted audits and provided advice based on such experience and knowledge. In this way, he fulfilled the roles expected of an outside officer.
Director (Audit and Supervisory Committee Member) Hiroshi Ohno	12/12 (100%)	10/10 (100%)	In addition to offering comments and remarks at Board of Directors meetings, mainly based on his specialized perspective and high-level insight as a senior manager of a trust bank, he contributed to the audit of the Company. At Audit and Supervisory Committee meetings, he conducted audits and provided advice based on such experience and knowledge. In this way, he fulfilled the roles expected of an outside officer.

(Note) As Mr. Hiroshi Ohno assumed office of Director who is an Audit and Supervisory Committee Member on June 25, 2024, attendance at the Board of Directors meetings and the Audit and Supervisory Committee meetings held after his assumption of office (12 Board of Directors meetings and 10 Audit and Supervisory Committee meetings) and the attendance rates are indicated.

4. Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC.

(2) Compensation, etc. for the Accounting Auditor

Type of compensation	Amount
1) Amount of compensation, etc. for the fiscal year under review	61 million yen
2) Total amount of monetary and other financial benefits payable by the Company and its subsidiaries	61 million yen

- (Notes) 1. The Company's Audit and Supervisory Committee has checked trends in the time taken and audit fees for each audit item, as well as the audit plan and its implementation results in the previous fiscal year, and examined the appropriateness of the estimated audit times and fees for the fiscal year under review, based on the Practical Guidelines for Cooperation with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association. As a result, it has given its consent to compensation for the Accounting Auditor as prescribed in Article 399, Paragraph 1 of the Companies Act.
2. The audit contract between the Company and the Accounting Auditor does not distinguish between the amounts of audit fees for audit based on the Companies Act and audit based on the Financial Instruments and Exchange Act. The amount shown in 1) above therefore includes compensation, etc. for the Accounting Auditor based on the Financial Instruments and Exchange Act.
3. In addition to the above, the Company paid an additional fee of 52 million yen for the audit of the previous fiscal year.

(3) Details of Non-Audit Services

None.

(4) Policy Regarding Decisions on the Dismissal and Non-reappointment of the Accounting Auditor

If any of the causes listed in Article 340, Paragraph 1 of the Companies Act is applicable to the Accounting Auditor, the Audit and Supervisory Committee will dismiss the Accounting Auditor with the consent of all Audit and Supervisory Committee Members. In this event, an Audit and Supervisory Committee Member selected by the Audit and Supervisory Committee will report on the dismissal of the Accounting Auditor and the reason for the dismissal at the first shareholders' meeting held after the dismissal.

The Audit and Supervisory Committee may also decide, by resolution, on the content of proposals concerning the dismissal or non-reappointment of the Accounting Auditor where deemed necessary in other cases, based on factors such as the independence of the Accounting Auditor or the status of its execution of duties. Based on this decision, the Board of Directors will submit this proposal to the shareholders' meeting.

5. Status of Corporate Governance

(1) Basic Views on Corporate Governance

The Company recognizes corporate governance as one of the most important management issues. The Company has established the following basic policy and is working aggressively to develop corporate governance and internal control systems in order to ensure fair and efficient shareholder-oriented management, establish highly transparent management, continuously improve corporate value, and build relationships of trust with our stakeholders.

<Basic Policy>

1) Ensuring shareholder rights and equality

- We provide shareholders with the necessary information to enable them to exercise their rights in a timely and accurate manner, and strive to create an environment for exercising voting rights.
- When shareholders attempt to exercise their rights, the Company responds in good faith in accordance with laws.

2) Cooperating appropriately with stakeholders other than shareholders

- We commit to fulfilling our obligations and responsibilities to various stakeholders through the practice of our corporate philosophy, credos, code of conduct, and other relevant policies, and to building even stronger relationships of trust with them.

3) Ensuring appropriate information disclosure and transparency

- We strive to enhance trust in the market by proactively disclosing information to shareholders and investors at the right time.
- We aim to realize transparent management by communicating smoothly with stakeholders through information disclosure.

