

FY 11/3

Results Presentation

May 16, 2011



DTS Corporation

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

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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 11/3 Results

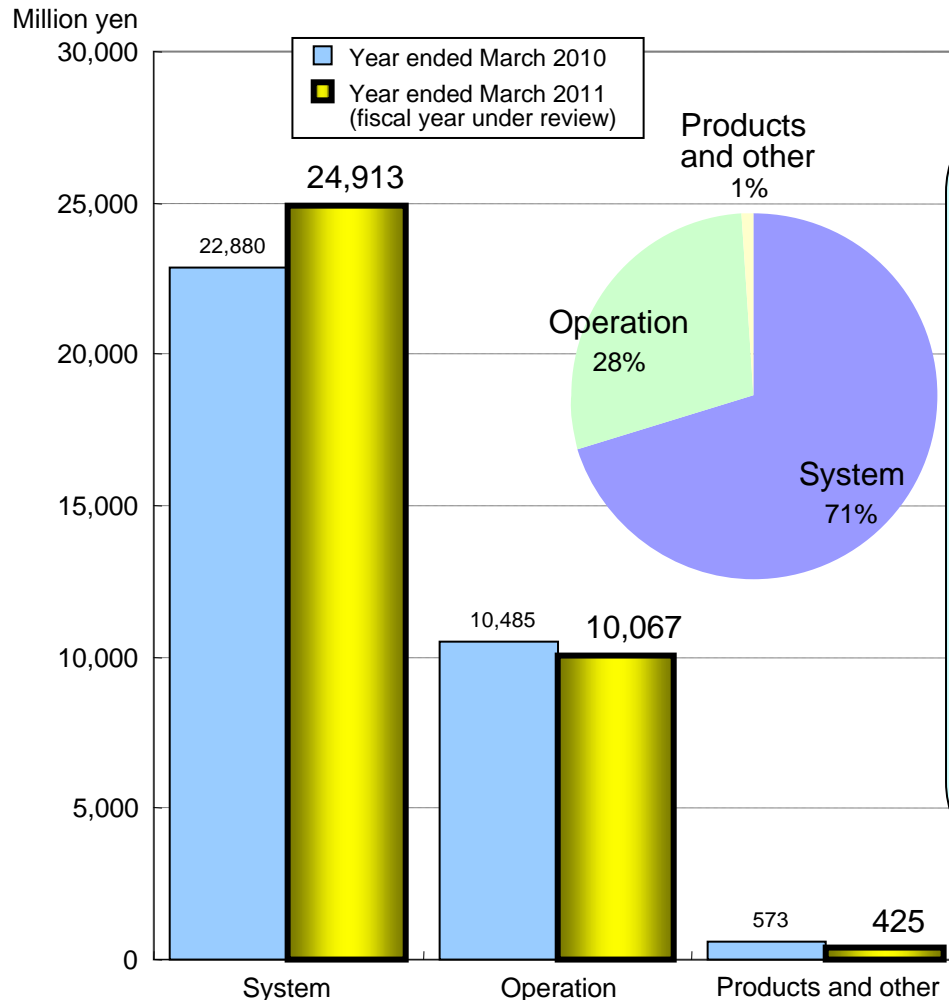
Non-Consolidated Results

Achieved significant gains in sales and profits

(Units: Million yen, %)	Amount	Ratio to sales (%)	YoY		Vs. initial plan	
Net sales	35,406	–	104.3%	+1,466	98.4%	-593
Gross profit	4,704	13.3%	118.5%	+734	85.5%	-795
Operating income	1,677	4.7%	180.5%	+748	72.9%	-622
Recurring income	1,861	5.3%	157.2%	+677	76.0%	-588
Net income	921	2.6%	134.8%	+237	65.8%	-478

Sales by Service (non-consolidated)

Sales were driven by system development contracts for the financial and communications sectors.



System (108.9% YoY)

