FY 10/3
Results Presentation

DTS Corporation

http://www.dts.co.jp/

Contents

Caution

Sales and income forecasts included in this document are based on assumptions made on the basis of information currently available, including business trends, economic circumstances, clients' trends, etc., and can be affected by various uncertainties. Actual sales and income may differ materially from the forecasts.

1. FY 10/3 Results

Non-Consolidated Results

(Units: Million yen, %)	Amount	Ratio to sales (%)	YoY (%)	vs. forecast announced on Feb. 19
Net sales	33,939	-	88.5%	99.8%
Gross profit	3,969	11.7%	65.4%	104.5%
Operating income	929	2.7%	34.1%	127.3%
Recurring income	1,183	3.5%	39.6%	120.8%
Net income	683	2.0%	43.7%	117.9%

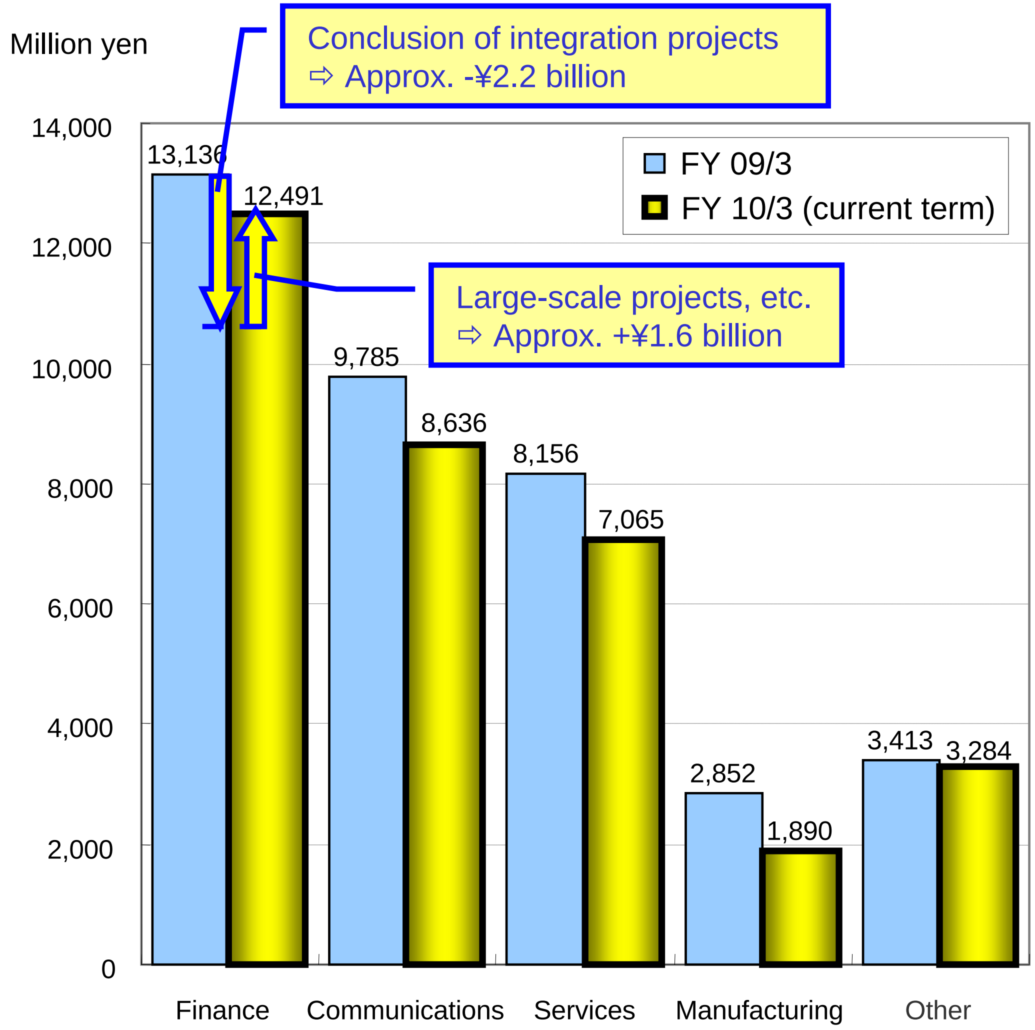
Sales by Service (non-consolidated)

With the conclusion of integration projects and reduced IT spending in response to the economic downturn, both system and operation sales declined but remained mostly in line with the plan.

(Units: Million yen, %)	Amount	Ratio to sales (%)	YoY (%)	vs. forecast announced on Feb. 19
IT Services	33,365	98.3%	89.4%	100.2%
System	22,880	67.4%	90.3%	99.9%
Operation	10,485	30.9%	87.4%	100.8%
Products	573	1.7%	57.5%	82.0%
Total	33,939	100.0%	88.5%	99.8%

Sales by End Users (non-consolidated, information services)

Finance sales improved with growth in large-scale projects.
Strong public sector sales



Finance (95.1% YoY)
- Largely attributable to the conclusion of integration projects in the year ago period
- In real terms (excluding the effect of concluding integration projects), sales were up year on year, reflecting growth in large-scale finance projects

Communications (88.3% YoY)
- Decline in certain carrier and transport projects
- Strong performance in next-generation communication network projects

Services (86.6% YoY)
- Decline given reduced IT spending from second half of last fiscal year

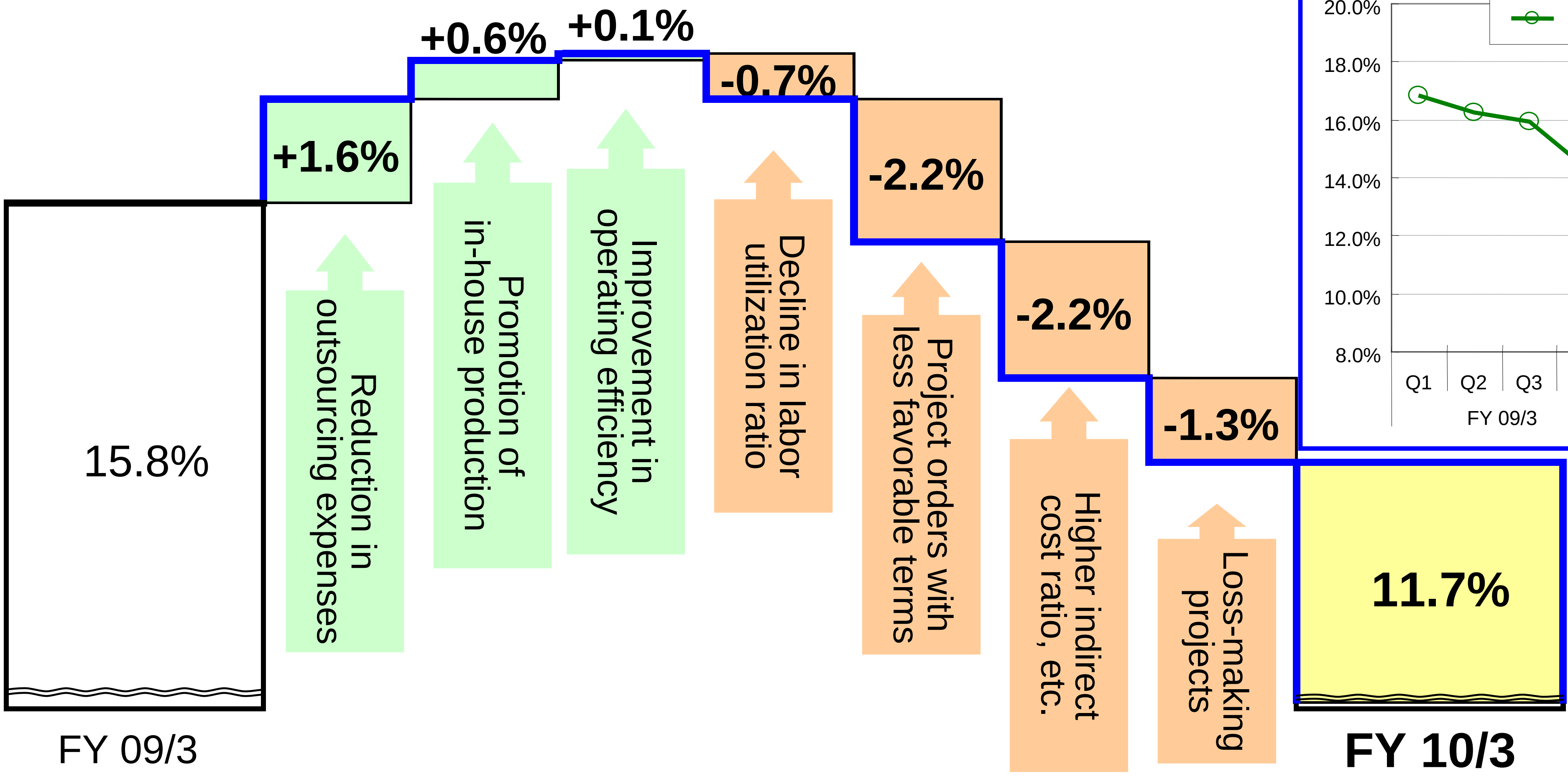
Manufacturing (66.3% YoY)
- Decline in specified customer projects

