FY 17/3
Results Presentation

May 11, 2017

株式会社 DTS

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 17/3 Results

Factors of Change from FY 16/3

- Posted a decrease in extraordinary losses of ¥1.2 billion in FY 16/3 (fourth quarter), due to withdrawal from the information service industry welfare pension fund from the previous year.

- Posted a decrease in extraordinary profits of ¥1.1 billion and extraordinary losses of ¥0.5 billion in FY 16/3 (first quarter), due to sales of land and buildings, including headquarters, from the previous year.

- Results at SOUGOU SYSTEM SERVICE CORPORATION for three months from January to March 2015 were included in the consolidated results in the previous consolidated fiscal year due to a change in the company's fiscal year-end in the fiscal year ended March 31, 2016 (from December to March). Given the change, net sales in the first quarter declined approximately ¥0.5 billion.

- Posted an extraordinary profit of ¥160 million (in the first quarter), due to the transfer of part of the staffing business of DATALINKS CORPORATION in April 2016. Sales in the staffing business declined ¥2.1 billion year on year (full year).

- Posted additional contribution of approximately ¥0.22 billion as extraordinary losses, due to withdrawal from the information service industry welfare pension fund of KYUSHU DTS CORPORATION and DTS WEST CORPORATION in December 2016 and ART System Co., Ltd. in March 2017.

Consolidated Results

Despite strong performance in the life insurance and solution businesses, net sales declined ¥2,670 million year on year, chiefly reflecting the peaking of large-scale integration projects at banks, the transfer of part of the staffing business and a change in the fiscal year-end of SOUGOU SYSTEM SERVICE CORPORATION.
The operating margin increased 0.8 points year on year. Operating income, recurring income and profit attributable to owners of parent hit a record high for the third consecutive year.

(Units: 100 million yen, %)	Results	Ratio to sales (%)		Year on year		Compared to initial forecast
Net sales	798.5	–		-26.7	96.8%	102.4%
Gross profit	158.4	19.8%	(+1.7pt)	+8.5	105.7%	104.9%
SG&A expenses	78.5	9.8%	(+0.9pt)	+4.7	106.4%	97.0%
Operating income	79.8	10.0%	(+0.8pt)	+3.8	105.1%	114.1%
Recurring income	80.9	10.1%	(+0.8pt)	+3.8	105.0%	114.0%
Profit attributable to owners of parent	51.2	6.4%	(+1.2pt)	+7.7	118.0%	113.8%

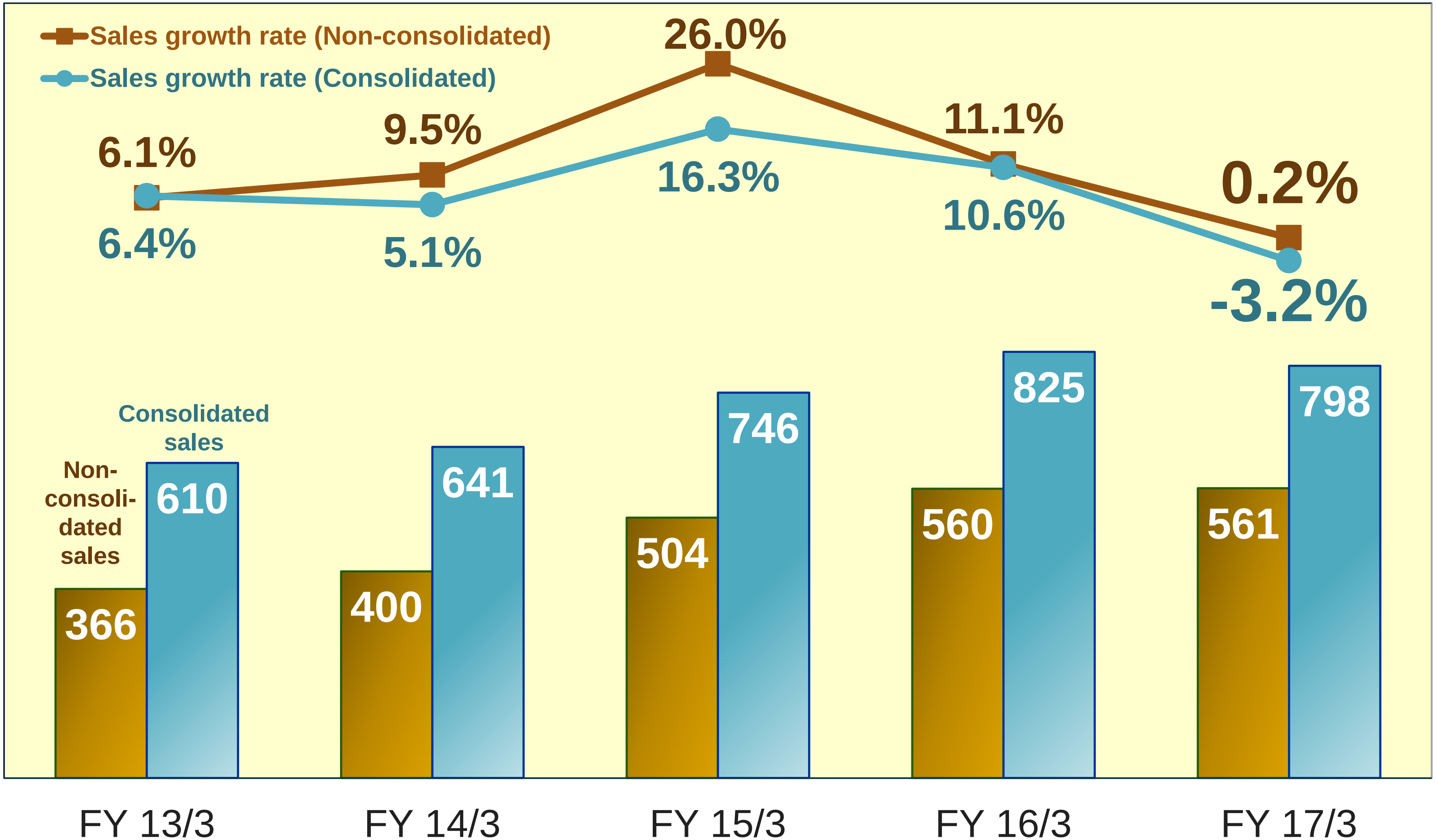
Non-Consolidated Results for FY 17/3

Net sales increased due to a sales increase in projects for banks, life insurance, trusts, local governments and ERP projects year on year, offsetting the decline in large-scale integration projects.
Operating income increased ¥630 million year on year and hit a record high. The operating income margin also rose by 1.1 points. This was mainly due to an improvement in the cost-to-sales ratio, as a result of tighter project management and enhanced productivity, among other factors, despite an increase in SG&A expenses associated with the strengthening of the sales structure and tax revisions.