4) Responsibilities of the Board of Directors, etc.

- We set goals for enhancing long-term corporate value based on our corporate philosophy and determine the direction of the Company that will give concrete shape to the strategies and measures designed to achieve those goals.
- We continue to appoint Outside Directors to maintain and further improve the supervisory function of Directors in the execution of their duties.

5) Dialogue with shareholders

- We seek to communicate constructively with shareholders and investors by actively providing them with information relating to the Company's financial conditions, progress on initiatives, and other similar matters not only at the shareholders' meeting but also at financial results presentation meetings and other IR activities.

(2) Overview of the Corporate Governance System

The Company has adopted the system of a company with an Audit and Supervisory Committee in order to expedite decision-making and further enhance discussion at the Board of Directors, as well as to strengthen the supervisory functions of the Board of Directors and further reinforce corporate governance through further enhanced oversight functions by having the Audit and Supervisory Committee Members responsible for auditing the execution of duties by Directors as members of the Board of Directors.

<Board of Directors>

Of the 10 members of the Company's Board of Directors, six members, the majority of the members, have been elected as Outside Directors, two of whom are female Directors. The names of the members of the Board of Directors are as stated in "Company Officers (1) Directors and Auditors" in the Business Report, and the Board of Directors is chaired by the Representative Director and President.

The Outside Directors play key roles particularly in relation to strengthening our management function based on the knowledge and experience acquired in their respective fields and strengthening the supervisory function of the Board's business execution. The Outside Directors who are members of the Nomination and Compensation Committee are appropriately involved in the Committee by reporting to the Board of Directors

in determining the compensation of officers and in nominating candidates for Director.

The Company ensures that elected Directors, including elected Outside Directors, are persons who are well-versed on the industry in which the Company operates, the Company's business, corporate function, etc. and have a considerable degree of knowledge, experience, and skills, etc. regarding corporate management. The Company believes that each of the current Directors has the background to be expected to address major management issues and makes decisions quickly and decisively, and that the Board of Directors has a well-balanced composition in view of the Company's business size, business type, etc.

The Company has a policy to elect Director candidates based on a comprehensive review from the perspective of their respective knowledge, accurate decision-making and supervision, and expectations for improving corporate value over the medium to long term.

The Board of Directors, in accordance with the internal regulations, makes decisions on basic policies regarding the Company's corporate management, important matters regarding the Company's corporate management and business execution, matters authorized by a resolution of General Meetings of Shareholders, and other matters stipulated in laws and regulations and the Company's Articles of Incorporation. The Board of Directors also receives reports on matters stipulated in laws and regulations, the status of the Company's importation business operations, etc.

<Audit and Supervisory Committee>

The Audit and Supervisory Committee has four members, including three Outside Directors, one of whom is a female Director. The names of the members of the Audit and Supervisory Committee are as stated in "Company Officers (1) Directors and Auditors" in the Business Report, and the Audit and Supervisory Committee is chaired by an Outside Director.

Outside Directors each play an important role in establishing an objective and fair audit system. The Company seeks to strengthen management accountability and improve management transparency by appointing Outside Directors. The Company believes that it has an appropriate system in place for securing the trust of shareholders, investors, and other stakeholders.

The Audit and Supervisory Committee, in accordance with the audit policy and audit plans, audits Directors' execution of their duties by regularly exchanging opinions with the Representative Directors, attending meetings of the Board of Directors and other important meetings including of meetings of various Committees, etc., collaborating with the Accounting Auditor and the Internal Audit Office, and examining the status of the operations and assets, etc.

<Nomination and Compensation Committee>

The Nomination and Compensation Committee has four members, including the Representative Director and President and three Outside Directors, and the Nomination and Compensation Committee is chaired by an Outside Director.

The Nomination and Compensation Committee is asked by the Board of Directors to provide advice regarding the determination of the compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) and the nomination of candidates for Directors. The Nomination and Compensation Committee then deliberates appropriately, with Outside Directors playing a leading role, and reports back to the Board of Directors.