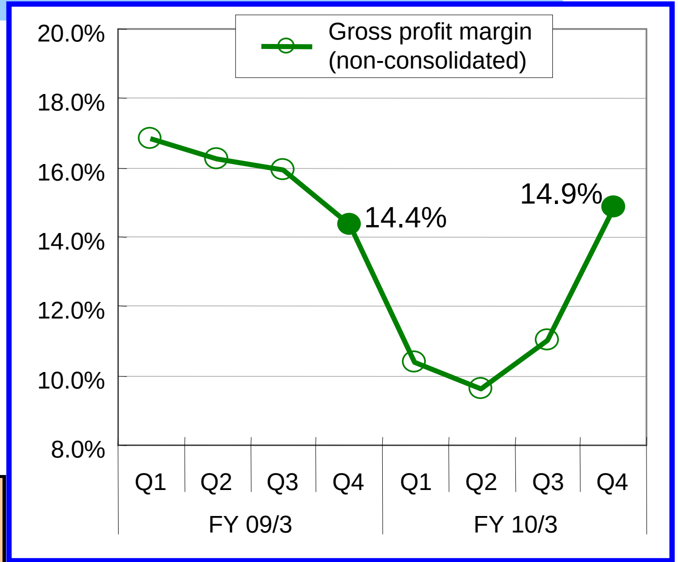
Other (96.2% YoY)
- Public sector sales up 5.7% year on year

Gross Profit (non-consolidated)

The gross margin declined on (1) less favorable contract terms, (2) higher indirect cost ratio, and (3) loss-making projects. However, it improved in the fourth quarter.

Gross profit: ¥3,969 million (65.4% YoY; 11.7% of sales (-4.1% pts YoY))





Operating Income, Recurring Income (non-consolidated)

Significant reduction in SG&A expense as a result of cost-cutting initiatives.
Strategic investment outlays conducted in line with the plan.

SG&A expenses: ¥3,040 million (91.1% YoY; 9.0% of sales (+0.3% pts YoY))

Reduction as a result of cost-cutting efforts	-¥334 million
Rise in strategic investment (new business, etc.)	+¥37 million

Operating income: ¥929 million (34.1% YoY; 2.7% of sales (-4.4% pts YoY))

Non-operating income: ¥254 million (98.2% YoY; 0.8% of sales (+0.1% pts YoY))

Recurring income: ¥1,183 million (39.6% YoY; 3.5% of sales (-4.3% pts YoY))

Net income: ¥683 million (43.7% YoY; 2.0% of sales (-2.1% pts YoY))

Consolidated Results

(Units: Million yen, %)	Amount	Ratio to sales (%)	YoY (%)	vs. forecast announced on Feb. 19
Net sales	52,503	-	87.5%	101.0%
Gross profit	6,735	12.8%	69.7%	103.6%
Operating income	1,170	2.2%	33.6%	136.1%
Recurring income	1,364	2.6%	38.0%	128.7%
Net income	278	0.5%	18.4%	278.3%

- SG&A expenses: ¥5,564 million (90.0% YoY; 10.6% of sales)
- Extraordinary loss: ¥314 million (in Q2: adjustment for unrealized profits on intra-group transactions from prior years, etc.)

Group Company Results

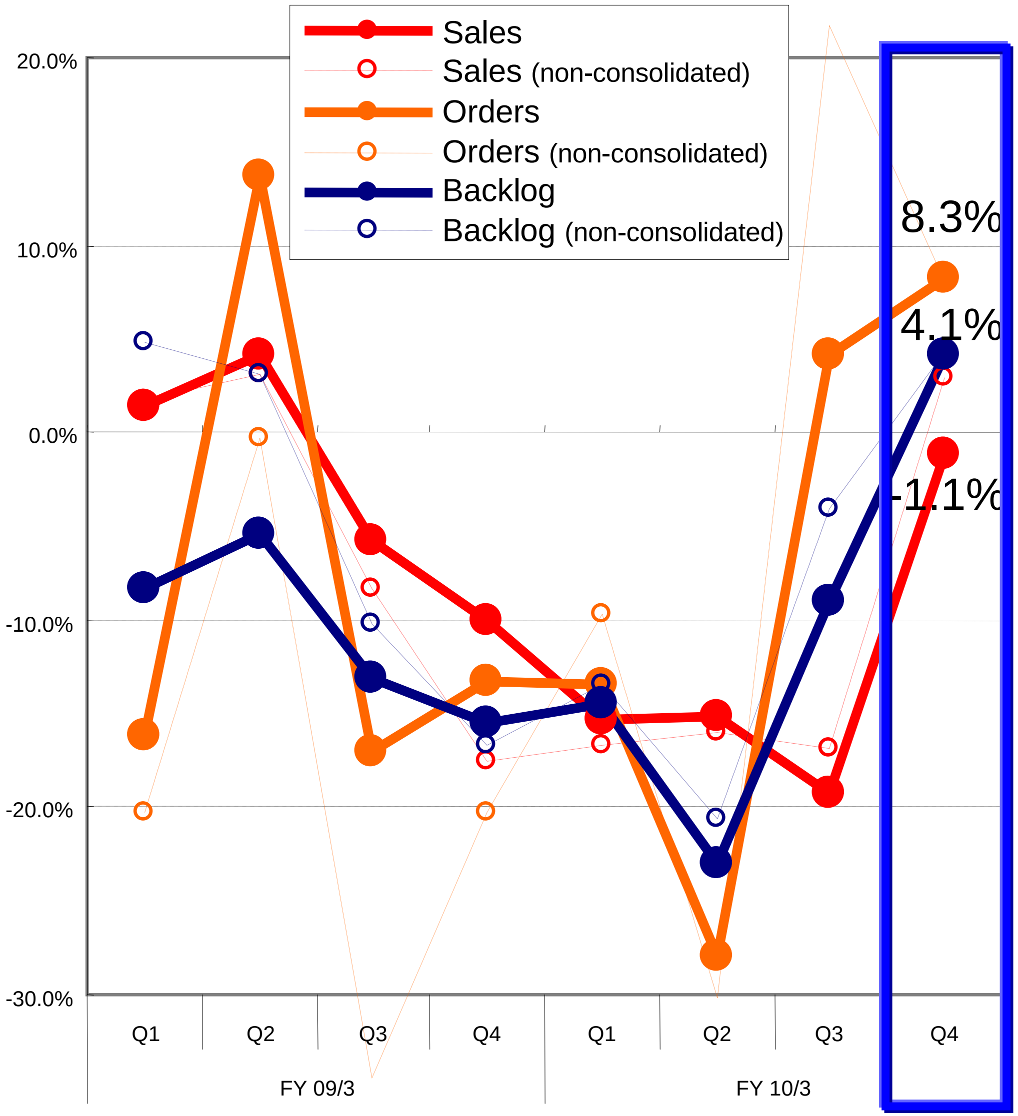
(Units: Million yen, %)