(Units: 100 million yen, %)	Results	Ratio to sales (%)		Year on year		Compared to initial forecast
Net sales	561.9	–		+1.2	100.2%	104.1%
Gross profit	111.2	19.8%	(+1.6pt)	+8.9	108.8%	105.5%
SG&A expenses	42.4	7.6%	(+0.5pt)	+2.6	106.7%	90.3%
Operating income	68.8	12.2%	(+1.1pt)	+6.3	110.1%	117.7%
Recurring income	71.3	12.7%	(+1.3pt)	+7.5	111.8%	119.8%
Net income	49.3	8.8%	(+2.0pt)	+11.2	129.5%	123.4%

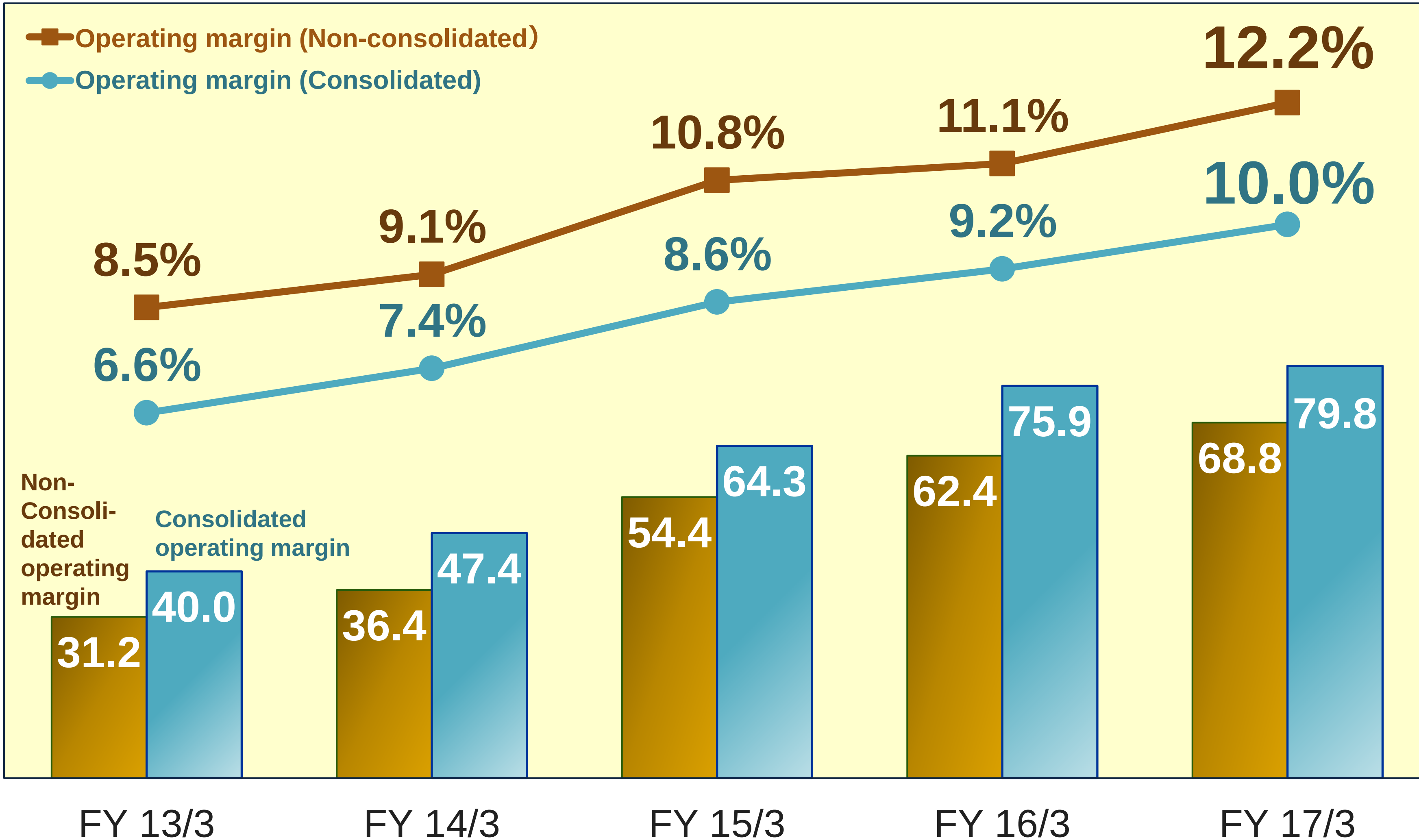
Changes in Net Sales [Consolidated/Non-Consolidated]

Consolidated sales, which had been increasing for the fourth consecutive year, decreased in the fiscal year under review.
Non-consolidated sales continued to increase for the fifth consecutive year.



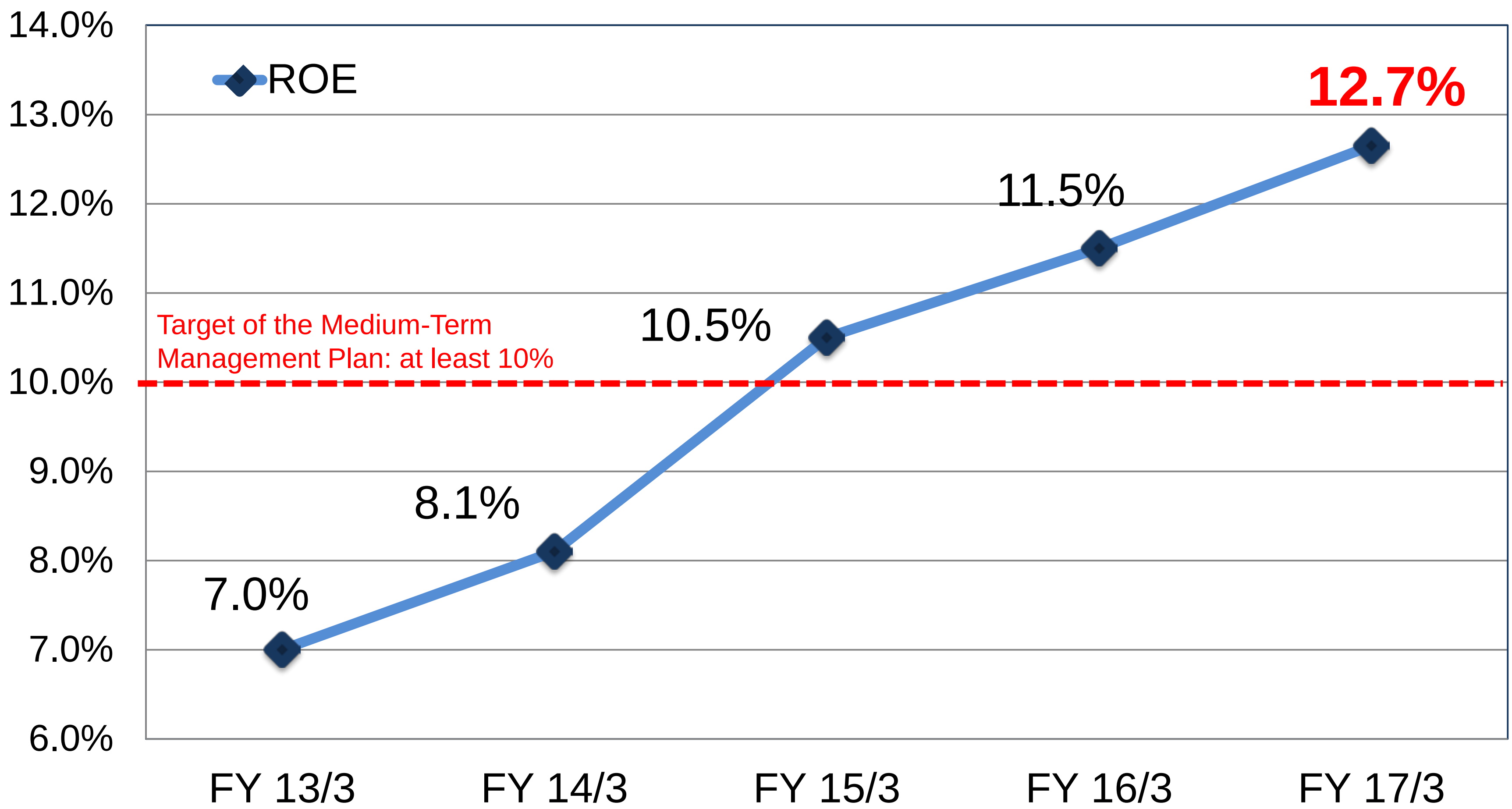
Change in Operating Income [Consolidated/Non-Consolidated]

Both consolidated and non-consolidated operating income increased for the seventh consecutive year, hitting a record high.
The consolidated operating margin increased for the seventh consecutive year and reached 10%.



