



FY 22/3

Results Presentation

April 28, 2022

DTS CORPORATION

Agenda

1. Overview of FY 22/3 Results
2. Long-Term Outlook and Medium-Term Management Plan
3. FY 23/3 Forecast

1. Overview of FY 22/3 Results

Important Events

1. Resolved to transition to a company with an Audit and Supervisory Committee at the meeting of the Board of Directors (March 2022)
2. Selected for the first time as a "Health and Productivity Management Stock" and certified for the first time by the "2022 Certified Health and Productivity Management Outstanding Organizations Recognition Program (White 500)" (March 2022)
3. Announced organizational and personnel changes ahead of the new Medium-Term Management Plan (January 2022)
4. Decided to acquire and cancel treasury shares (from April to June 2021 and from February to March 2022)

In order to improve capital efficiency and to further improve returns for our shareholders, from April to June 2021 and from February to March 2022, the Company acquired treasury shares. Furthermore, the Company cancelled a portion of treasury shares in March 2022.

- Acquired: Total approx. ¥2.0 billion (757,100 shares)
- Cancelled: 1,371,900 shares (Ratio to the total number of issued shares including treasury shares before the cancellation: 2.72%)

5. Introduced a restricted share-based remuneration plan (July 2021)

The Company introduced a restricted share-based remuneration plan to provide incentives to its directors and executive officers to sustainably enhance corporate value and to promote further value sharing between eligible directors and shareholders.

6. Made I Net Rely Corporation a consolidated subsidiary (June 2021)

The Company made I Net Rely Corporation a consolidated subsidiary in order to further strengthen and develop the network solution business.

(Reference) Health and Productivity Management Initiatives

In March 2022, the Company was selected as one of the “2022 Health and Productivity Management Stocks” including 50 enterprises in 32 industries and was certified by the “2022 Certified Health and Productivity Management Outstanding Organizations Recognition Program (White 500).”



◆ DTS Health and Productivity Management Initiatives

Establishment of the Health and Productivity Promotion Office

Establish physical and mental health consultation system

Engagement plan for health and productivity issues

- Understand health and productivity issues
- Determine priority issues

Reduction in people at high risk

Expand scope of health guidance (recommendation to see doctor)

Development of online interviews

Smooth counseling and follow-ups

Health seminars and online yoga

Cover decline in exercise opportunities due to the COVID-19 pandemic

(Reference: About “Health and Productivity Management Stocks” and “Health and Productivity Management Outstanding Organizations”)

• About the “Health and Productivity Management Stocks”

The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange select listed companies that strategically engage in the management of employees' health from a business-management perspective as “Health and Productivity Management Stocks.”

The goal is to promote health and productivity management efforts by companies by introducing them as attractive companies to investors who place importance on improving corporate value from a long-term perspective.

• About the “Certified Health and Productivity Management Outstanding Organizations Recognition Program (White 500)”

This is a program in which the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi honor corporations that are implementing initiatives to promote health. Among them, 500 large corporations that practice particularly excellent health and productivity management are certified as “the White 500.”

* The term “Health and Productivity Management” is a registered trademark of Nonprofit Organization Kenkokeiei.

Consolidated Results

Net sales and operating profit both increased. Net sales was ¥94.45 billion (+¥3.95 billion year on year), increasing due to higher sales in the Corporate Solutions and Operational Infrastructure BPO segments.
Operating profit increased for the 12th consecutive year to a record high of ¥11.19 billion (+¥370 million year on year).
As profit exceeded the forecast, the year-end dividend is planned to increase by ¥5 from the initial forecast to ¥40.