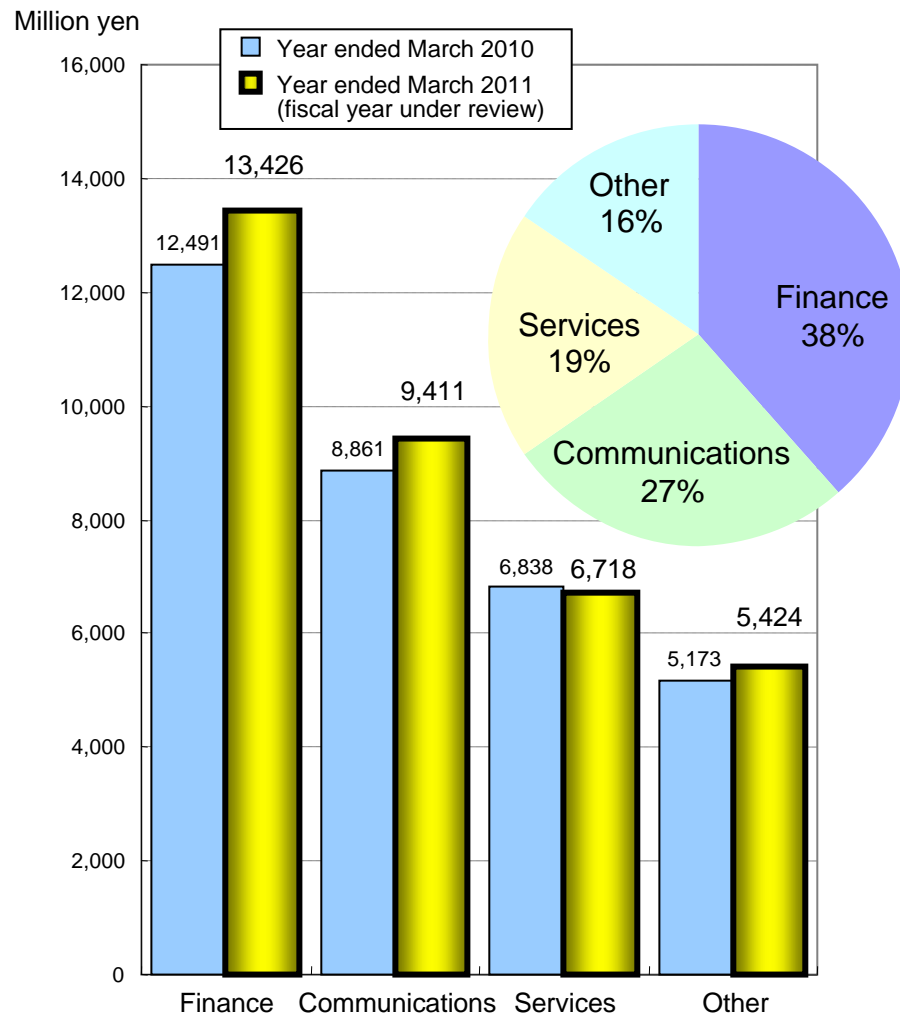
- Sales increased significantly from the previous year, reflecting growth in development projects for the communications sector, in addition to orders for large projects in the financial sector.

Operation (96.0% YoY)

- Sales stopped falling, as the impact of customer cutbacks in maintenance and operating costs through the promotion of in-house production wore off.

Sales by End Users (non-consolidated: System + Operation)

Finance sales rose sharply.
Sales in Communications were also strong.



Finance (107.5% YoY)

- The number of large-scale finance projects increased sharply.
- Electronically Recorded Monetary Claims projects expanded steadily.

Communications (106.2% YoY)

- Frontline sales projects were solid.
- Projects for certain carriers declined.

Services (98.2% YoY)

- Demand did not recover, and sales declined slightly.