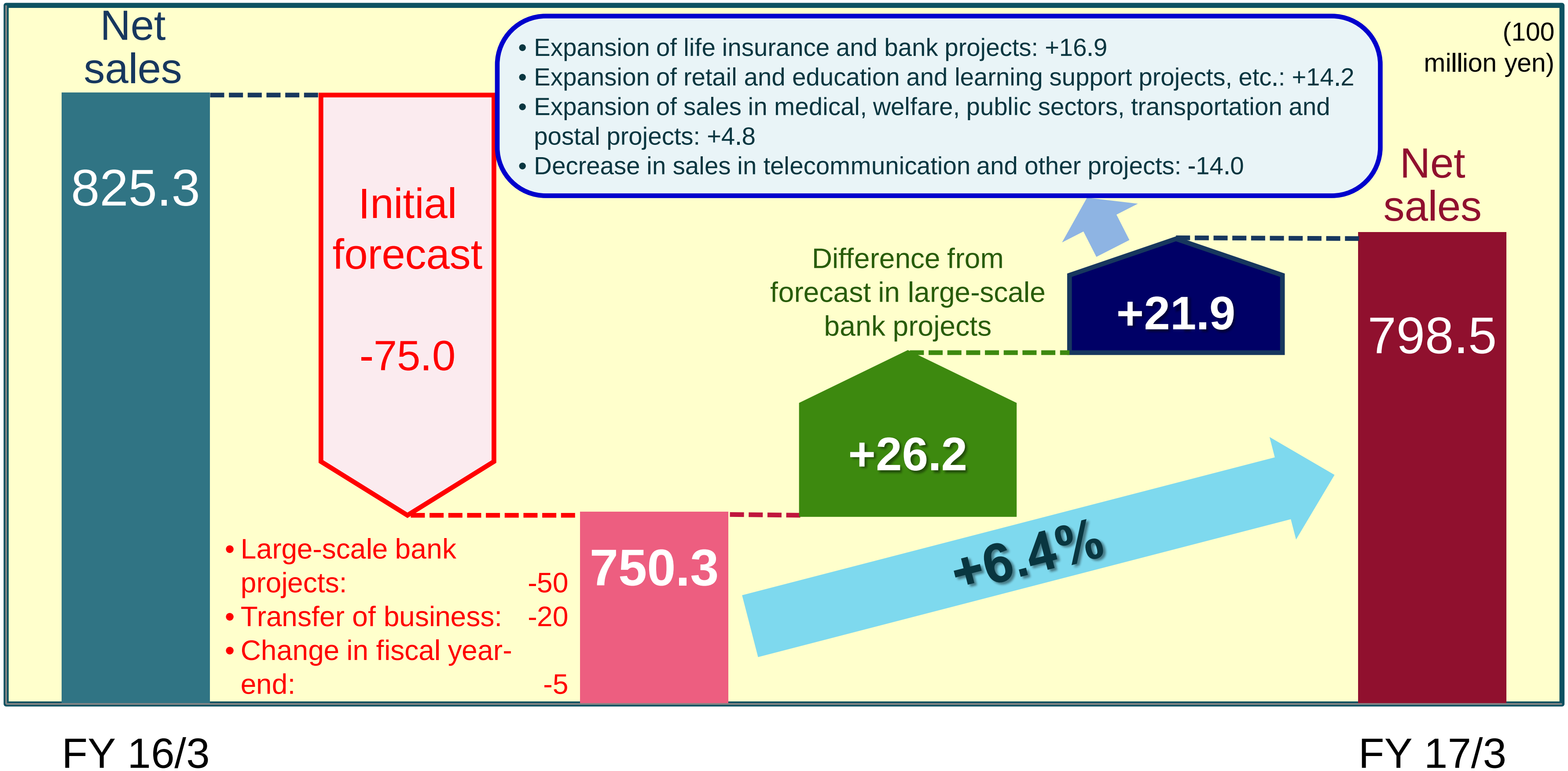
Change in Consolidated ROE

ROE for FY 17/3 came to 12.7%, achieving at least 10%, which is the target planned in the Medium-Term Management Plan.



Reasons for Decrease in Consolidated Net Sales for FY 17/3

- Net sales were forecast to decrease approximately ¥7.5 billion mainly due to the peaking of large-scale integration projects at banks.
- Net sales, excluding the expected decrease, actually increased 6.4%, chiefly due to initiatives for controlling decreases in sales for large-scale integration projects and expansion of sales in banks, life insurance and retail projects.



Net Sales by Segments

- Sales in the finance and public segment declined due to the adverse effect of large-scale integration projects at banks.
- Sales in the corporate communication solutions segment rose, mainly due to the expansion of solution projects.
- Sales in the operation BPO segment increased due to the acquisition of new projects and the growth of existing projects.
- Sales in the regional, overseas, etc. segment fell due to the business transfer and change in the fiscal year-end.

(Units: 100 million yen, %)	Results*1	Ratio to sales (%)	Year on year*2		Compared to initial forecast
Net sales	798.5	–	-26.7	96.8%	102.4%
Finance and public	292.3	36.6%	-2.4 *3 (+17.9)	99.2% (106.5%)	110.3%
Corporate communication solutions	202.0	25.3%	+3.3	101.7%	97.6%
Operation BPO	121.8	15.3%	+0.5	100.4%	100.7%
Regional, overseas, etc	182.4	22.8%	-28.2 *3 (+0.1)	86.6% (100.1%)	97.5%

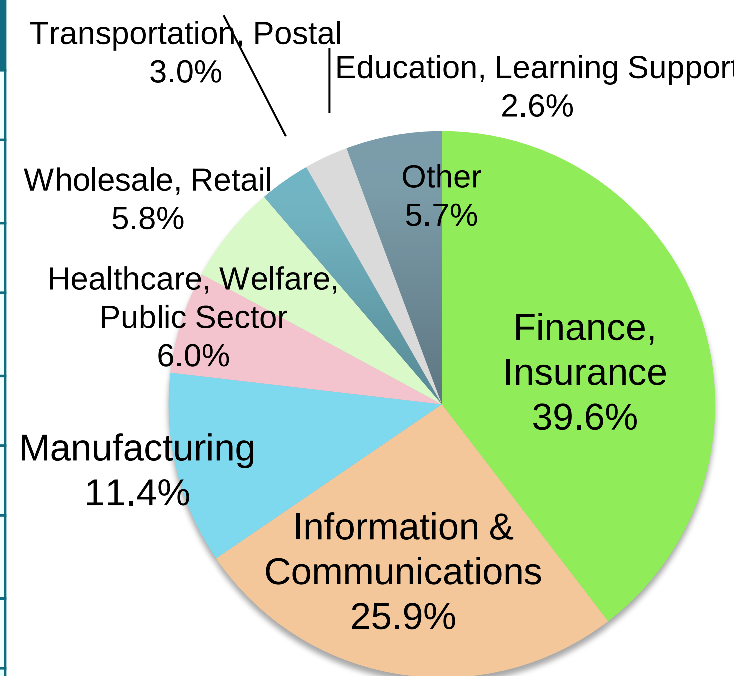
*1 The results are sales to the outside of the Group.
*2 The year-on-year changes are estimates.
*3 The figures in parentheses are figures excluding the effects of the peaking out of large-scale bank projects, the transfer of business, and the change of the fiscal year-end.

Consolidated Sales by End User

- Sales in Information & Communications decreased year on year, reflecting the effect of the business transfer, decline in projects and sale of goods at carriers.
- Sales in Wholesale/Retail increased year on year, due to expansion in ERP projects, etc.