The Board of Directors makes decisions on the compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) and the nomination of candidates for Directors by paying the maximum possible attention to the reports from the Nomination and Compensation Committee.

<Executive officer system and Management Council>

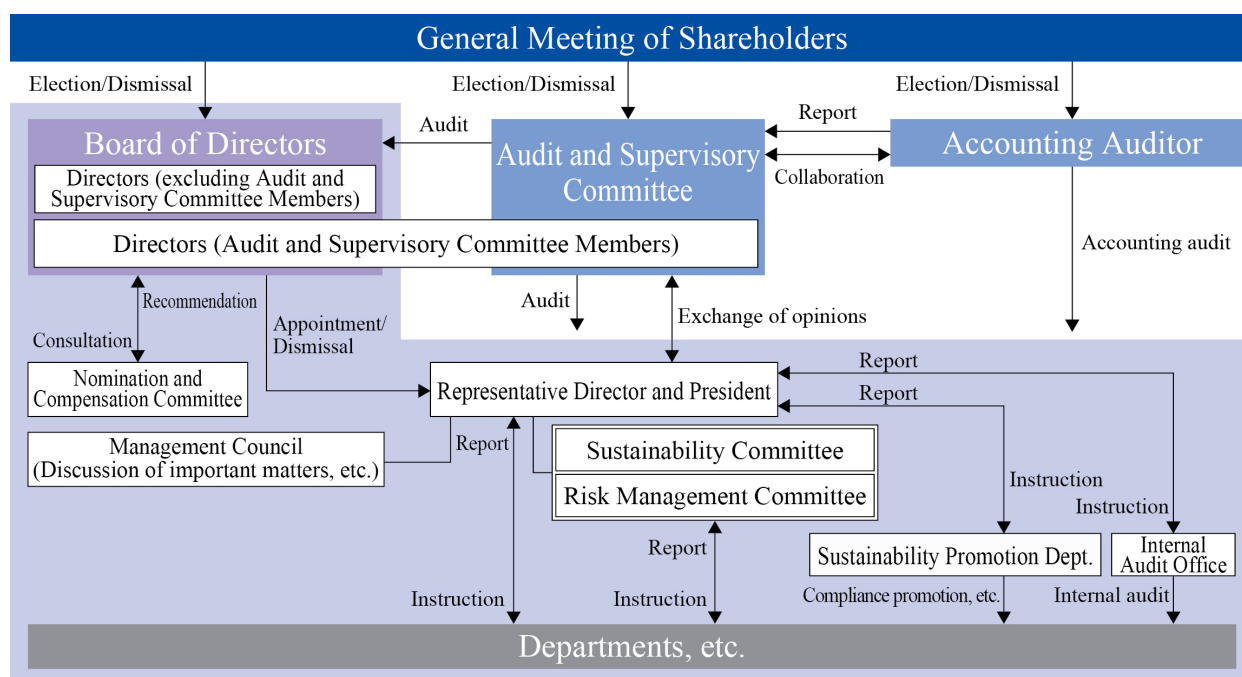
The Company has 14 Executive Officers (one of whom serves concurrently as Director). This system enables us to separate the supervisory functions of Board of Directors' decision-making and business execution from the Company's business execution functions and to establish a management system that facilitates prompt and appropriate business execution. In addition, the Company has established the Management Council, which is chaired by the Representative Director and President and mainly consists of Directors and Executive Officers, to serve as an organization for the Representative Director and President to discuss policies and plans for business execution and other important matters.

<Risk Management Committee>

The Company has established a Risk Management Committee, which is chaired by the Representative Director and President and mainly consists of Directors and Executive Officers, to appropriately manage various risks. The Committee regularly assesses risks and strives to identify and grasp problems, formulates and promotes risk response planning, and monitors the organization for risks.

<Sustainability Committee>

The Company has established a Sustainability Committee, which is chaired by the Representative Director and President and mainly consists of Directors and Executive Officers, and operates under the supervision of the Board of Directors. The Sustainability Committee formulates policies, targets and action plans for the Company's initiatives to address social issues such as those related to the environment and human resources, manages and assesses the progress against the targets, deliberates on individual measures, and regularly reports and makes recommendations to the Board of Directors.