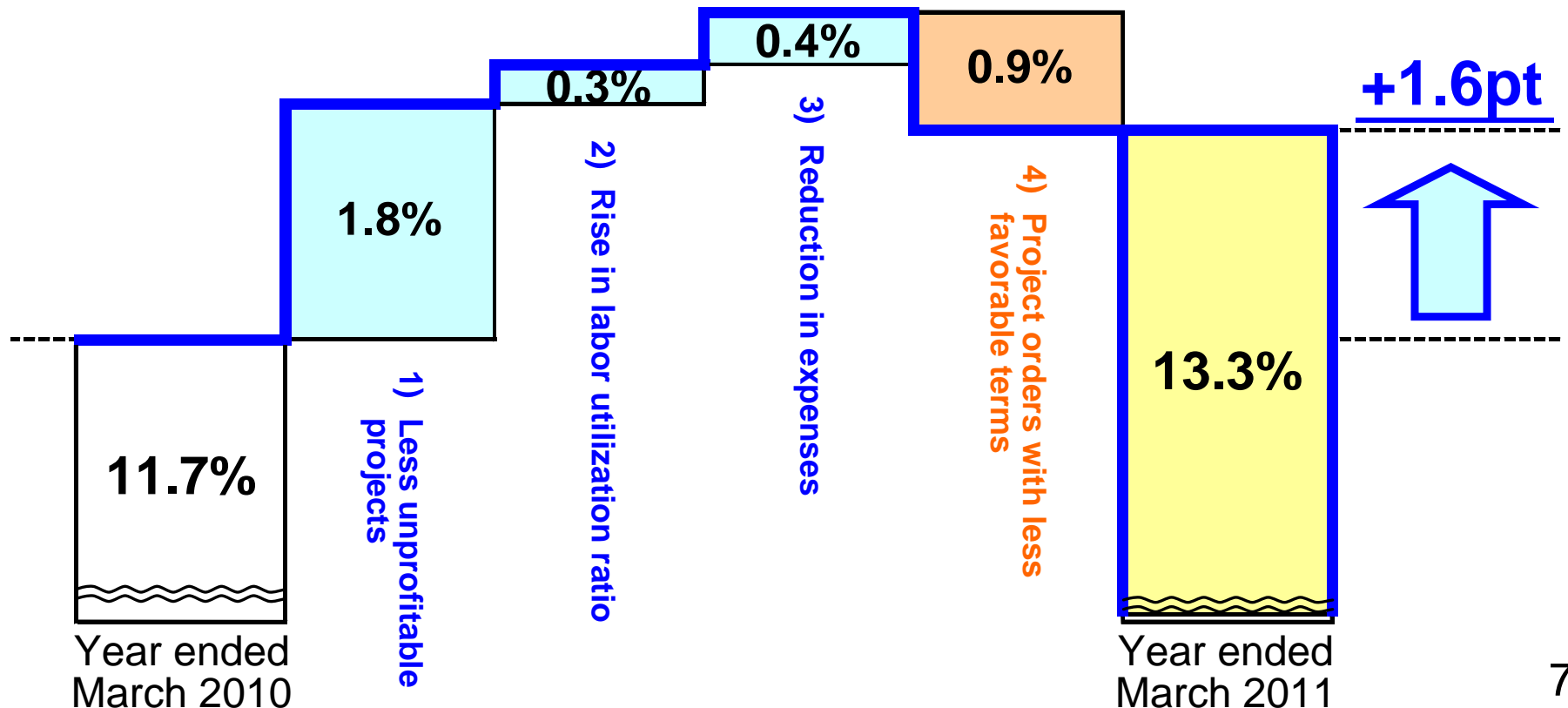
Other (104.8% YoY)

- Sales in the manufacturing industry were strong. Public sector sales declined slightly.

Gross Profit (non-consolidated)

The gross margin improved for the following reasons:
 (1) less unprofitable projects, (2) a rise in the labor utilization ratio, and (3) a reduction in expenses.

Gross profit ¥4,704million (118.5% YoY; 13.3% of sales (+1.6 pts YoY))



Operating Income, Recurring Income (non-consolidated)

Strengthened sales and administration structure.
Reduced SG&A expenses through cost-cutting initiatives.

SG&A expenses: ¥3,026 million

(99.5% YoY; 94.6% vs. initial plan; 8.5% of sales (-0.4 pts YoY))

Rise due to structural improvements
in sales and administration divisions

+¥93 million yen

Reduction as a result of cost cutting/curbing, etc.

-¥107 million yen

Operating income: ¥1,677 million (180.5% YoY; 4.7% of sales (+2.0 pts YoY))

Recurring income: ¥1,861 million (157.2% YoY; 5.3% of sales (+1.8 pts YoY))

Consolidated Results

Gains in sales and profits on a non-consolidated basis and DTC sales contributed to consolidated performance

(Unit: Million yen)	Amount	Ratio to sales (%)	YoY		vs. initial plan	
Net sales	58,503	-	111.4%	+6,000	96.7%	-1,996
Gross profit	8,022	13.7%	119.1%	+1,287	84.4%	-1,477
Operating income	2,296	3.9%	196.2%	+1,125	69.6%	-1,003
Recurring income	2,488	4.3%	182.3%	+1,123	73.2%	-911
Net income	1,124	1.9%	404.2%	+846	51.1%	-1,075

SG&A expenses: ¥5,726 million (102.9% YoY; 9.8% of sales (-0.8% YoY))

Group Company Results

FAITEC, specializing in system integration services for the financial sector, achieved high profit margins. Merchandizing and regional operations were weak.