Industrial Classification of METI

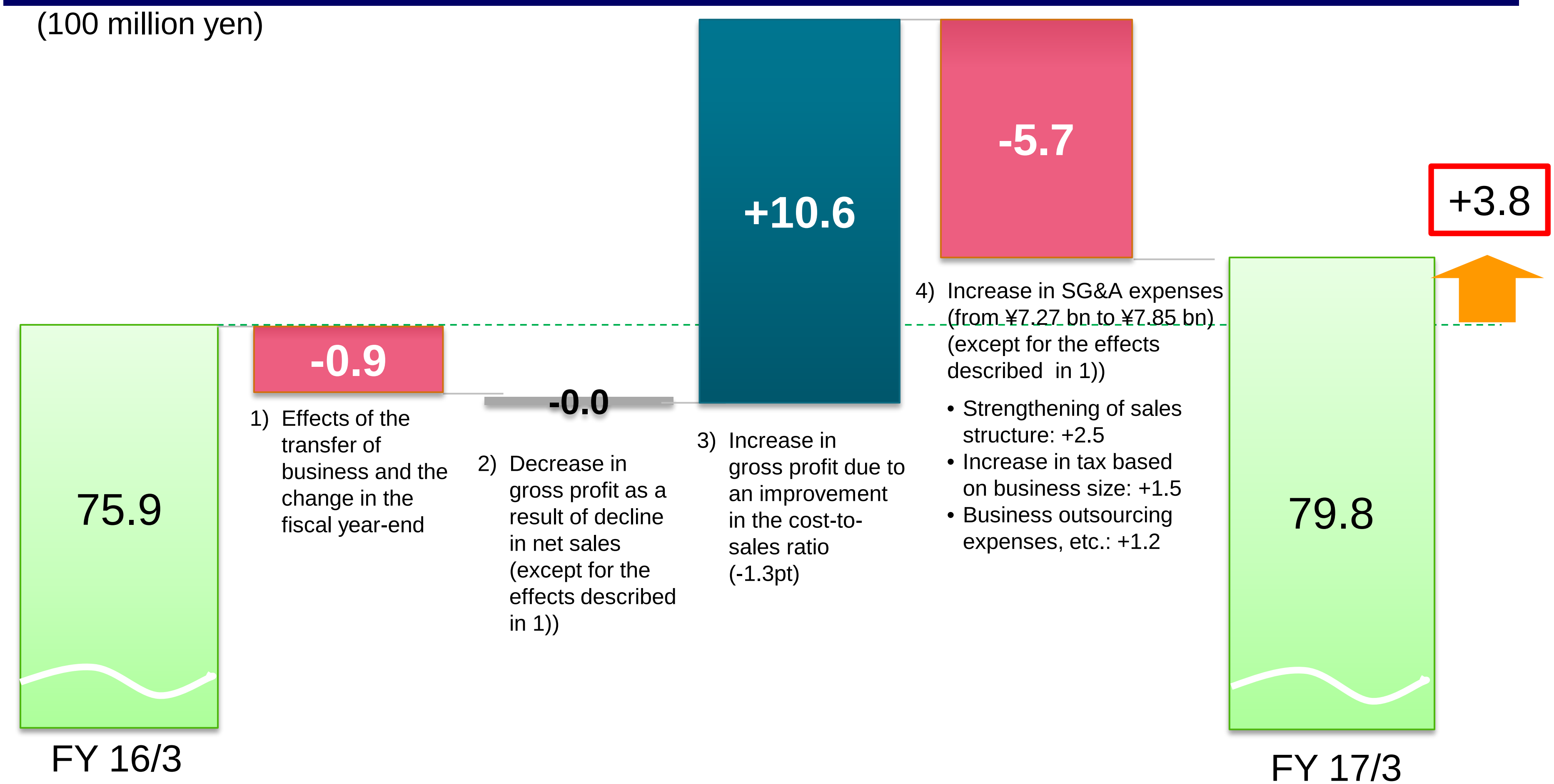
(Units: 100 million yen, %)	Amount	Composition ratio	Year on year	
Finance, Insurance	316.2	39.6%	-5.6	98.2%
Information & Communications	206.6	25.9%	-23.8	89.7%
Manufacturing	90.8	11.4%	-1.7	98.1%
Healthcare, Welfare, Public Sector	48.2	6.0%	-0.4	99.0%
Wholesale, Retail	46.5	5.8%	+9.0	124.0%
Transportation, Postal	24.0	3.0%	+1.9	108.8%
Education, Learning Support	20.6	2.6%	+4.4	127.2%
Other	45.3	5.7%	-10.4	81.2%
Total	798.5	100.0%	-26.7	96.8%



Except for the effects of large-scale integration projects and business transfers, sales rose in the following two sectors year on year.
Finance, Insurance: Sales expanded in bank and life insurance projects, etc. (+16.9)
Healthcare, Welfare, Public Sector: Sales expanded in local government, pension fund and health insurance projects, etc. (+2.7)

Reason for an Increase in Consolidated Operating Income

- Gross profit rose due to an improvement in the cost-to-sales ratio supported by the strengthening of project management and enhancement of productivity, offsetting decreases due to the transfer of business and changes in the fiscal year-end.
- SG&A expenses increased, partly reflecting the strengthening of the sales structure, while operating income increased.



New Contracts by Segment

[Backlogs]
- Backlogs in the finance and public segment increased chiefly in bank and insurance projects.
- In the corporate communication solutions segment, backlogs increased mainly due to transportation and information service projects.
- In the operation BPO segment, backlogs increased due to expansion in upstream process projects in areas such as operation design and construction.
- Backlogs in the regional, overseas, etc. segment rose as existing projects remained solid.

(Units: 100 Million yen, %)	New contracts				Backlogs			
	FY 17/3 *1	Composition ratio	Year on year *2		FY 17/3 *1	Composition ratio	Year on year *2	
Total	834.9	–	+8.5	101.0%	340.2	–	+36.3	112.0%
Finance and public	307.7	36.9%	+5.2	101.7%	141.7	41.7%	+15.3	112.2%
Corporate communication solutions	216.6	25.9%	+15.5	107.7%	67.7	19.9%	+14.6	127.6%
Operation BPO	127.1	15.2%	+3.1	102.5%	97.9	28.8%	+5.2	105.7%
Regional, overseas, etc	183.4	22.0%	-15.4	92.2%	32.8	9.7%	+1.0	103.2%

*1 The results are sales to the outside of the Group.
*2 The year-on-year changes are estimates.

(Reference 1) Group Company Results for FY 17/3

(Units: 100 million yen, %)	FY 17/3*						FY 16/3	
	Net sales			Operating income			Net sales	Operating income
	Amount	YoY (%)		Amount	YoY (%)			
DIGITAL TECHNOLOGIES CORPORATION	67.8	-0.6	99.0%	1.1	-0.0	98.4%	68.5	1.1
DATALINKS CORPORATION	54.6	-22.8	70.5%	2.6	-0.5	82.9%	77.5	3.2
JAPAN SYSTEMS ENGINEERING CORPORATION	45.2	-3.4	93.0%	2.3	-1.1	66.9%	48.6	3.5
YOKOGAWA DIGITAL COMPUTER CORPORATION	30.8	-1.7	94.5%	0.8	-0.4	63.9%	32.6	1.2
DTS WEST	28.3	+0.9	103.6%	2.1	+0.3	120.3%	27.3	1.7
ART System Co., Ltd.	25.0	+1.3	105.6%	3.5	+0.5	117.9%	23.6	2.9
KYUSHU DTS CORPORATION	17.1	-1.9	89.9%	1.0	-0.8	55.0%	19.0	1.9
MIRUCA CORPORATION	4.7	+0.6	116.4%	0.1	-0.0	74.0%	4.0	0.2
DTS America Corporation	2.8	-0.3	88.3%	0.3	-0.2	62.0%	3.1	0.5
DTS America Corporation	1.1	-1.6	40.5%	-0.6	-0.4	—	2.8	-0.1

* These figures denote the non-consolidated results of group companies, the total of which are not equal to those in the consolidated results.