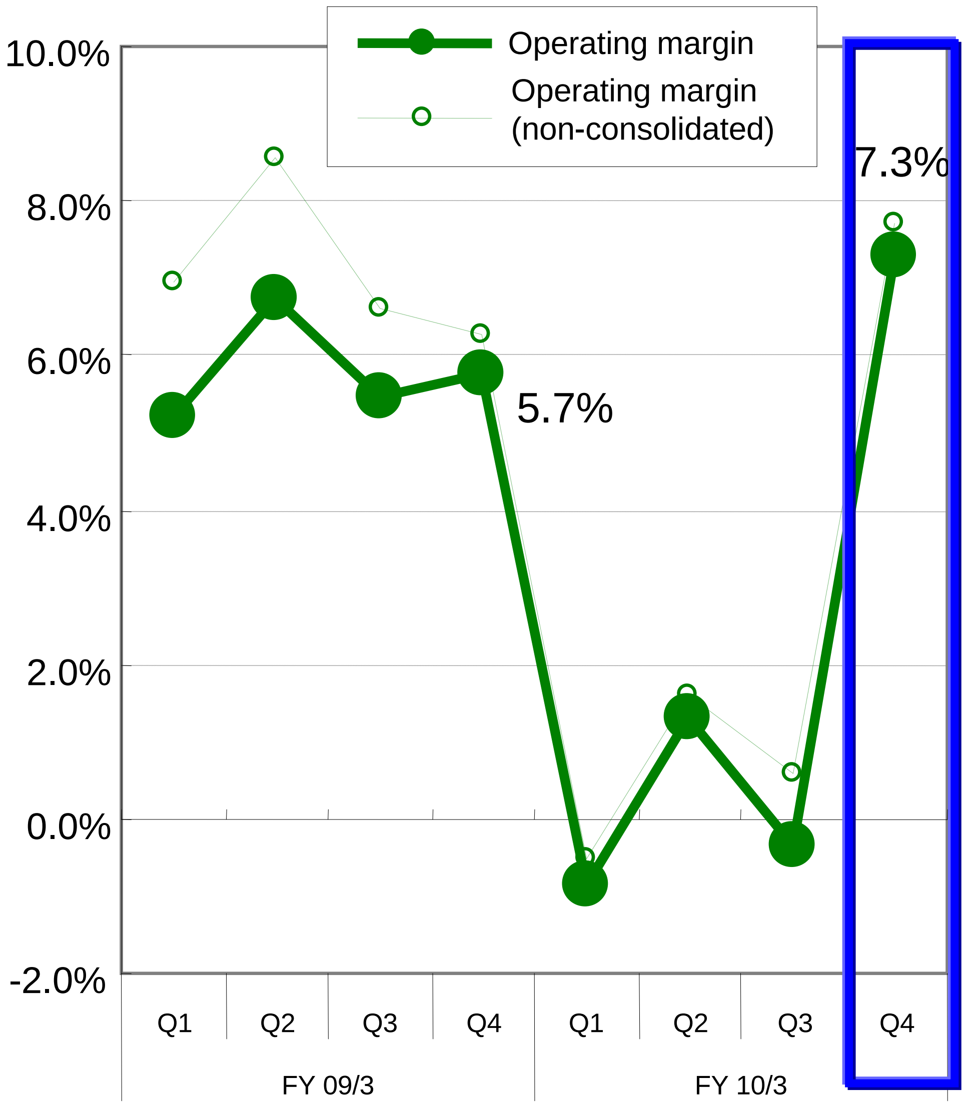
Company name	Sales		Operating income		
	Amount	YoY (%)	Amount	Ratio to sales (%)	YoY (%)
DATA LINKS Corporation	8,757	98.4%	323	3.7%	82.7%
JAPAN SYSTEMS ENGINEERING Corporation	5,062	83.7%	-244	-4.8%	[-111]
			Excluding goodwill *210*	*4.2%*	*65.3%*
FAITEC Corporation	4,636	83.7%	391	8.4%	67.4%
SOUGOU SYSTEM SERVICE Corporation	1,033	73.3%	-8	-0.9%	[-170]
KYUSHU DTS Corporation	1,026	86.0%	36	3.6%	73.4%
DIGITAL TECHNOLOGIES Corporation * For one month only	649	-	65	10.0%	-
MIRUCA Corporation	399	101.5%	30	7.7%	38.8%
ASTERISK INC.	98	138.9%	-21	-22.1%	[+ 33]

Notes: Figures for each company are on a non-consolidated basis, so the total does not equal consolidated figures.
Figures in brackets represent FY 10/3 amount minus FY 09/3 amount.

(Ref.) Trends in Quarterly Results

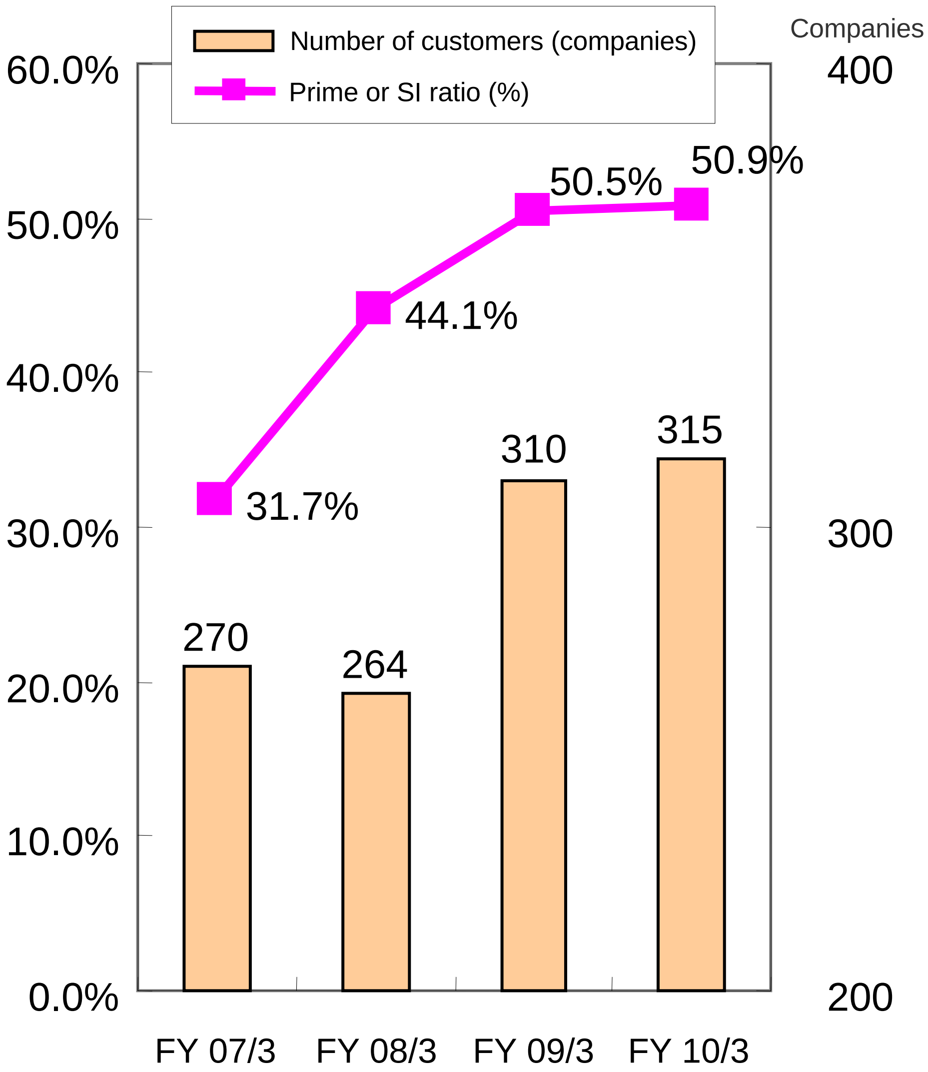
Sales and the profit margin recovered in the fourth quarter.