(Units: Million yen, %)							
Company name	Net sales			Operating income			
	Amount	YoY (%)	vs. initial plan	Amount	Ratio to sales (%)	YoY (%)	vs. initial plan
DATALINKS Corporation	8,149	93.1%	101.9%	234	2.9%	72.5%	116.2%
DIGITAL TECHNOLOGIES Corporation	6,275	-	92.2%	21	0.3%	-	16.1%
FAITEC Corporation	4,912	105.9%	100.3%	488	9.9%	124.9%	102.5%
JAPAN SYSTEMS ENGINEERING Corporation	4,605	91.0%	99.6%	338	7.4%	[+582]	105.2%
SOUGOU SYSTEM SERVICE Corporation	995	96.2%	82.9%	-132	-13.3%	[-123]	[-137]
KYUSHU DTS Corporation	986	96.1%	89.7%	17	1.8%	48.8%	41.5%
MIRUCA Corporation	388	97.3%	93.5%	10	2.8%	35.5%	111.2%
ASTERISK INC.	146	148.7%	97.3%	7	5.3%	[+29]	256.7%

Notes: Figures for each company are on a non-consolidated basis, so the total does not equal consolidated figures.
 Figures in brackets represent FY 11/3 amount minus FY 10/3 amount.

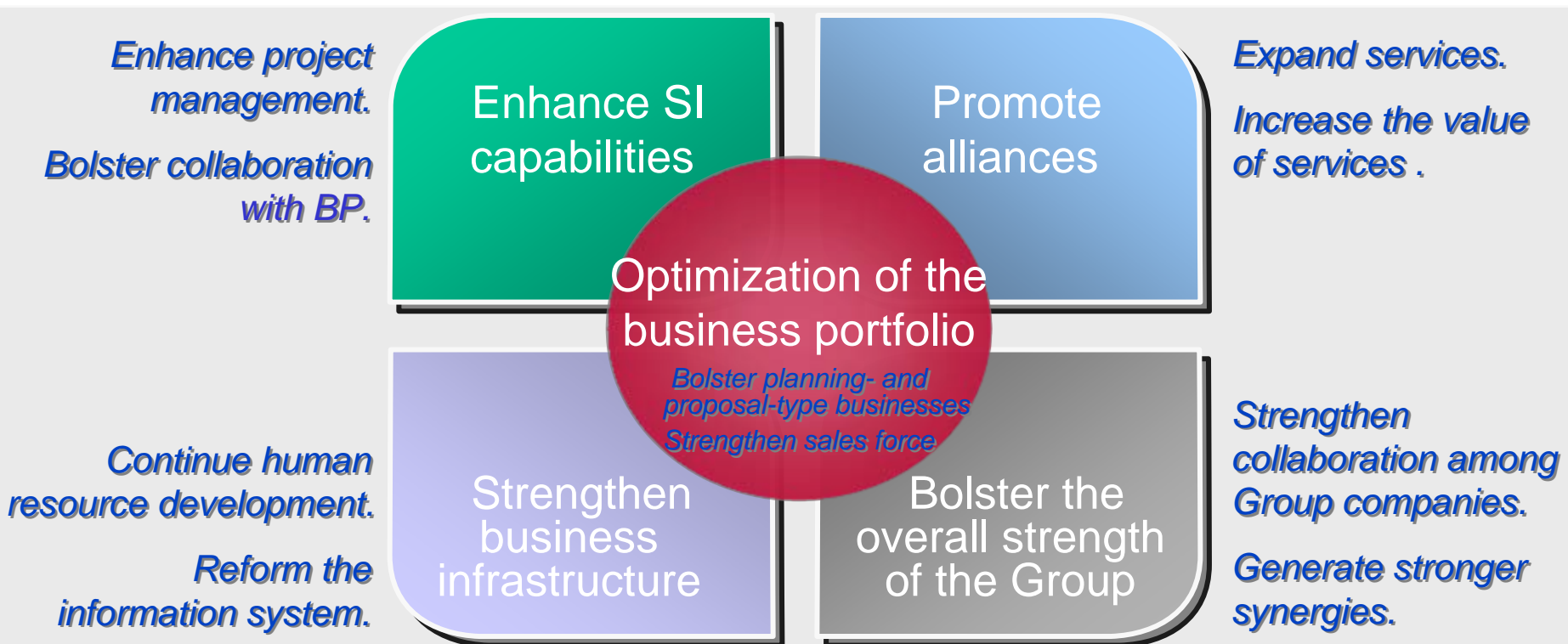
2. Progress of Key Initiatives

Comprehensive Medium-Term Plan

(April 2010 – March 2013)

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.