(Reference 2) Sales by Old Segment in FY 17/3

- In the system segment, finance and public sector projects for banks, life insurance, and local governments remained firm.
- In the operation segment, upstream process projects in areas such as operation design and construction remained solid.
- In the product segment, sales fell due to a sluggish performance in the communications industry despite expansion of sales for educational institutions.

(Units: 100 million yen, %)	Results	Composition ratio	Year on year		Main factors of change
Net sales	798.5	–	-26.7	96.8%	
Information service	787.3	98.6%	-6.3	99.2%	
System	586.7	73.5%	-5.7 *1 (+21.2)	99.0% (103.8%)	• Except for the effect of decline in large-scale integration projects, etc., projects for banks, life insurance, local governments, and ERP were firm.
Operation	142.3	17.8%	+7.2	105.3%	• Upstream process projects in areas such as operation design and construction were solid.
Products and other	58.3	7.3%	-7.7	88.2%	• Sales of equipment to educational institutions were strong. • Equipment sales in the communications industry were sluggish.
Human resources service	11.1	1.4%	-20.4	35.3%	• Sales declined due to the transfer of business.

*1 The figures in parentheses are figures excluding the effects of the peaking of large-scale integration projects at banks and the change of the fiscal year-end.

(Reference 3) New Contracts by Old Segment in FY 17/3

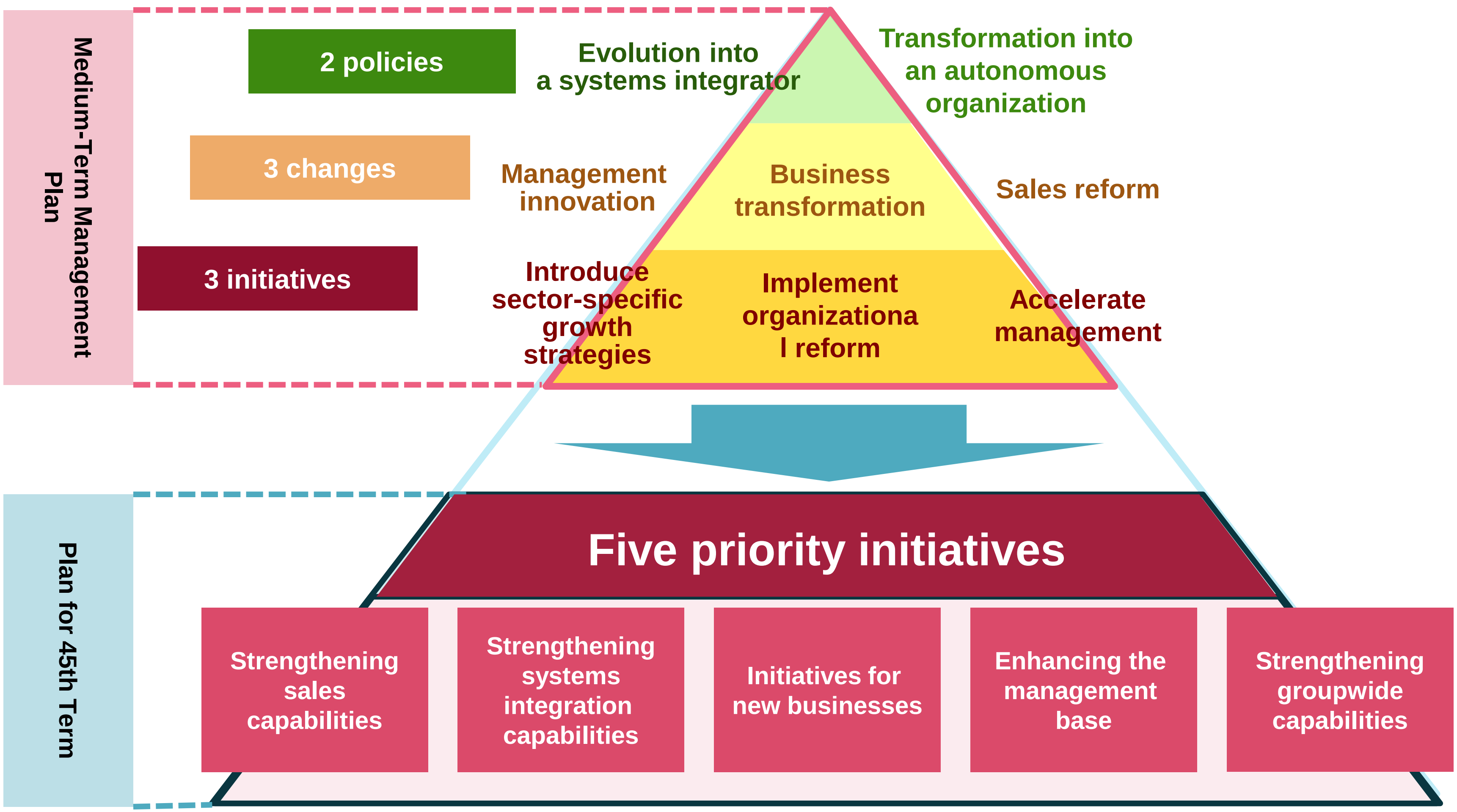
- In the system segment, orders increased, mainly due to the expansion of projects for banks, life insurance and transportation, despite the effects of a change in the fiscal year-end. Backlogs increased significantly.
- In the human resources service segment, orders decreased, due to the effect of business transfer.

(Units: 100 million yen, %)	New contracts				Backlogs			
	Results	Composition ratio	Year on year		Results	Composition ratio	Year on year	
New contracts and backlogs	834.9	–	+8.5	101.0%	340.2	–	+36.3	112.0%
Information service	824.0	98.7%	+20.4	102.5%	333.4	98.0%	+36.7	112.4%
System	621.7	74.5%	+22.9	103.8%	234.2	68.8%	+35.0	117.6%
Operation	140.8	16.9%	+2.0	101.5%	94.9	27.9%	-1.4	98.5%
Products and other	61.4	7.4%	-4.5	93.1%	4.3	1.3%	+3.1	369.9%
Human resources service	10.8	1.3%	-11.9	47.6%	6.7	2.0%	-0.3	94.8%

2. Progress of Priority Initiatives

Priority Initiatives for FY 17/3

The following five priority initiatives were implemented during FY 17/3 to achieve further growth in the future, based on the policies set out in the Medium-Term Management Plan.



Progress with Implementation of Priority Initiatives (i)

1. Strengthen ability to make proposals	
Strengthen cooperation between the marketing and business sectors	• Enhanced sales resources by establishing the marketing sector, facilitated information sharing with the business sectors and improved account plans. Through these efforts, proposal-making activities were carried out with manufacturing and sales operating as one. • Sought to deepen our understanding of customer needs and move forward with activities for making value-added proposals that satisfy such needs by conducting customer satisfaction surveys. Through these efforts, the development of new customers was undertaken.

2. Strengthening systems integration capabilities	
Expand use of offshore facilities to strengthen competitiveness	• Efforts were made to strengthen cost competitiveness and development capabilities by utilizing offshore and nearshore facilities such as overseas group companies (Shanghai and Vietnam) and reginal group companies (Kyushu and WEST). However, they were not leveraged as much as anticipated. • Decided to make an investment in Nelto Systems Limited in India, thereby establishing an additional overseas base with a view to expand the finance system integration business in North America and Asia.
Initiatives to check unprofitable projects	• Established a system to identify and deal with unprofitable projects as soon as possible, and increased efforts to visualize the management of project progress. The number of unprofitable projects decreased due to such efforts.