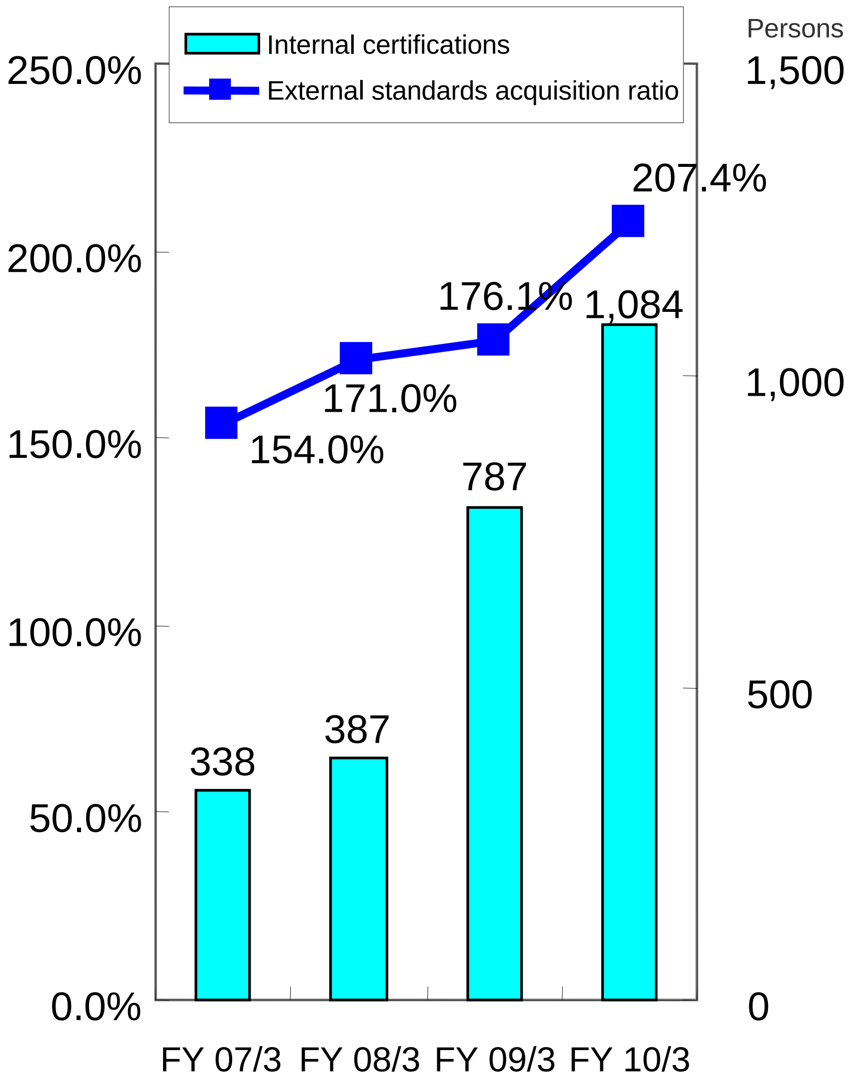




Measures for Growth

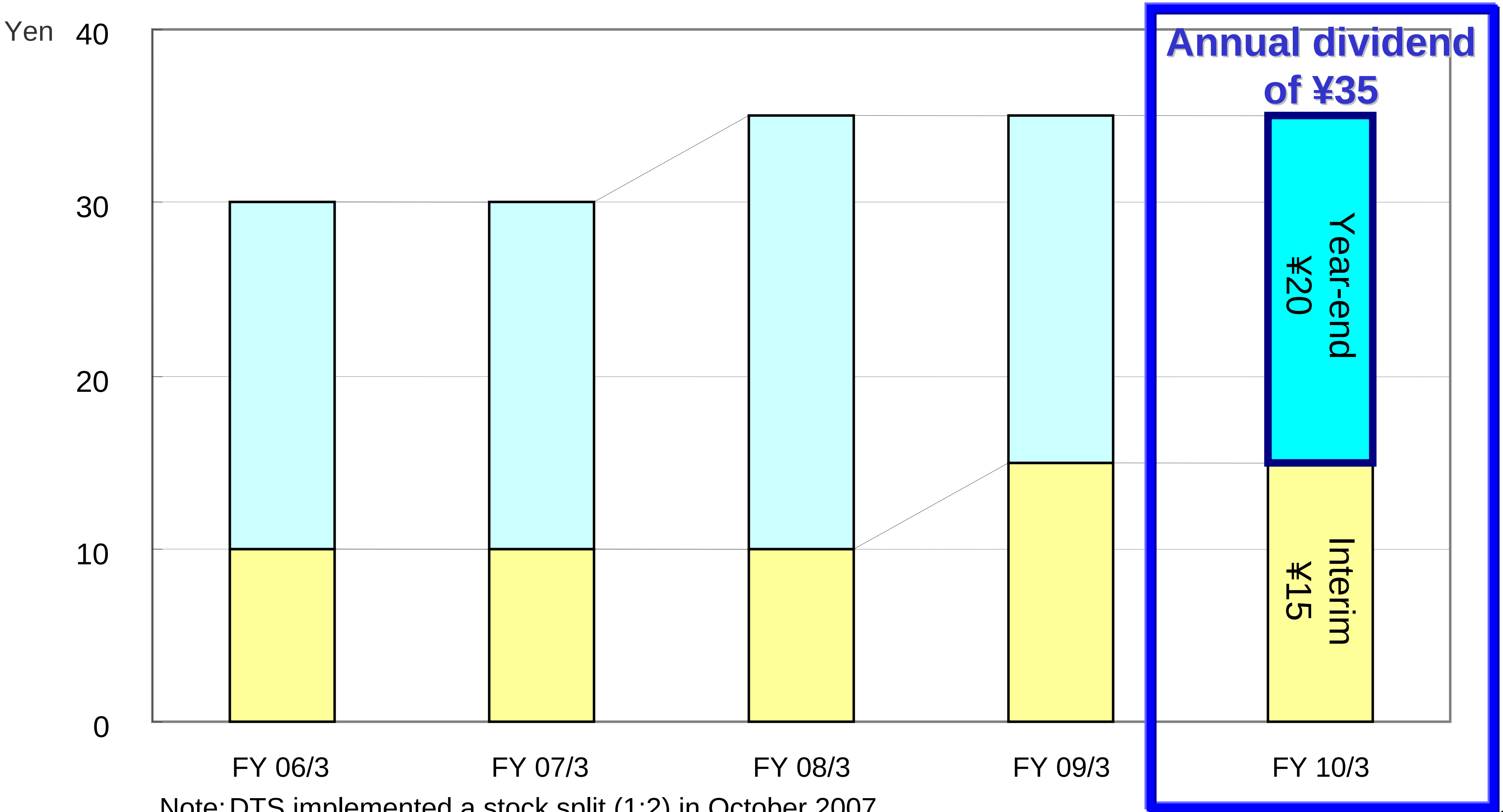
Maintenance of prime or SI orders and
steady development of human resources





Dividends

Dividend payment of ¥35 per share
(unchanged from previous year)



Note: DTS implemented a stock split (1:2) in October 2007.
Previous dividend amounts have been adjusted retroactively.

2. Comprehensive Medium-Term Plan

(April 2010 - March 2013)

The Group Operating Environment

Low economic growth
Careful IT investment

Change in the industry structure (including M&A, alliances, and offshoring)

New technologies and new services (including cloud computing)

Review of the execution of the previous medium-term plan

- Changes in customer attitudes to investment
  - Increasing awareness of strategic investment
  - Shifting to offshoring (cutting costs)
  - Responding to globalization
  - Use of outside IT assets (from ownership to use)

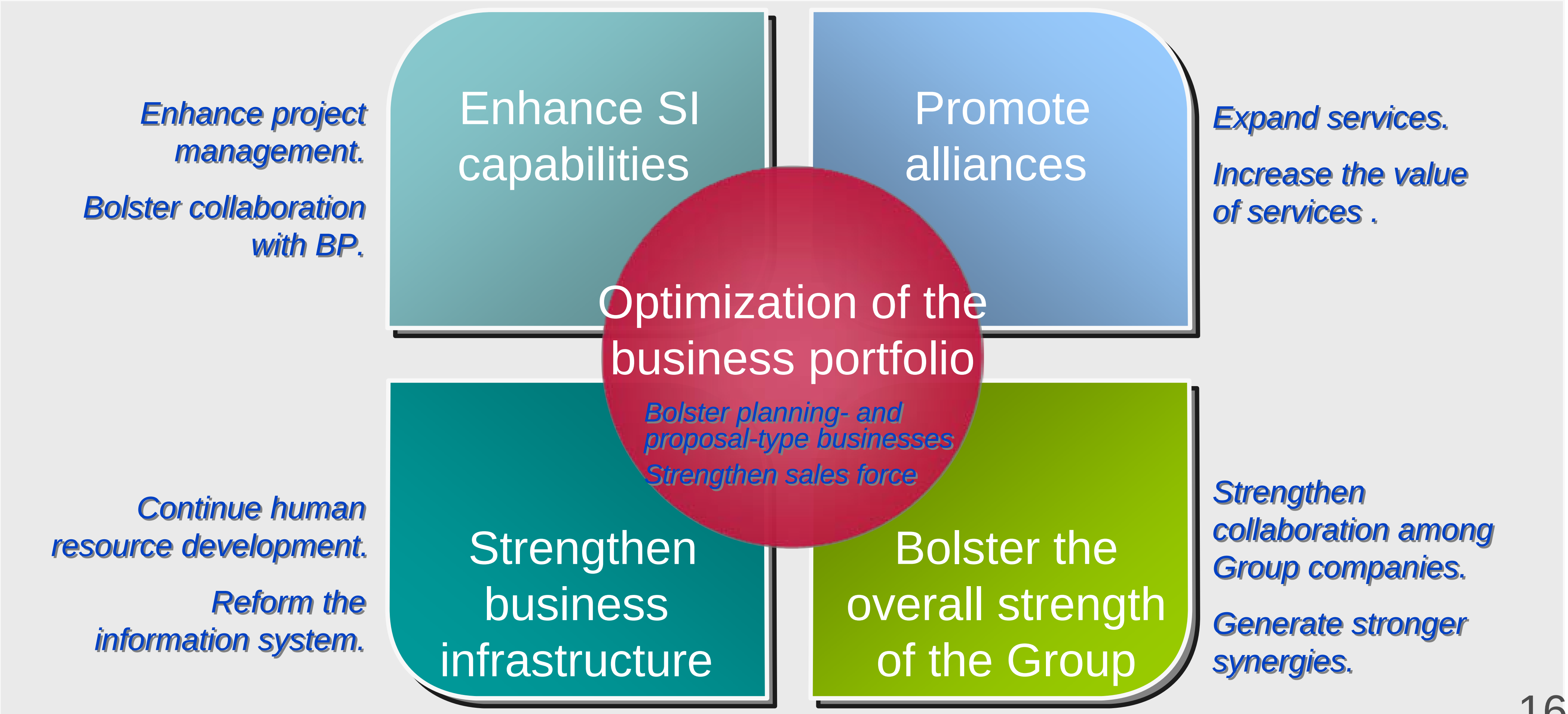
Starting a new medium-term management plan in response to changes in the business environment