(As of April 1, 2025)

(3) Evaluation of the Effectiveness of the Board of Directors

The Company has been analyzing and evaluating the effectiveness of the Board of Directors since fiscal 2018 with the aim of improving the functions of the Board and enhancing corporate value. The outline of that analysis is as follows:

1) Method of implementation

Implementation period: November to December 2024

Evaluation method: Self-evaluation by all officers (including Audit and Supervisory Committee Members) (10 Directors including six Outside Directors)

Key interview topics:

Operation of the Board of Directors; Composition, roles and functions of the Board; Matters discussed by the Board; Support provided to Directors; Operation of the Audit and Supervisory Committee; Operation of the Nomination and Compensation Committee; Gathering opinions on discussion topics related to corporate governance

2) Initiatives based on the evaluation results for the previous fiscal year, etc.

In the previous fiscal year, the Company implemented the following initiatives to further improve the effectiveness of the Board of Directors:

- To determine and discuss at Board of Directors meetings themes that will promote discussion on fundamental issues geared toward the next Medium-Term Management Plan.
- To explore ways to make key discussion points clearer in materials for agenda items and simplify report documents to enhance discussions at Board of Directors meetings.

3) Evaluation results

The evaluation results were positive across all officers, with comments such as “the Board maintains a well-balanced structure in terms of skills and diversity” and “the agenda setting enables prior sharing of how discussions on the Medium-Term Management Plan will proceed, showing that the Board’s operations are evolving.” Based on this, we recognize that the effectiveness of the Company’s Board of Directors is being appropriately maintained.

4) Actions based on evaluation results, etc.

The Company has decided to promote the following initiatives to further improve the effectiveness of the Board of Directors:

- The Board of Directors will regularly monitor the progress of the Medium-Term Management Plan starting in FY2025.
- Opportunities to provide information, such as updates on on-site initiatives, will be increased to enhance support for Outside Directors.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Account item	(Reference) 52nd fiscal year (As of March 31, 2024)	(Fiscal year under review) 53rd fiscal year (As of March 31, 2025)	Account item	(Reference) 52nd fiscal year (As of March 31, 2024)	(Fiscal year under review) 53rd fiscal year (As of March 31, 2025)
(Assets)			(Liabilities)		
Current assets	64,019	57,798	Current liabilities	20,199	20,445
Cash and deposits	38,838	29,922	Accounts payable - trade	6,697	7,566
Notes and accounts receivable - trade, and contract assets	22,334	23,847	Accounts payable - other	2,068	2,071
Securities	562	596	Income taxes payable	2,934	3,160
Merchandise and finished goods	548	1,130	Provision for bonuses	3,656	3,754
Work in process	277	368	Provision for bonuses for directors (and other officers)	98	72
Raw materials and supplies	67	86	Provision for loss on orders received	84	27
Other	1,423	1,869	Other	4,658	3,792
Allowance for doubtful accounts	(32)	(22)	Non-current liabilities	1,280	596
Non-current assets	20,862	22,588	Retirement benefit liability	288	254
Property, plant and equipment	4,358	4,335	Other	991	341
Buildings and structures	1,441	1,417	Total liabilities	21,479	21,042
Land	2,285	2,285	(Net assets)		
Other	631	633	Shareholders' equity	59,973	55,255
Intangible assets	6,315	5,900	Share capital	6,113	6,113
Goodwill	5,540	4,988	Capital surplus	4,992	4,992
Software	763	900	Retained earnings	57,396	48,562
Other	10	10	Treasury shares	(8,527)	(4,412)
Investments and other assets	10,189	12,353	Accumulated other comprehensive income	2,296	2,805
Investment securities	5,707	7,447	Valuation difference on available-for-sale securities	1,563	1,726
Retirement benefit asset	396	792	Foreign currency translation adjustment	70	263
Deferred tax assets	1,603	1,528	Remeasurements of defined benefit plans	662	816
Other	2,488	2,591	Non-controlling interests	1,132	1,283
Allowance for doubtful accounts	(6)	(6)	Total net assets	63,402	59,344
Total assets	84,882	80,387	Total liabilities and net assets	84,882	80,387