Progress with Implementation of Priority Initiatives (ii)

3. Initiatives for new businesses	
Step up efforts to develop new businesses	• Commenced sales of Walk in home 16, three-dimensional architectural presentation software incorporating five new functions, and GalleriaSolo, business intelligence dashboard software that facilitates the corporate use of big data. • Implemented strategic investments as well research and development, including demonstration experiments conducted in cooperation with local financial institutions and industrial equipment related companies, in the area of new businesses such as FinTech and IoT. • Moved forward with the development of new customers and expansion of the solution business with a focus on the development of solutions that respond to customer needs. Received two awards, which were partly attributable to the achievements made through said efforts. [Details of the awards] • Received the Project Award of Excellence from SAP Japan Co., Ltd., in recognition of efforts in standardizing operation processes and improving operation efficiency for corporate clients that garnered high evaluations. • The emergency rescue app for children, a healthcare-oriented application for smartphones, received a special award in the MCPC Award 2016.

4. Enhancing the management base	
Group-wide structural reform and management optimization	• Completed organizational improvements within DTS in response to the revision of Worker Dispatching Act. Expertise was shared with the group companies and support was provided for improvements. • The headquarters will be relocated in October 2017 to facilitate the improvement of productivity and reform of workstyles through the strengthening of inter-organizational cooperation. • Started implementing a new version of the DTS Group's original corporate pension system in October 2016 to create a company that provides a rewarding working environment for employees, given a significant change in conditions related to the pension system. The system was applied to the group companies (Kyushu DTS, DTS WEST and DTS Insight) on April 1, 2017.

5. Strengthening group-wide capabilities	
Realignment of the group	• Established DTS Insight Corporation on April 1, 2017, by integrating Yokogawa Digital Computer Corporation, ART System Co., Ltd. and the embedded related business of DTS Corporation. • Decided that the sales operation of DTS Thailand would be terminated at the end of October 2017 to support the selection and concentration of management resources.

(Reference 4) Establishment of DTS Insight

Integrated embedded businesses into one company on April 1, 2017, to ensure the maximization of synergic effects, revitalization of organizations through the mobilization of human resources and implementation of initiatives for further expansion and growth.

DTS インサイト
Our insight, your value

Location:	Shibuya-ku, Tokyo
Capital:	¥200 million (100% investment by DTS)
Net sales:	¥6,000 million (*1)
Number of employees:	379 (*2)

ART System Co.,Ltd.

Net sales: ¥2,500 million
Number of employees: 195

YOKOGAWA DIGITAL COMPUTER CORPORATION

Net sales: ¥3,000 million
Number of employees: 145

Embedded related business of DTS (*3)

Net sales: ¥400 million
Number of employees: 39

*1: Total consolidated results of FY 17/3
*2: As of April 1, 2017
*3: The embedded related business of DTS was taken over by Yokogawa Digital Computer Corporation through a company split on April 1, 2017.

(Reference 5) Capital Tie-up with an Indian IT Company

Concluded a capital tie-up agreement with Nelto Systems Limited, an Indian company, in March 2017.
Aim to expand the system integration business, including financial solutions and products, by establishing the finance system integration business in North America and Asia.

Overview of the partner company		
Company name	Nelito Systems Limited	
Location	India (Mumbai)	
Description of businesses	System integration business, providing solutions and the Swift Partner service for banks	
Capital	20.6 million Indian Rupee (approx. ¥35.2 million (*))	
Investment ratio	DTS	44.5%
	Sunnynook Limited	26.2%
	Af-Taab Investment Company Limited	15.3%
	Nelco Limited	12.3%
	Other	1.7%
Establishment	May 26, 1995	
Number of employees	896 (as of March 31, 2017)	
Net sales	Actual sales for FY 16/3: 734.9 million Indian Rupee (approx. ¥1,256.6 million (*))	
	Expected sales for FY 17/3: 885.8 million Indian Rupee (approx. ¥1,514.8 million (*))	

* Converted at 1.71 yen for 1 Indian Rupee (as of March 28, 2017).

(Reference 6-1)
Making DATALINKS CORPORATION a Wholly-Owned Subsidiary (i)

With the achievement of growth strategies set out in the Medium-Term Management Plan as a goal, efforts are being made to make DATALINKS CORPORATION a wholly-owned subsidiary through the stock exchange using DTS's treasury shares to give momentum to group-wide integrated management.

Item	Details	
(1) Scheme for making a wholly-owned company	Stock exchange with the use of DTS's treasury shares (simplified stock exchange)	
	[Wholly owning parent after the stock exchange] DTS [Wholly owned subsidiary after the stock exchange] DATALINKS	
(2) Conclusion date of stock exchange agreement	May 11, 2017	
(3) Stock exchange rate	DTS's common shares:DATALINK's common shares = 1:0.73	
(4) Number of shares issued	787,614 shares (planned)	
	[DTS's treasury shares] 2,247,002 shares (March 31, 2017)	
(5) Future schedule	May 11, 2017	Meetings of the Board of Directors for DTS and DATALINKS
	June 16, 2017	Ordinary general meeting of shareholders for DATALINKS
	July 26, 2017	Last day of trading for DATALINKS
	July 27, 2017	Delisting of DATALINKS
	August 1, 2017	Date of effect for the stock exchange

In the wake of acquiring 100% ownership of DATALINKS CORPORATION, DTS will endeavor to further strengthen cooperation among group companies and maximize business synergies in the solution business and operation BPO business while striving to expand the top line, strengthen the group's profitability, and improve the corporate value.

Maximize business synergies

- **Expansion of sales base**
- **Promotion of collaboration among group companies**
- **Integration of human resources and business bases**

Accelerate decision-making

- **Flexibility in managing the organization**
- **Clarification of responsibility**

Strengthen collaboration

DTS (Delivering Tomorrow's Solutions): Solution business, Operation BPO business

DATA LINKS: System solution service business, BPO service business

Reinforce the management base

- **Sharing of vision and strategy**
- **Reduction of cost to maintain the listing**

Strengthen group management

- **Enforcement of group governance**
- **Optimal allocation of management resources**

(Reference 7) Relocation of DTS Head Office

Scheduled to relocate to the new location (Hatchobori, Chuo-ku) in October 2017.

<Image of the building>

Purposes of relocation

- To promote work style reforms in an innovative way by considering the relocation as a milestone of DTS's second foundation.
- To increase productivity by improving the business environment
- To strengthen cooperation among organizations through the integration of working spaces
- To effectively utilize the office by introducing free addresses etc.

Reduce the number of business bases:
from the current six to the new head office and two existing development centers