- Achieved CMMI level 3
- Workforce developed
  - An increasing number of employees acquired internal certifications and external standards.
- Enhanced the ability to build IT infrastructure
  - Cooperation with Digital Technologies Corporation
- Undertook major development projects
  (Problem: some underperforming projects)

Overview of the Comprehensive Medium-Term Plan

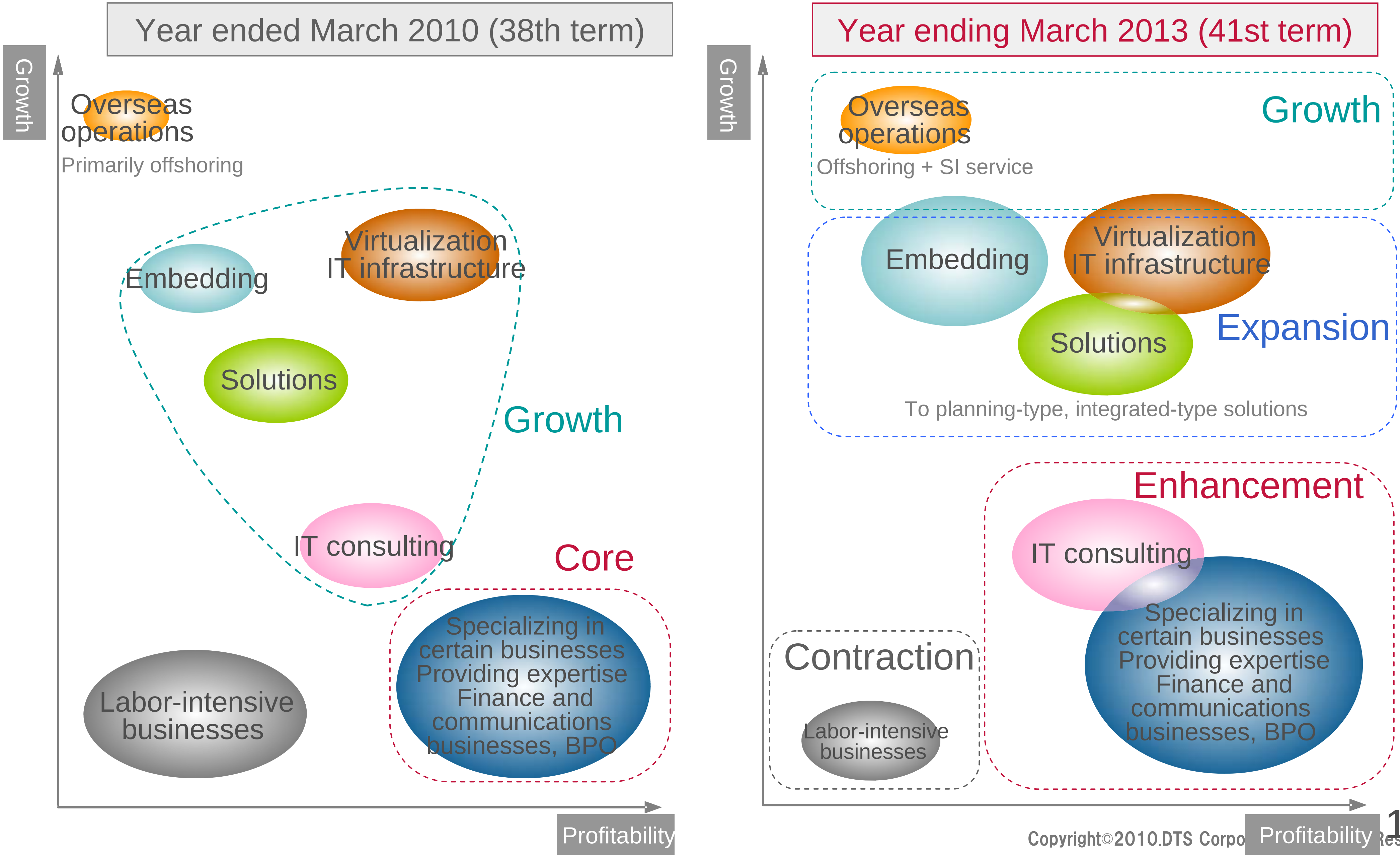
Medium-term management vision: “Value solution provider”

- Build relationships that benefit both customers and the Company.
- Provide high-value added services efficiently.
- Bolster planning- and proposal-type business.



Optimization of the Business Portfolio (Refining the Focus)

- Shift management resources to growth fields and high-value added fields in stages.



Optimization of the Business Portfolio (Priority Businesses)

Aim to become a leading independent service provider.

Embedding

Make embedding one of the pillars of the Company's businesses

Bolster the business in the Kansai, Kanto, and Chukyo areas.
Expand the business not only in the home appliance, mobile phone, and smart phone fields but also in the healthcare, environment and automobile fields.

For communications

Aim to further expand market share, using business expertise and control technology, where the Company excels.

(Enhancing home ICT/OSGi)

For financial business

Focus on the banking and life insurance businesses and expand market share also in the credit card, nonlife insurance, and securities businesses.

Planning-type solutions

Bolster the planning-type business.

- Packages
  - ⇨ Further expanding functions, cloud computing, and overseas operations
    - *Housing (WIH)*
    - *BI(DaTaStudio@WEB)*
    - *Groupware (Bizca)*
- Global operations
  - ⇨ Help customers make inroads into China.

IT consulting

- Provide consulting about the use of IT for overcoming management and business challenges.

IT infrastructure

- Enhance ReSM (remote observation) service.
- Deal with hybrid cloud computing.