Consolidated Statement of Income

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

Account item	(Reference) 52nd fiscal year (April 1, 2023 to March 31, 2024)	(Fiscal year under review) 53rd fiscal year (April 1, 2024 to March 31, 2025)
Net sales	115,727	125,908
Cost of sales	90,851	97,538
Gross profit	24,876	28,370
Selling, general, and administrative expenses	12,367	13,880
Operating profit	12,508	14,489
Non-operating income		
Interest income	78	111
Dividend income	103	112
Gain on investments in investment partnerships	-	570
Surrender value of insurance policies	112	98
Other	126	145
	420	1,039
Non-operating expenses		
Interest expenses	19	6
Loss on investments in investment partnerships	20	-
Commission for purchase of treasury shares	5	16
Foreign exchange losses	36	35
Commission expenses	11	-
Other	5	13
	98	71
Ordinary profit	12,831	15,457
Extraordinary income		
Gain on sale of non-current assets	0	6
	0	6
Extraordinary losses		
Impairment losses	1,237	249
Loss on retirement of non-current assets	1	24
Loss on valuation of investment securities	-	47
Office relocation expenses	-	11
	1,238	332
Profit before income taxes	11,592	15,131
Income taxes - current	4,532	4,551
Income taxes - deferred	(346)	(89)
	4,186	4,462
Profit	7,406	10,669
Profit attributable to non-controlling interests	113	34
Profit attributable to owners of parent	7,293	10,635

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Account item	(Reference) 52nd fiscal year (As of March 31, 2024)	(Fiscal year under review) 53rd fiscal year (As of March 31, 2025)	Account item	(Reference) 52nd fiscal year (As of March 31, 2024)	(Fiscal year under review) 53rd fiscal year (As of March 31, 2025)
(Assets)			(Liabilities)		
Current assets	41,766	33,334	Current liabilities	13,010	12,853
Cash and deposits	25,513	14,940	Accounts payable - trade	4,591	4,783
Notes and accounts receivable - trade, and contract assets	15,037	16,161	Accounts payable - other	1,367	1,292
Securities	401	497	Accrued expenses	411	410
Merchandise	33	568	Income taxes payable	2,102	2,335
Work in process	128	183	Contract liabilities	166	210
Supplies	7	7	Deposits received	292	115
Advance payments to suppliers	98	137	Provision for bonuses	2,594	2,593
Prepaid expenses	432	579	Provision for bonuses for directors (and other officers)	69	39
Other	117	262	Provision for loss on orders received	54	-
Allowance for doubtful accounts	(3)	(3)	Other	1,360	1,071
Non-current assets	28,297	30,344	Non-current liabilities	1,484	644
Property, plant and equipment	3,164	3,085	Provision for retirement benefits	600	468
Buildings	992	908	Provision for loss on guarantees for subsidiaries and associates	119	-
Tools, furniture and fixtures	205	210	Provision for loss on business of subsidiaries and associates	236	-
Land	1,965	1,965	Asset retirement obligations	224	175
Intangible assets	706	851	Other	302	-
Software	705	850	Total liabilities	14,494	13,497
Other	1	1	(Net assets)		
Investments and other assets	24,426	26,407	Shareholders' equity	54,006	48,455
Investment securities	5,621	6,672	Share capital	6,113	6,113
Shares of subsidiaries and associates	15,033	15,768	Capital surplus	6,190	6,190
Investments in capital of subsidiaries and associates	327	327	Legal capital surplus	6,190	6,190
Long-term loans receivable from subsidiaries and associates	-	184	Retained earnings	50,230	40,563
Distressed receivables	1	1	Legal retained earnings	411	411
Long-term prepaid expenses	493	724	Other retained earnings	49,818	40,151
Deferred tax assets	1,825	1,689	Reserve for tax purpose reduction to promote open innovation	-	62
Other	1,131	1,045	General reserve	11,170	11,170
Allowance for doubtful accounts	(6)	(6)	Retained earnings brought forward	38,648	28,919
			Treasury shares	(8,527)	(4,412)