Improve productivity and strive to transform into a value creating company

3. FY 18/3 Forecast

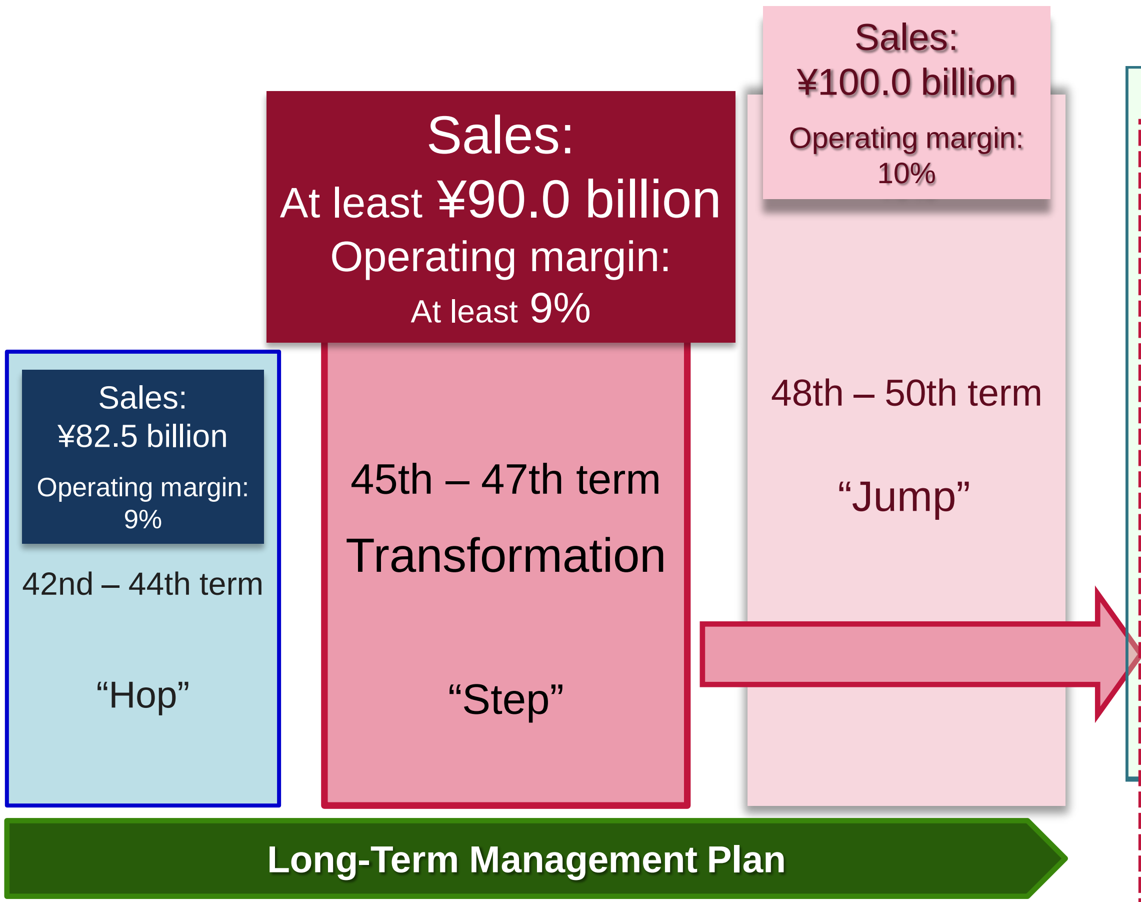
Outlook for Business Environment

While conditions in some parts of finance and insurance sectors are set to become difficult given the decrease in large-scale integrated projects, negative interest rates, etc., banks and insurance companies are expected to remain steady. There are signs of a recovery in some communication companies, although the major carriers are likely to continue to reduce investment.

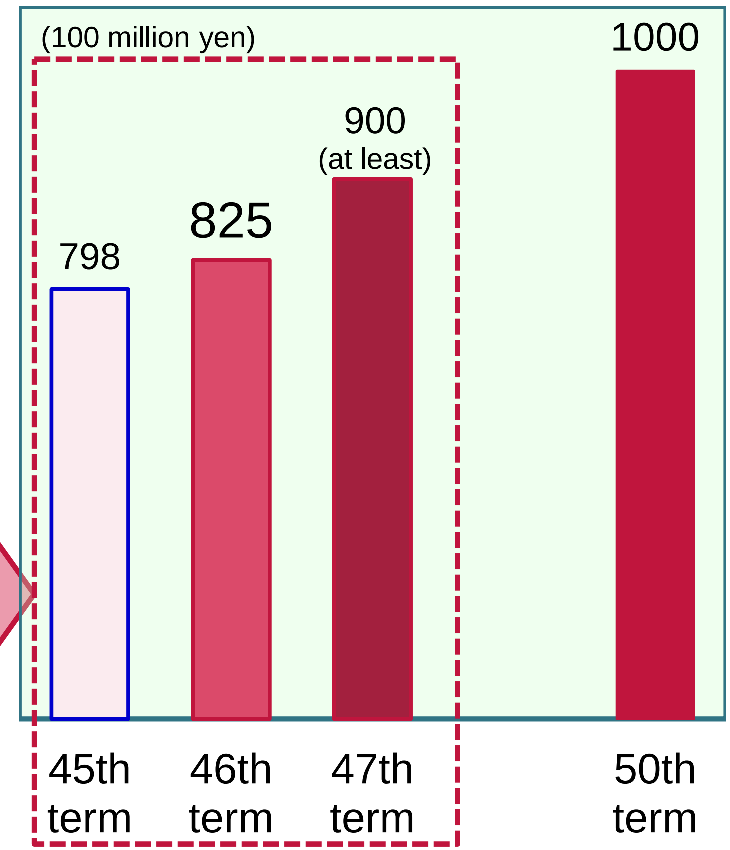
Sector	Outlook for IT Investment
Finance	• The finance sector as a whole is expected to remain steady, although some banks remain conservative on IT investment due to the influence of negative interest rates, etc.
	• Investment among life and non-life insurance companies will remain steady.
Information & Communications	• The information service sector is expected to expand investment in new technologies such as the use of IoT and AI, though it is tending to limit investment in existing areas for the purpose of cost cutting. • There are some signs of a recovery in the communication sector, although the major carriers will continue to limit investment.
Manufacturing	• The manufacturing industry is on a recovery trend. Demand is expected to increase, particularly in the embedding business, such as in-vehicle and healthcare products.
Other	• Medical care, welfare, and public affairs are expected to remain steady, mainly in the government and municipal government sectors. • In the wholesale and retail sectors, investment is expected to be targeted at improving productivity and efficiency.

To aim to increase sales and profit by positioning this year as the second fiscal year of the Medium-Term Management Plan, which seeks to transform the company for the future.

To make sustained efforts to strengthen the management foundations toward achieving the sales target for the final year of more than 90 billion yen and the sales target for the 50th period of 100 billion yen.



[Sustained growth for the future]



Priority Initiatives for FY 18/3

To work with a focus on the five priority initiatives, resulting in an expansion of the top line and increase in added value provided to customers.

Five priority initiatives	Intensive effort	Major work
Strengthening sales capabilities	Creation of new customers	Seek to find new customers through a shift toward proposal-type sales in order to become a true systems integrator that offers a total solution
Strengthening systems integration capabilities Strengthening groupwide capabilities	Enforcement of the group coordination	Strengthen cooperation and collaboration, including sales ordering within the group, through optimal allocation and the effective use of group management resources
	Aggressive business expansion	Further strengthen the coordination between sales and business divisions to expand the top line
Working on new businesses	Exploration of new business	Participate in demonstration experiments using new technologies such as Fintech, IoT, and AI Develop and provide new solutions
		Continuously make efforts in M&A and alliances
Enhancing the management base	Promotion of work style reforms	Reduce long working hours by improving productivity and make efforts to change the mindset of employees

Full-Year Forecast for FY 18/3 [Consolidated/Non-Consolidated]

To aim to achieve an increase in sales and profit in the second fiscal year of the Medium-Term Management Plan which seeks to transform the company for the future, resulting in record highs in both sales and profits

(Units: 100 million yen, %)	Consolidated				Non-consolidated			
	Amount	Ratio to sales (%)	Year on year		Amount	Ratio to sales (%)	Year on year	
Net sales	825.5	–	+26.9	103.4%	575.0	–	+13.0	102.3%
Gross profit	162.0	19.6%	+3.5	102.3%	110.5	19.2%	-0.7	99.3%
SG&A expenses	81.0	9.8%	+2.4	103.1%	45.0	7.8%	+2.5	106.0%
Operating income	81.0	9.8%	+1.1	101.4%	65.5	11.4%	-3.3	95.2%
Recurring income	82.0	9.9%	+1.0	101.3%	67.5	11.7%	-3.8	94.7%
Profit attributable to owners of parent	52.5	6.4%	+1.2	102.5%	46.5	8.1%	-2.8	94.2%

Full-Year Forecast for FY 18/3 [Sales by Segment]