Key Initiatives (1): Strategic Businesses

Last Year

Strong performance in both embedding projects and IT infrastructure

Embedding projects

- Strong sales in the Kansai region (128.2% compared with same period of previous year)
- Sales driven by Android projects including smartphones and home appliances

IT infrastructure

- Strong cloud computing-related demand (providers, DC businesses)
- Building of infrastructure + server procurement (synergies with DTC)

This Year

- **Embedding projects: Increase sales in Kanto region, promote alliances.**
- **IT infrastructure: Generate synergies with DTC, focus on cloud computing-related business.**

Key Initiatives (2): New Businesses

Last Year Promotion of cloud computing and alliances

Development of planning-type solutions

- **Housing solution [WIH Plaza, Housing history management system]**
⇒ Developed cloud computing-type one stop service
- **Remote system monitoring service [ReSM]**
⇒ Strengthened alliance with service provider
- **BI Tool [DaTaStudio@WEB]**
⇒ Strengthened alliance with maker and PKG vendors
- **PC Security [EAGISCORP]**
⇒ Collaborated with cloud-computing and PKG vendors

This Year

- **Further promote alliances.**
- **Promote creation of new planning-type businesses.**

Key Strategy (3): Global Development

Last Year

Building of system for promoting offshore development and supporting global development of Japanese companies

Offshore development

- Began hiring local workers at Shanghai subsidiary
- China + 1 (Vietnam)

Supporting global development of Japanese companies

- In Asia and the United States, helped corporate clients expand business internationally.

This Year

- **Expand support for the global development of Japanese companies.**
- **Focus on the development of global human resources.**

Key Strategy (4): Strengthening the Sales Force

Last Year

Concentration on problem solving-type sales

Expansion of customer base

- Developed new customers.
 - ⇒ Number of customers rose by 26 year on year to 341 companies.
 - ⇒ Won large projects from new customers.

Integration of production and sales divisions Systematic sales

- Amalgamated sales, planning and development divisions into each business headquarters.
- Built systematic sales structure.
 - ⇒ Introduced SFA.

This Year

- Promote visualization of sales through use of SFA.
- Formulate standards for sales processes.

Key Strategy (5): Enhancement of SI Capabilities

Last Year

Promotion of tighter project management

Tightening of cost control

- Unprofitable (loss-making) projects were significantly reduced.
- There were a number of projects with low profit in the 3Q.

Standardization of processes

- Development standards: Achieved CMMI Level 4
- Operation standards: Raised quality through widespread use of standards in service level management processes.

This Year

- Clarify targets (introduction of KPI).
- Tighten management of priority projects (set up quality management team).

Key Strategy (6): Strengthening Collective Strength of the Group

Last Year

Promotion of synergies and accumulation of expertise using each company's strengths

Jointly receiving orders
Cross-selling

(Examples)

- Building of mutual aid systems
 - DTS + DL + FAITEC + DTS Shanghai
- Provision of cloud computing infrastructure
 - DTS + DTC (hardware, building of infrastructure)
- Building of infrastructure for universities
 - SGS (local customers) + DTC (hardware, building of infrastructure)

Promotion of in-house production

- Accumulation of expertise within the Group
- Reduction of outsourcing costs

This
Year

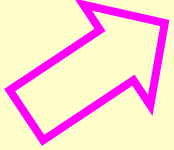
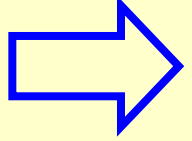
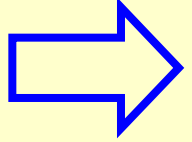
- Increase collaboration between Group companies, including jointly receiving orders.
- Promote synergies in IT infrastructure projects and operation projects.