Account item	(Reference) 52nd fiscal year (As of March 31, 2024)	(Fiscal year under review) 53rd fiscal year (As of March 31, 2025)	Account item	(Reference) 52nd fiscal year (As of March 31, 2024)	(Fiscal year under review) 53rd fiscal year (As of March 31, 2025)
			Valuation and translation adjustments	1,563	1,726
			Valuation difference on available-for-sale securities	1,563	1,726
			Total net assets	55,570	50,181
Total assets	70,064	63,679	Total liabilities and net assets	70,064	63,679

Non-consolidated Statement of Income

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

Account item	(Reference) 52nd fiscal year (April 1, 2023 to March 31, 2024)	(Fiscal year under review) 53rd fiscal year (April 1, 2024 to March 31, 2025)
Net sales	80,744	86,263
Cost of sales	63,396	67,201
Gross profit	17,347	19,061
Selling, general, and administrative expenses	6,931	7,639
Operating profit	10,416	11,422
Non-operating income		
Interest income	4	11
Interest on securities	16	17
Dividend income	868	1,105
Gain on investments in investment partnerships	-	570
Gain on reversal of allowance for loss on guarantees of subsidiaries and associates	-	119
Reversal of business loss reserve of subsidiaries and associates	-	236
Other	49	81
	938	2,142
Non-operating expenses		
Loss on investments in investment partnerships	20	-
Commission for purchase of treasury shares	5	16
Foreign exchange losses	13	—
Other	2	4
	41	20
Ordinary profit	11,314	13,544
Extraordinary income	-	-
Extraordinary losses		
Impairment losses	-	110
Loss on retirement of non-current assets	0	3
Loss on valuation of shares of subsidiaries and associates	1,737	-
Provision for loss on guarantees for subsidiaries and associates	119	-
Provision for loss on business of subsidiaries and associates	236	-
	2,094	113
Profit before income taxes	9,220	13,430
Income taxes - current	3,499	3,597
Income taxes - deferred	(936)	30
Profit	6,657	9,802

Independent Auditor's Report
(English Translation)

May 14, 2025

To the Board of Directors
DTS CORPORATION

Ernst & Young ShinNihon LLC.
Tokyo office

Shigeru Sekiguchi
Certified Public Accountant
Designated and Engagement Partner
Saori Nakata
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of DTS CORPORATION (the "Company") for the fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the DTS Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements consist of the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other statements. The Audit and Supervisory Committee is also responsible for overseeing the directors' performance of their duties with regard to the design and implementation of the reporting process for the other statements.

Our audit opinion on the consolidated financial statements and the supplementary schedules does not include the other statements, and we express no opinion on the other statements.

Our responsibility in the audit of the consolidated financial statements and the supplementary schedules is to read the other statements carefully and, in the course of that reading, to consider whether there are material differences between the other statements and the consolidated financial statements and the supplementary

schedules or our knowledge obtained in the audit, and to pay attention to whether there is any indication of material errors in the other statements besides such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report those facts.

We have no other matters to report in respect to the other statements.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated

financial statements fairly present the transactions and accounting events on which they are based.

- Plan and conduct the audit of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which forms the basis for expressing an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision, and review of the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate inhibiting factors or apply safeguards to reduce them to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report
(English Translation)

May 14, 2025

To the Board of Directors
DTS CORPORATION

Ernst & Young ShinNihon LLC.
Tokyo office

Shigeru Sekiguchi
Certified Public Accountant
Designated and Engagement Partner
Saori Nakata
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity and the related notes, and the accompanying supplementary schedules of DTS CORPORATION (the "Company") for the 53rd fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements consist of the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of the other statements. The Audit and Supervisory Committee is also responsible for overseeing the directors' performance of their duties with regard to the design and implementation of the reporting process for the other statements.