- Finance and public: Keep sales on a par with the previous year by offsetting the decrease in large-scale projects with sales in banks, insurance, etc.
- Corporate communication solutions: Aim for further growth through information services, solutions, etc.
- Operation BPO: Work for stable growth through the construction of infrastructure, BPO, and expansion of operation and construction, etc.
- Regional, overseas, etc.: Aim for re-growth by enforcing group governance and achieving an optimal allocation of management resources

(Units: 100 million yen, %)		Amount	Ratio to sales (%)	Year on year	
Net sales		825.5	–	+26.9	103.4%
	Finance and public	290.0	35.1%	-2.3	99.2%
	Corporate communication solutions	219.5	26.6%	+17.4	108.7%
	Operation BPO	125.0	15.1%	+3.1	102.6%
	Regional, overseas, etc.	191.0	23.1%	+8.5	104.7%

Dividend Forecast for FY 18/3

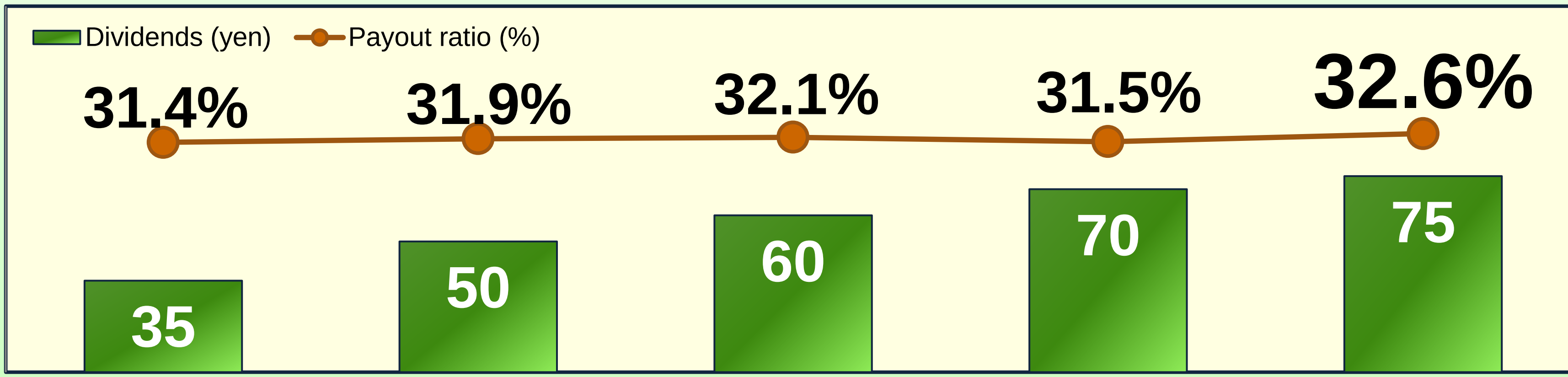
With results exceeding the company's forecast, year-end dividends for FY 17/3 will be increased by ¥10 from initial projections, taking the annual dividend to ¥70.
The projected annual dividend for FY 18/3 is ¥75, which is equal to the amount of the dividend in the previous period plus a ¥5 commemorative dividend for the 45th anniversary of foundation.
The aim is to continue paying stable dividends, and to achieve a total return ratio of at least 40%, including the acquisition of treasury stock.

	End of first half	Year end	Full year	Total return ratio (consolidated)	Payout ratio (consolidated)
FY 18/3 (Forecast)	¥35	¥40	¥75	At least 40%*	32.6%
FY 17/3	¥25	¥45	¥70	42.1%	31.5%

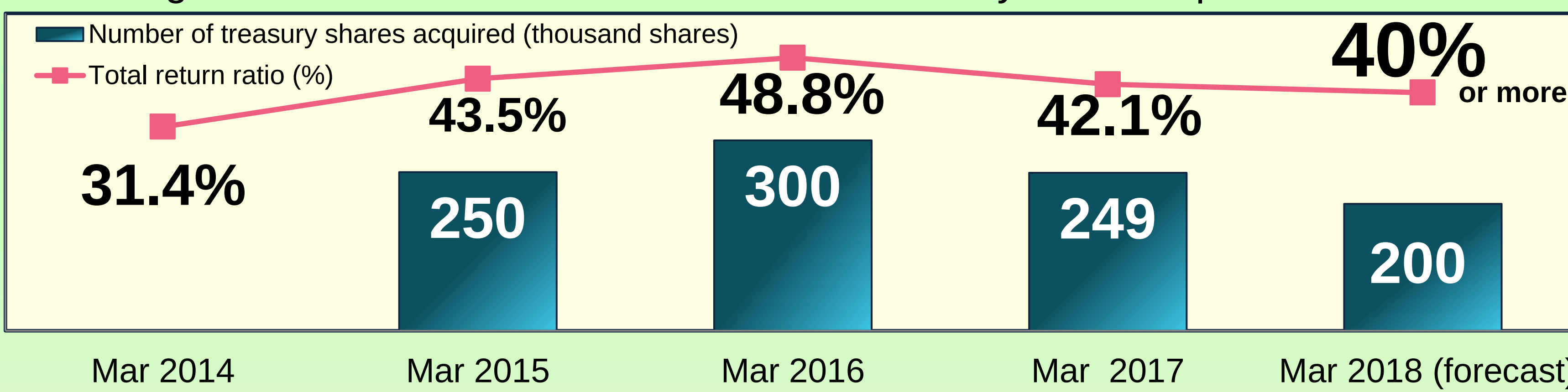
* Scheduled to acquire 200,000 shares of treasury stock from May through June, 2017

The dividend amount of ¥70 in the fiscal year ended March 2017 was doubled from ¥35 in the fiscal year ended March 2014, four periods ago.
The total return ratio is 42.1%, maintaining the level of 40% or more since the fiscal year ended March 31, 2015.

■Changes in dividends and payout ratio



■Changes in total return ratio and number of treasury stock acquired



Other information

(Reference 7) Major Press Releases, Etc. in the Fourth Quarter

Date of release	Company	Title, brief description
February 28	DATALINKS	BPO centers of DATALINKS have achieved compliance with PCI DSS * At major BPO centers, compliance with PCI DSS, the global security standards for credit card information protection, has been achieved.
March 24 March 28 March 31	DTS Group	Newspaper advertisement about the founding of DTS Insight Corporation * Posted an advertisement in the *Nihon Keizai* Shimbun (dated March 24 and 28) and *Nikkan Kogyo Shimbun* (dated March 31). Publicized DTS's policy to expand the embedding business through integration.
March 29	DTS	Made a capital alliance with Nelito Systems Ltd., India * Decided to enter into a capital alliance with Nelito Systems Ltd. to build a foothold for the financial systems integration business in North America and Asia, with the aim of expanding the financial solutions and business of product proposal, etc.
April 21	DTS	Notice concerning revision of business forecast and dividend forecast * The business forecast was revised upwards on rising demand for solution projects and life insurance projects as well as revisions to estimates of large-scale bank integration projects, etc. The dividend forecast was revised upwards, taking the business performance and dividend policy into consideration.
May 11	DTS	Notice concerning determination of matters pertaining to treasury stock acquisition * Scheduled to acquire treasury stock to raise capital efficiency and further increase shareholder returns. (Scheduled numbers of share acquired: 200,000, total amount acquired: 600 million yen, period: May 15 to June 16, 2017)
May 11	DTS	Notice concerning the conclusion of a share exchange agreement (simple stock exchange) related to DTS's acquisition of 100% ownership of DATALINKS CORPORATION * Scheduled to make DATALINKS CORPORATION a wholly owned subsidiary (unlisted) through a share exchange in exchange for treasury stock of DTS in order to further strengthen the group management.
May 11	DTS	Notice concerning head office relocation * The head office is scheduled to be relocated to Hatchobori, Chuo-ku, Tokyo in October 2017.

FY17/3
Result Presentation

Thank you for your attention.

株式会社DTS

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