BPO

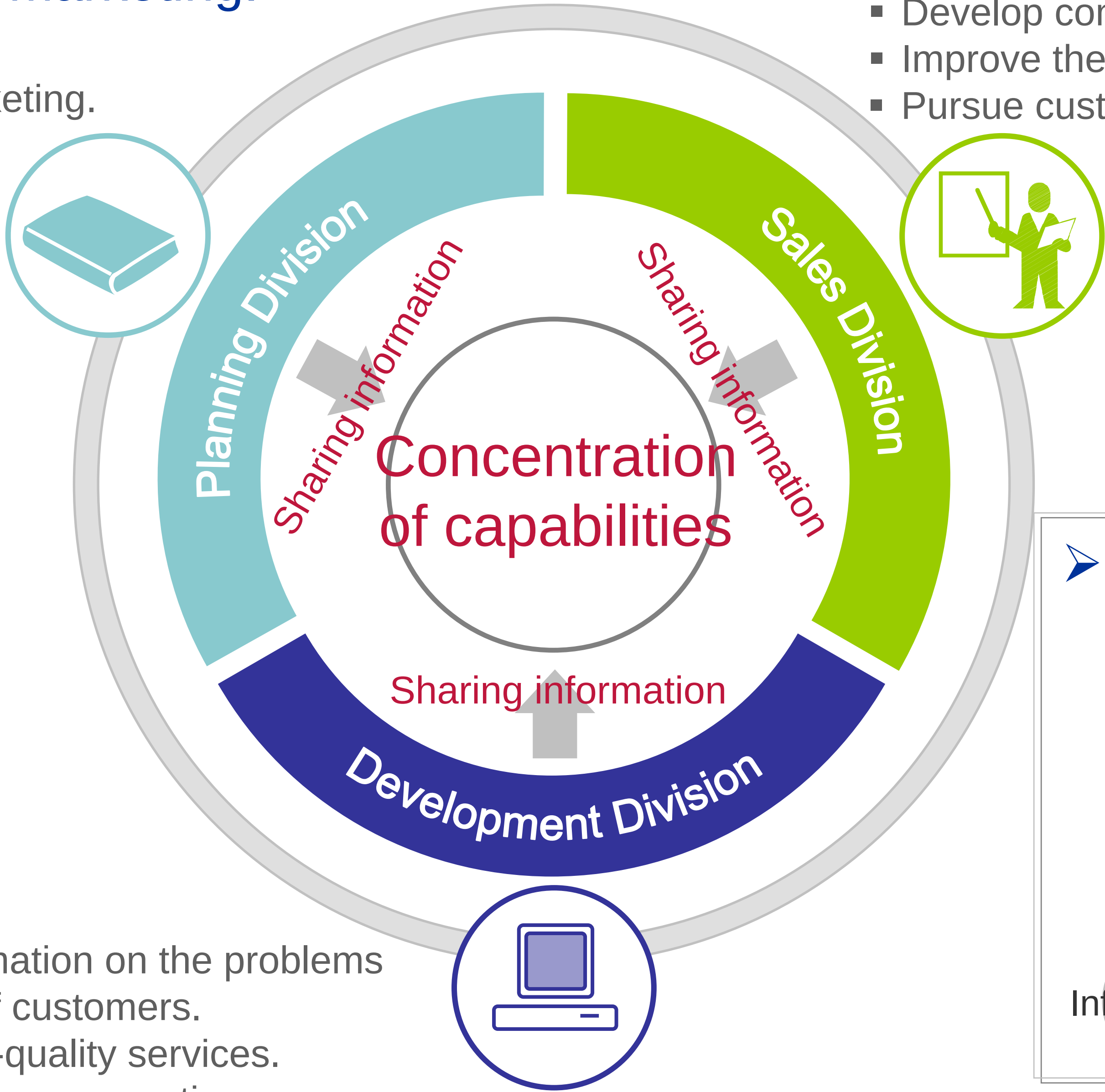
- IT outsourcing (e.g. service desk)
- Business outsourcing (e.g. pension business)

Optimization of the Business Portfolio
(Strengthening the Sales Force)

➢ Aim to improve service quality and customer satisfaction with the integration of production and marketing.

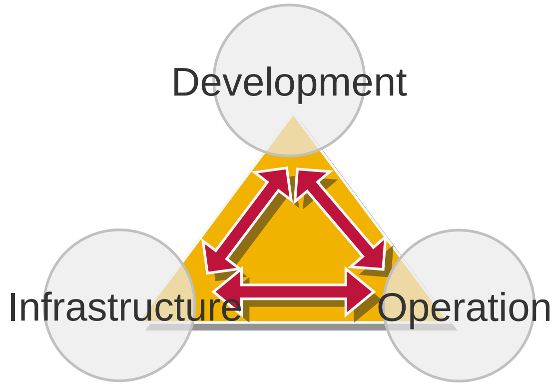
- Bolster strategic marketing.
- Plan IT solutions.

- Develop comprehensive account plans.
- Improve the ability to make proposals.
- Pursue customer-oriented business.



- Obtain information on the problems and needs of customers.
- Provide high-quality services.
- Provide business expertise.

➢ Strengthen cooperation among divisions.



Optimization of the Business Portfolio (Global Operations)

➢ Focus on global operations; expand operations particularly in China.

Expanding operations in China

Strengthen structure for offshore development.

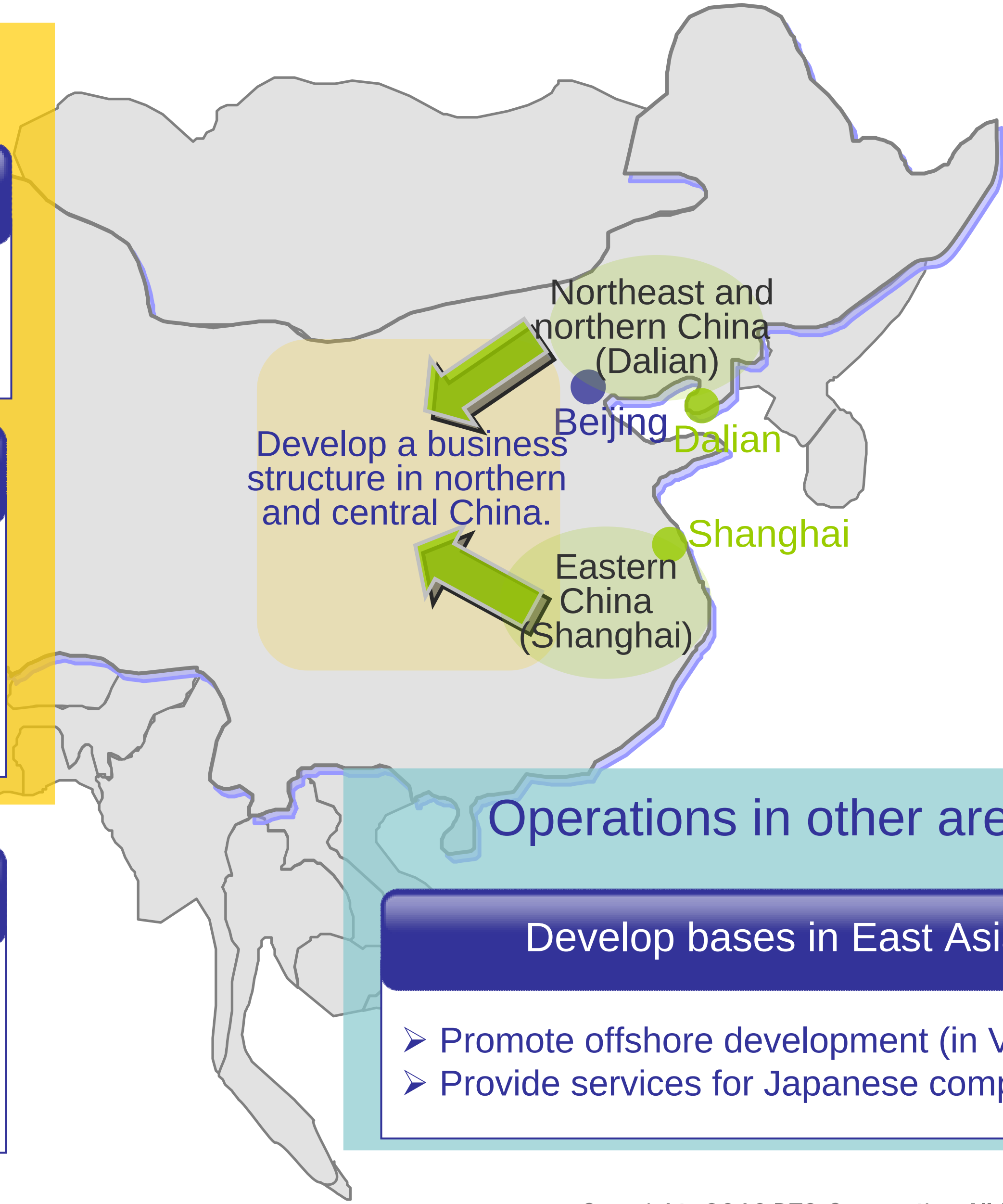
- Strengthen the structure in China.
  - Start local hiring.
  - Expand operations to inland provinces.

Provide SI services in China.

- Services for Japanese companies (financial, distribution and retail businesses)
  - Consulting, development, and BPO
  - Business alliances
- Services for Chinese companies

Step up training of employees for global operations.