Our audit opinion on the financial statements and the supplementary schedules does not include the other statements, and we express no opinion on the other statements.

Our responsibility in the audit of the financial statements and the supplementary schedules is to read the other statements carefully and, in the course of that reading, to consider whether there are material differences between the other statements and the financial statements and the supplementary schedules or our knowledge obtained in the audit, and to pay attention to whether there is any indication of material errors in the other statements besides such material differences.

If, based on the work we have performed, we determine that there are material errors in the other statements, we are required to report those facts.

We have no other matters to report in respect to the other statements.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate inhibiting factors or apply safeguards to reduce them to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report

(English Translation)

The Audit and Supervisory Committee has audited the Directors' performance of their duties during the 53rd fiscal year from April 1, 2024 to March 31, 2025, and hereby reports as follows in regard to the method and results of those audits:

1. Auditing Method Used by the Audit and Supervisory Committee, and Details Thereof

The Audit and Supervisory Committee has determined the audit policy and the division of duties, and in compliance with the audit policy and division of duties, has communicated with Directors, the Internal Audit Office and other employees, etc., endeavored to collect information and enhance the audit environment, and undertaken audits using the methods described below.

- 1) Audit and Supervisory Committee Members attended meetings of the Board of Directors, and other important meetings, received reports on matters related to the execution of duties from Directors, employees, etc., requested explanations as necessary, reviewed important approval documents, etc., and investigated the status of operations and assets at Head Office and important business sites. In addition, with regard to subsidiaries, Audit and Supervisory Committee Members took steps to communicate and exchange information with the Directors, Auditors, etc. of subsidiaries, and received business reports from subsidiaries as necessary.
- 2) With respect to the content of resolutions of the Board of Directors concerning the establishment of systems to ensure that the execution of duties by Directors complies with laws, regulations, and the Articles of Incorporation, and other systems that are necessary to ensure proper operations of the corporate group consisting of the Company and its subsidiaries, and the systems (internal control systems) established based on these resolutions, the Audit and Supervisory Committee regularly received reports from Directors and employees, etc., regarding the status of establishment and operation of these systems, requested explanations as necessary, and expressed opinions.
- 3) The Audit and Supervisory Committee monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, received reports from the Accounting Auditor regarding the status of the performance of its duties, and requested explanations as necessary. In addition, the Audit and Supervisory Committee received notice from the Accounting Auditor that the "system for ensuring that duties are being carried out correctly" (matters set forth in each item of Article 131 of the Regulations on Corporate Accounting) had been prepared in accordance with the "Quality Control Standards Relating to Auditing" (issued by the Business Accounting Council) and other relevant standards, and requested explanations as necessary.

Based on the above method, the Audit and Supervisory Committee reviewed the business report and its accompanying supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to non-consolidated financial statements) and the accompanying supplementary schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report, etc. and Other Relevant Documents

- 1) In our opinion, the business report and the accompanying supplementary schedules present fairly the conditions of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- 2) We have found no instances of misconduct or material violation of the applicable laws and regulations or the Articles of Incorporation with respect to performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control systems are fair and reasonable. In addition, we have found no matters requiring special mention regarding the description in the Business Report and the performance of duties by the Directors related to such internal control systems.

(2) Results of Audit of Non-consolidated Financial Statements, the Accompanying Supplementary Schedules, and the Consolidated Financial Statements

In our opinion, the method and the results of the audit performed by Ernst & Young ShinNihon LLC are fair and reasonable.

May 14, 2025

The Audit and Supervisory Committee, DTS CORPORATION

Full-time Audit and Supervisory Committee Member (Director)
Audit and Supervisory Committee Member (Outside Director)
Audit and Supervisory Committee Member (Outside Director)
Audit and Supervisory Committee Member (Outside Director)

Takao Sakamoto
Taeko Ishii
Nobuyasu Imuro
Hiroshi Ohno

End