3. FY 12/3 Forecast

Outlook for Business Environment

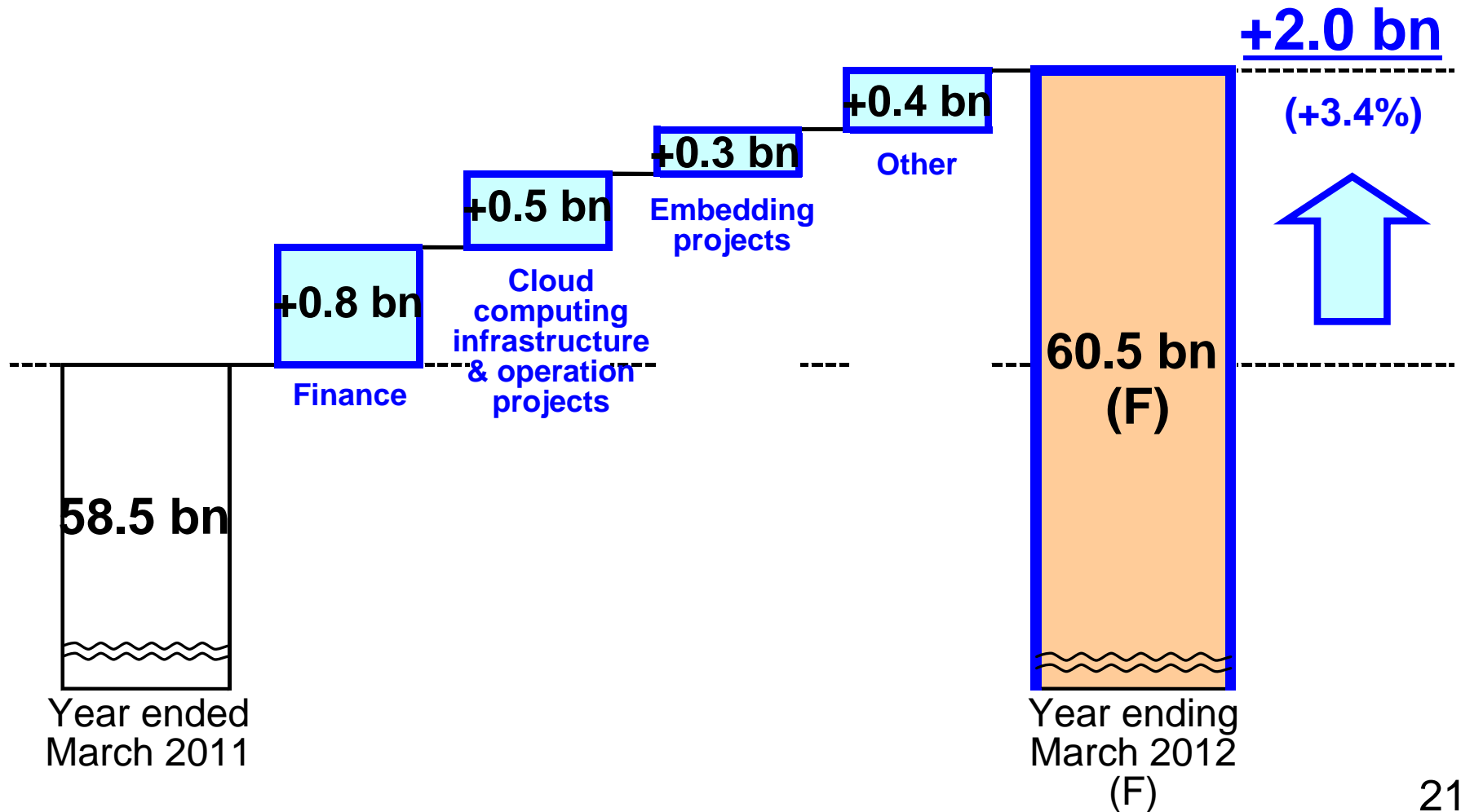
<Impact of Earthquake>

- No direct impact to employees, facilities, etc.
- Certain companies are likely to scale back IT investment in the short term
⇒ Economic upswing predicted in the medium term.

Sector	Topic	Market trend
Finance	<ul style="list-style-type: none"> - Large-scale finance projects will progress as planned. - Inquiries about integration (investment trusts, life insurance), plan changes, overseas projects, etc. will rise. Impact of earthquake will be limited. 	
Communications	<ul style="list-style-type: none"> - Investment in fixed projects will remain at a low level. - Inquiries about mobile projects related to smartphones will rise. - There will be strong demand for cloud computing infrastructure and operation projects. 	
Services Other	<ul style="list-style-type: none"> - A recovery is expected from the second half. - Embedding projects will be strong. 	