- Dispatch trainees to overseas companies
- Increase the workforce at overseas offices
- Enhance language and communication training



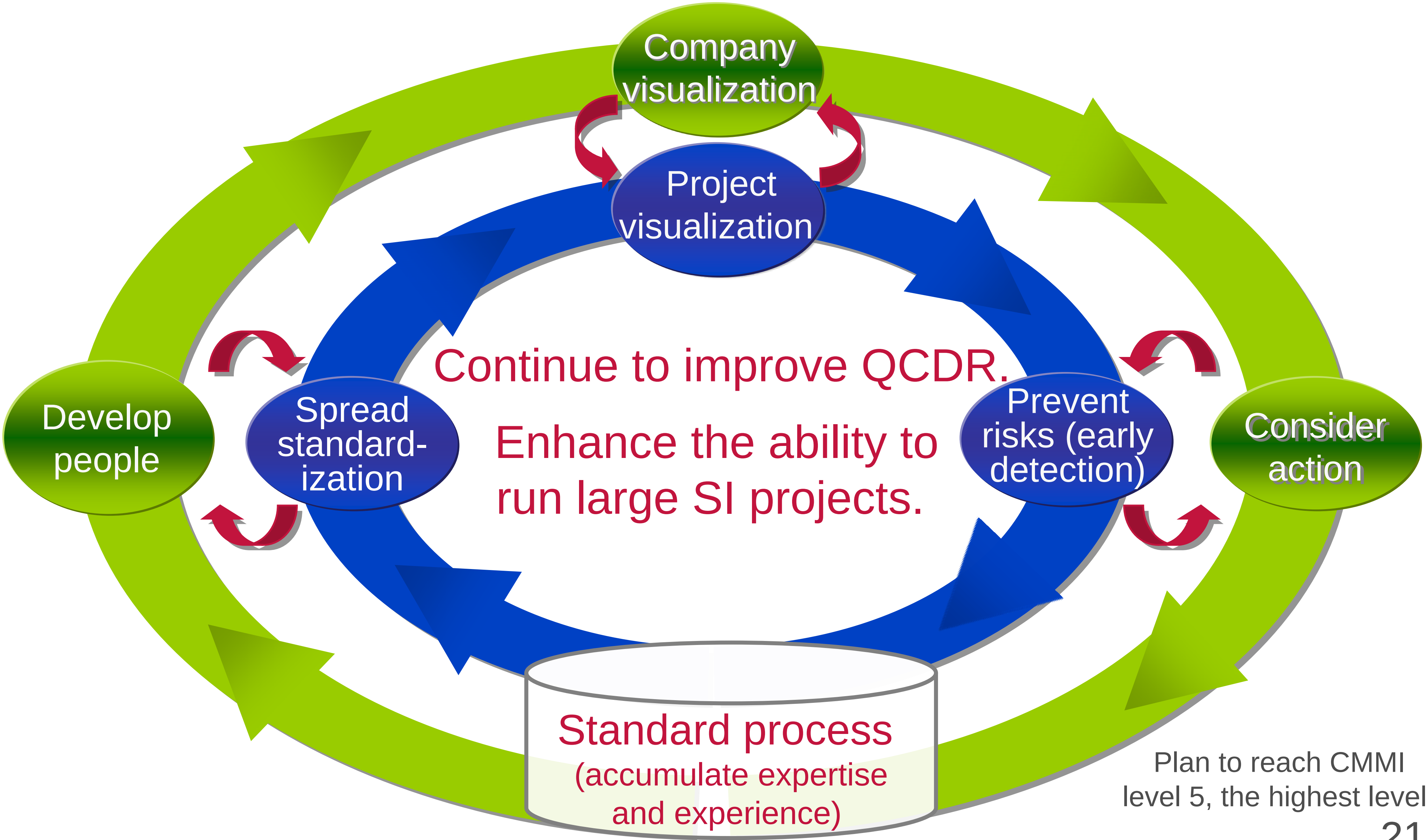
Operations in other areas

Develop bases in East Asia.

- Promote offshore development (in Vietnam)
- Provide services for Japanese companies

Enhancing SI Capabilities (Project Management)

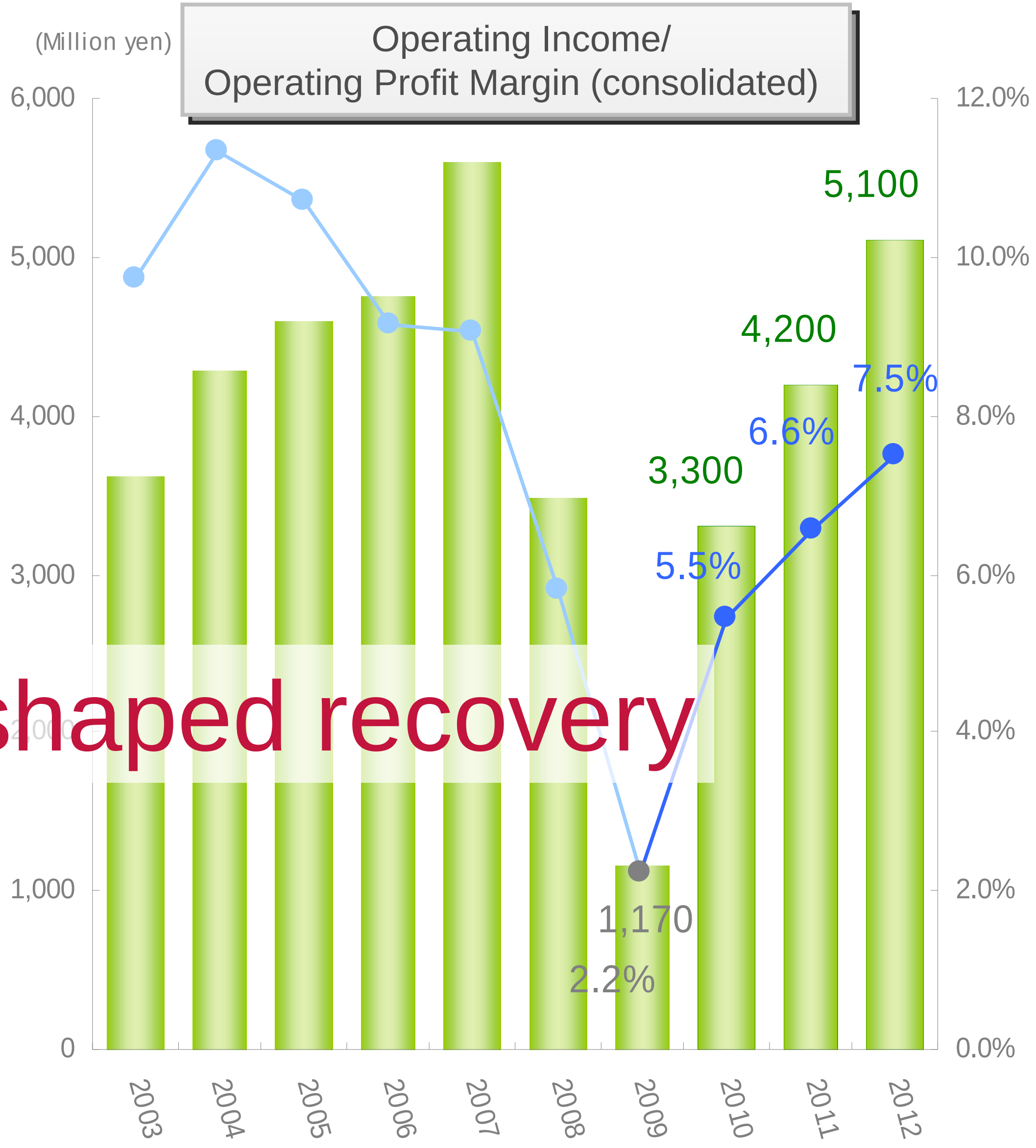
➢ Aim to expand large-scale SI projects by enhancing management capabilities.



Plan to reach CMMI level 5, the highest level.

Targets

- ➢ Aim for sales of 70 billion yen in the comprehensive medium-term plan.
- ➢ Establish the operating foundations to become a 100 billion yen player.



Achieve a V-shaped recovery

3. FY 11/3 Forecast

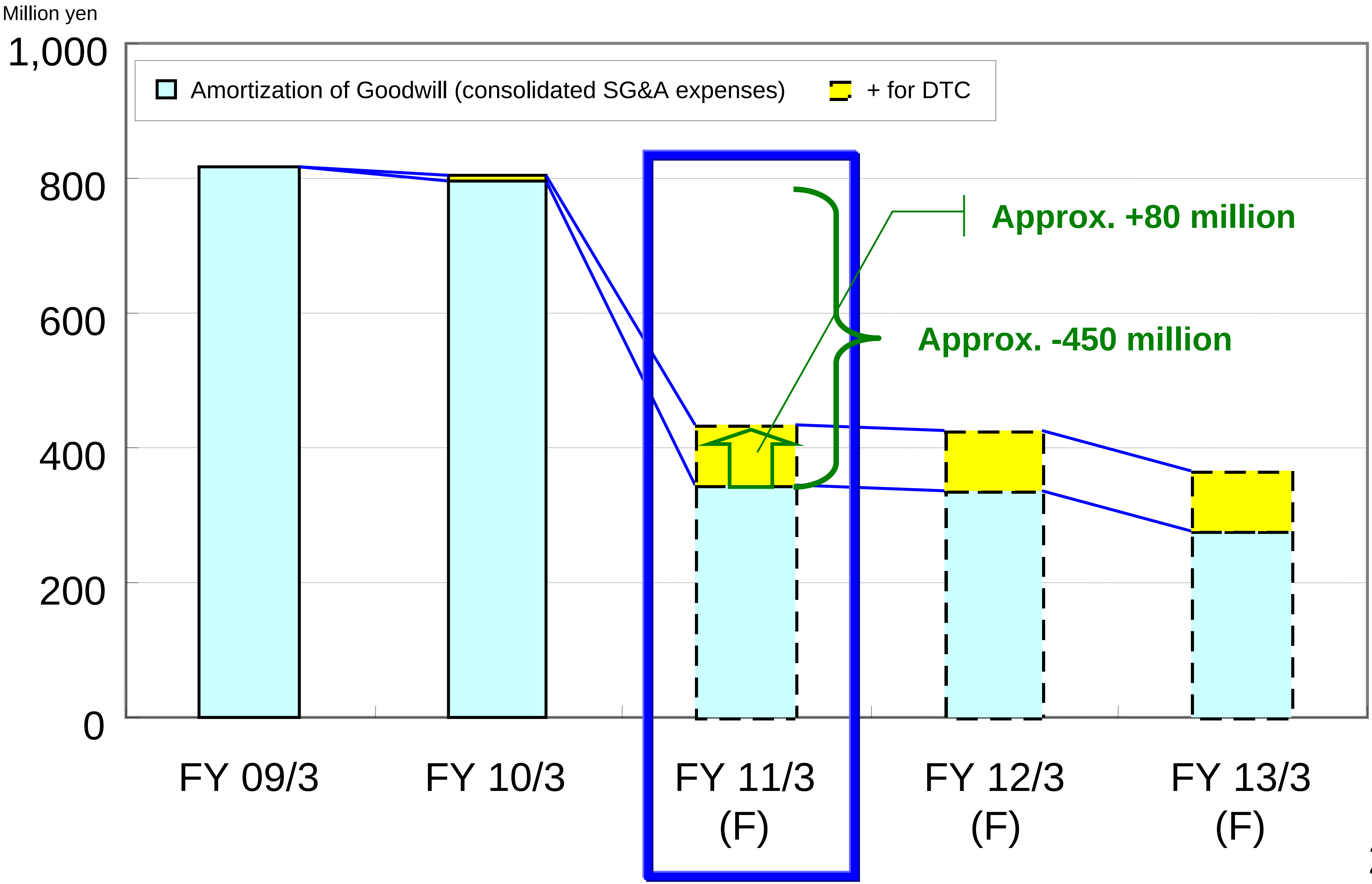
Full Year Forecast (consolidated/non-consolidated)

(Units: Million yen, %)

	Non-consolidated Amount	Non-consolidated Ratio to sales (%)	Non-consolidated YoY (%)	Consolidated Amount	Consolidated Ratio to sales (%)	Consolidated YoY (%)	Consolidated/ non-consolidated ratio
Net sales	36,000	-	106.1%	60,500	-	115.2%	1.68 times
Gross profit	5,500	15.3%	138.5%	9,500	15.7%	141.0%	1.73 times
Operating income	2,300	6.4%	247.5%	3,300	5.5%	282.0%	1.43 times
Recurring income	2,450	6.8%	207.0%	3,400	5.6%	249.1%	1.39 times
Net income	1,400	3.9%	204.7%	2,200	3.6%	790.6%	1.57 times

Consolidated SG&A expenses: ¥6,200 million (111.4% YoY; 10.2% of sales (-0.4% pts YoY))
* Of which, amortization of goodwill ¥432 million (* See next page.)

(Ref.) Trends in Amortization of Goodwill



Full Year Forecast for Group Companies

(Units: Million yen, %)

Company name	Sales		Operating income		
	Amount	YoY (%)	Amount	Ratio to sales (%)	YoY (%)
DATA LINKS Corporation	8,000	91.4%	201	2.5%	62.4%
DIGITAL TECHNOLOGY Corporation Consolidated for one month only in the previous fiscal year	6,640	-	117	1.8%	-
JAPAN SYSTEMS ENGINEERING Corporation	4,913	97.0%	346	7.1%	[+590]
FAITEC Corporation	4,900	105.7%	400	8.2%	102.3%
SOUGOU SYSTEM SERVICE Corporation	1,300	125.7%	97	7.5%	[+106]
KYUSHU DTS Corporation	1,100	107.2%	50	4.5%	136.9%
MIRUCA Corporation	408	102.1%	11	2.7%	35.7%
ASTERISK INC.	150	153.2%	2	1.9%	[+24]

Notes: Figures for each company are on a non-consolidated basis, so the total does not equal consolidated figures.
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Dividend Forecast

Forecast dividend payment of ¥35 per share
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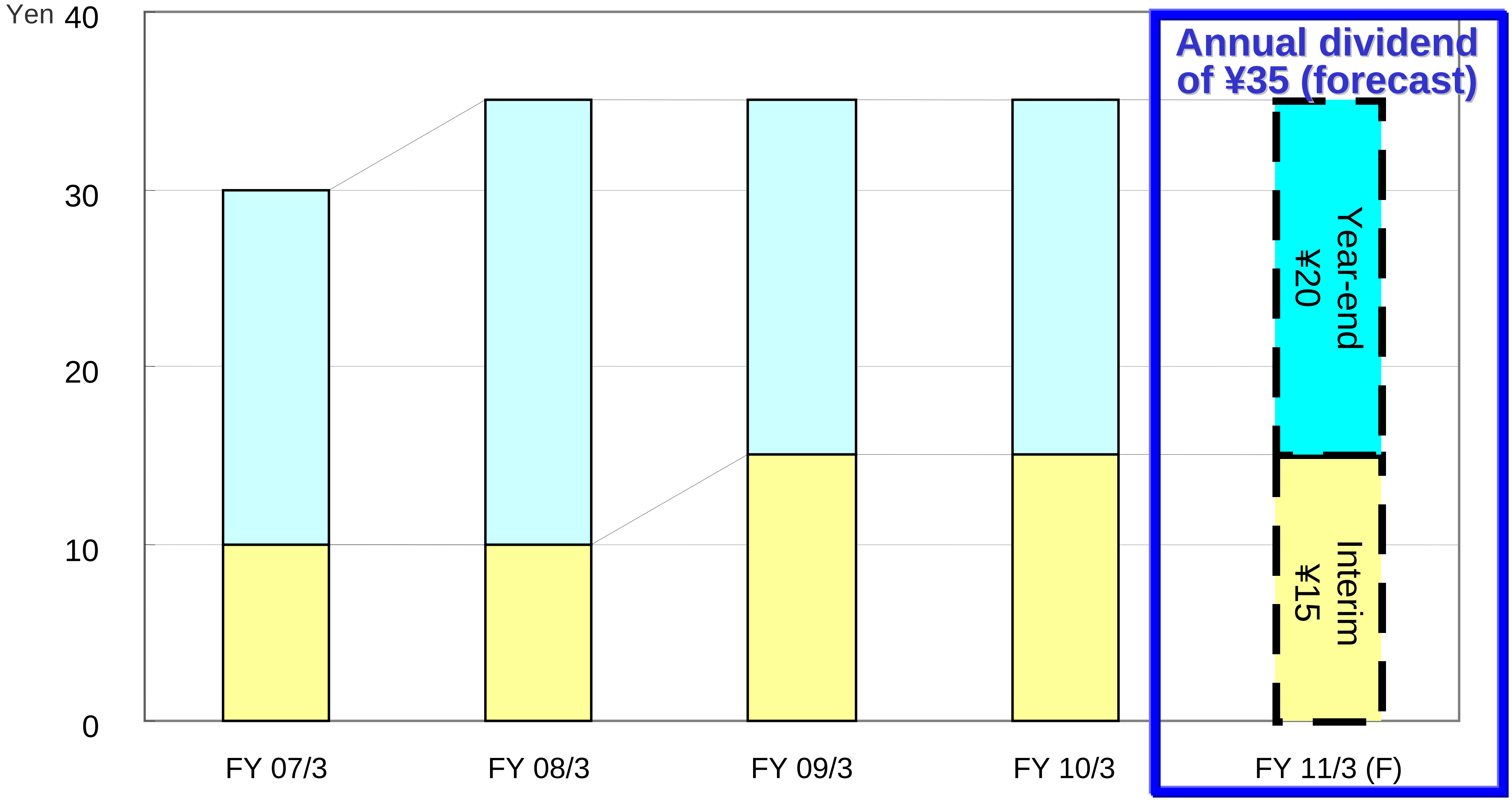

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