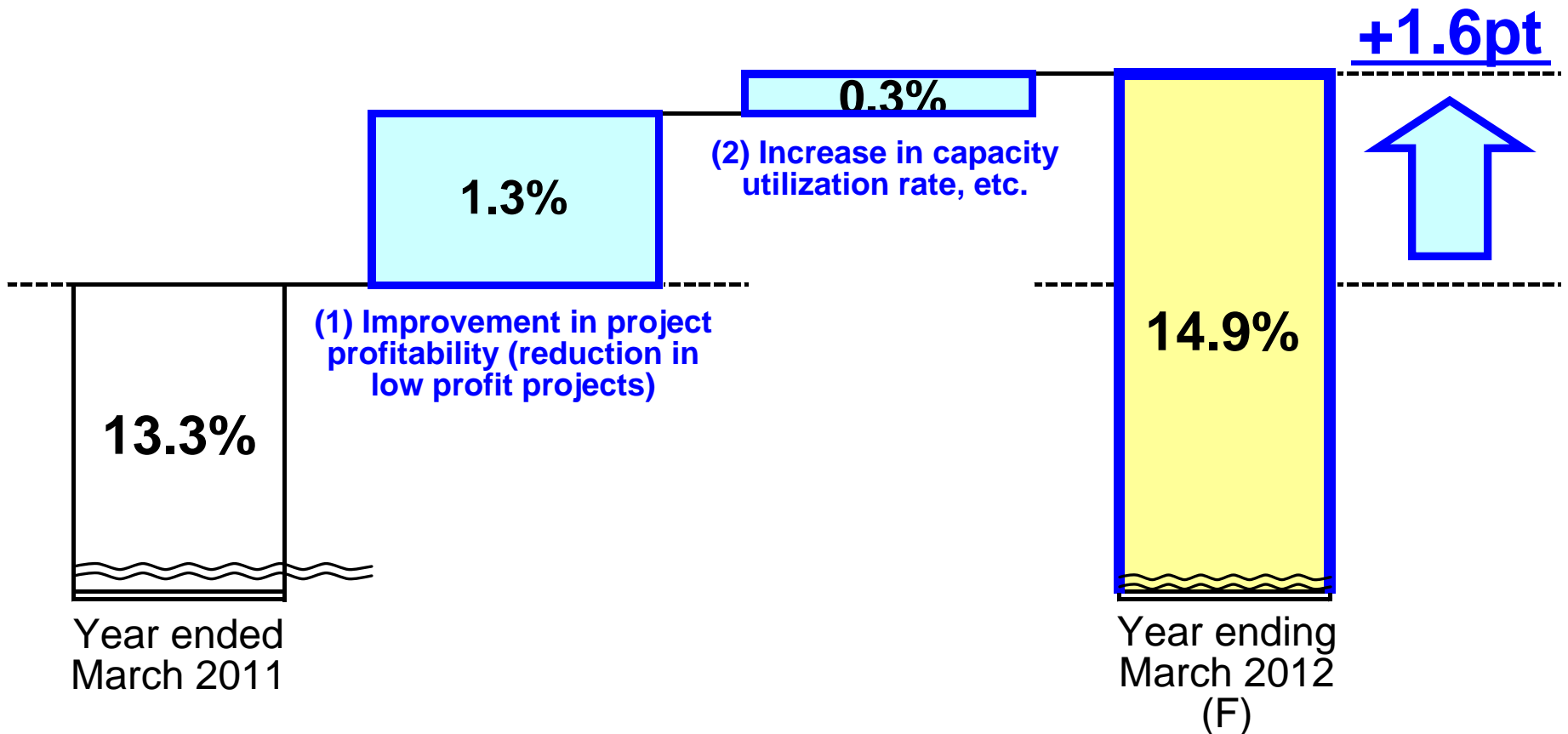
Sales Forecast (consolidated)

Sales are expected to increase for finance, cloud computing infrastructure & operation, and embedding projects



Forecast Improvement in Gross Profit Margin (non-consolidated)

The gross margin will improve, reflecting (1) improved project profitability and (2) an increase in the capacity utilization rate.



First Half Forecast (consolidated/non-consolidated)

Sales are expected to decline in the first half.

Profit margins will be maintained through improved project profitability.

(Units: Million yen, %)	Non-consolidated				Consolidated			
	Amount	Ratio to sales (%)	YoY		Amount	Ratio to sales (%)	YoY	
Net sales	17,100	-	97.1%	-514	28,900	-	99.1%	-251
Gross profit	2,350	13.7%	102.1%	+48	4,000	13.8%	102.9%	+111
Operating income	750	4.4%	100.0%	0	1,000	3.5%	107.1%	+66
Recurring income	850	5.0%	95.8%	-37	1,050	3.6%	96.6%	-37
Net income	500	2.9%	97.5%	-12	500	1.7%	110.3%	+46

Consolidated SG&A expenses: ¥3,000 million (101.5% YoY; 10.4% of sales (+0.3% YoY))

Full Year Forecast (consolidated/non-consolidated)

Gains in sales and profits forecast, reflecting increased demand mainly from the finance sector and improved profit margins.

(Units: Million yen, %)	Non-consolidated				Consolidated			
	Amount	Ratio to sales (%)	YoY		Amount	Ratio to sales (%)	YoY	
Net sales	36,200	-	102.2%	+793	60,500	-	103.4%	+1,996
Gross profit	5,400	14.9%	114.8%	+695	9,100	15.0%	113.4%	+1,077
Operating income	2,200	6.1%	131.1%	+522	3,050	5.0%	132.8%	+753
Recurring income	2,350	6.5%	126.3%	+488	3,100	5.1%	124.6%	+611
Net income	1,350	3.7%	146.5%	+428	1,600	2.6%	142.3%	+475

Consolidated SG&A expenses: ¥6,050 million (105.7% YoY; 10.0% of sales (+0.2% YoY))

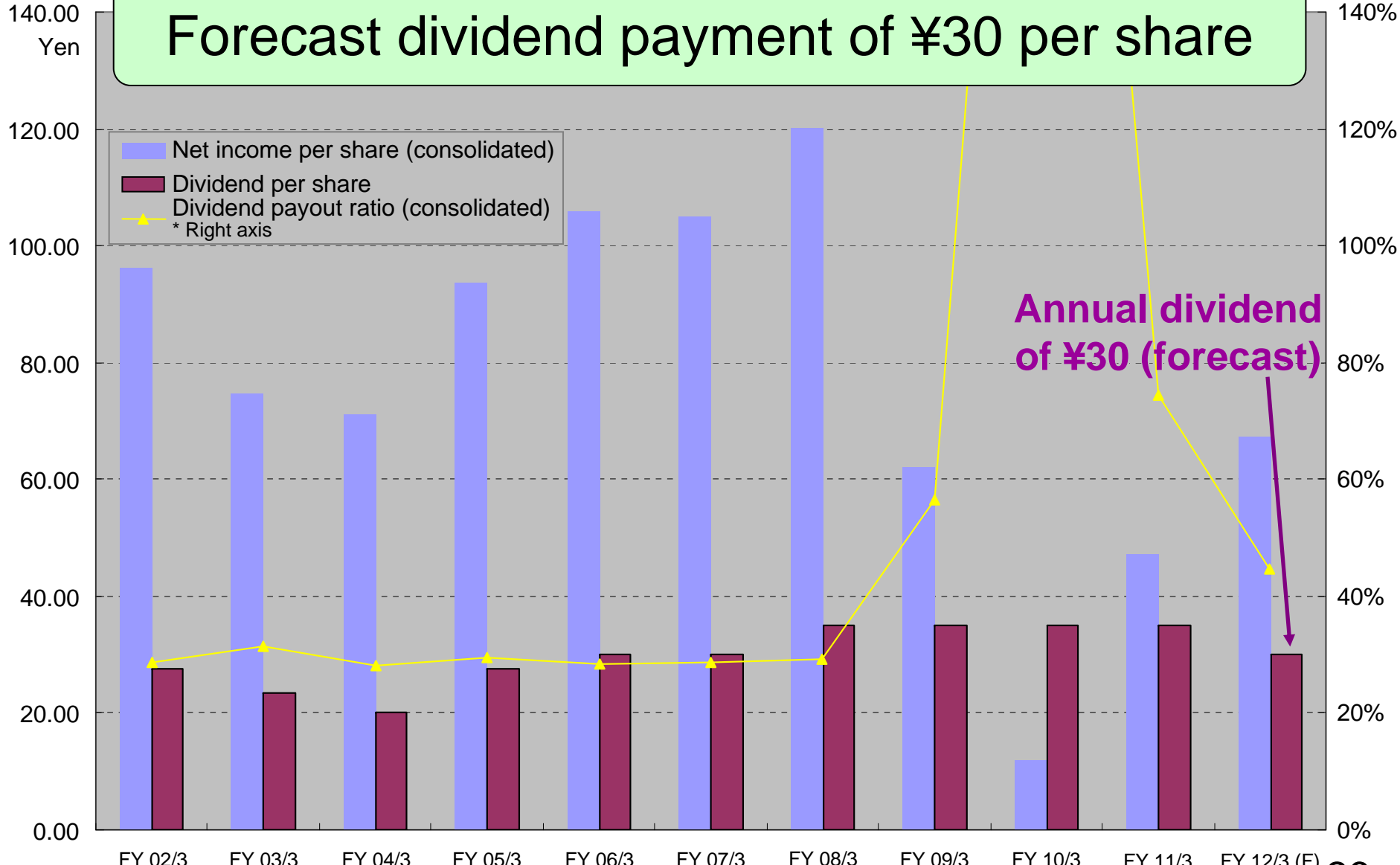
Reference) Full Year Forecast for Group Companies

(Units: Million yen, %)	Net sales		Operating income		
	Amount	YoY	Amount	Ratio to sales (%)	YoY
DATALINKS Corporation	8,160	100.1%	250	3.1%	106.9%
DIGITAL TECHNOLOGIES	6,679	106.4%	164	2.5%	764.0%
FAITEC Corporation	5,400	109.9%	503	9.3%	103.1%
JAPAN SYSTEMS ENGINEERING Corporation	4,415	95.9%	321	7.3%	94.8%
SOUGOU SYSTEM SERVICE Corporation	1,116	112.3%	10	0.9%	[+142]
KYUSHU DTS Corporation	1,110	112.5%	43	3.9%	241.3%
MIRUCA Corporation	405	104.2%	5	1.2%	45.8%

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 ¥30 per share



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

FY 11/3

Results Presentation

Thank you for your kind attention



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