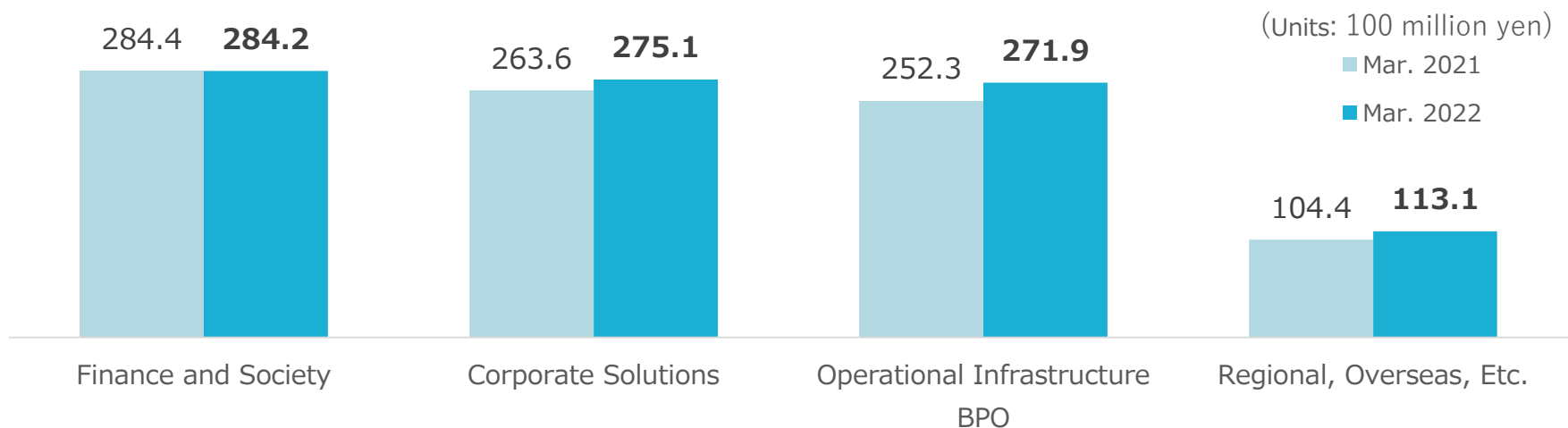
(Units: 100 million yen)	Results	Year on year		Sales composition ratio (%) / YoY		Progress for initial forecast
Net sales	944.5	+39.5	104.4%	—		99.4%
Gross profit	191.4	+10.8	106.0%	20.3%	(+0.3pt)	100.7%
SG&A expenses	79.4	+7.0	109.8%	8.4%	(+0.4pt)	99.3%
Operating profit	111.9	+3.7	103.5%	11.9%	(-0.1pt)	101.8%
Ordinary profit	114.0	+2.7	102.4%	12.1%	(-0.2pt)	101.8%
Profit attributable to owners of parent	78.5	+2.6	103.4%	8.3%	(-0.1pt)	102.7%
DX-related Net Sales	325.0	+48.8	117.7%	34.4%	(+3.9pt)	—

Effective from the first quarter of FY 22/3, the Company has adopted the “Accounting Standard for Revenue Recognition”; however, year-on-year comparisons are with the results for the previous year (FY 21/3) prior to the adoption of the said standard.

Net Sales by Segment

- Finance and Society Segment: Sales decreased due to decline in investment by megabanks, despite steady performance of development projects for the telecommunications industry
- Corporate Solutions Segment: Sales increased due to favorable sales of DX-related projects, etc.
- Operational Infrastructure BPO: Sales increased as new consolidation and system operation design projects for the telecommunications industry offset the impact of large projects in the previous fiscal year
- Regional, Overseas, Etc.: Sales increased due to steady performance of development projects in the telecommunications industry of the regional field

(Units: 100 million yen)	Results	Year on year		Sales composition ratio (%) / YoY		Progress for initial forecast
Consolidated	944.5	+39.5	104.4%	–		99.4%
Finance and Society	284.2	-0.1	99.9%	30.1%	(-1.3pt)	96.4%
Corporate Solutions	275.1	+11.4	104.4%	29.1%	(-0.0pt)	96.2%
Operational Infrastructure BPO	271.9	+19.6	107.8%	28.8%	(+0.9pt)	103.8%
Regional, Overseas, Etc.	113.1	+8.6	108.3%	12.0%	(+0.4pt)	105.7%

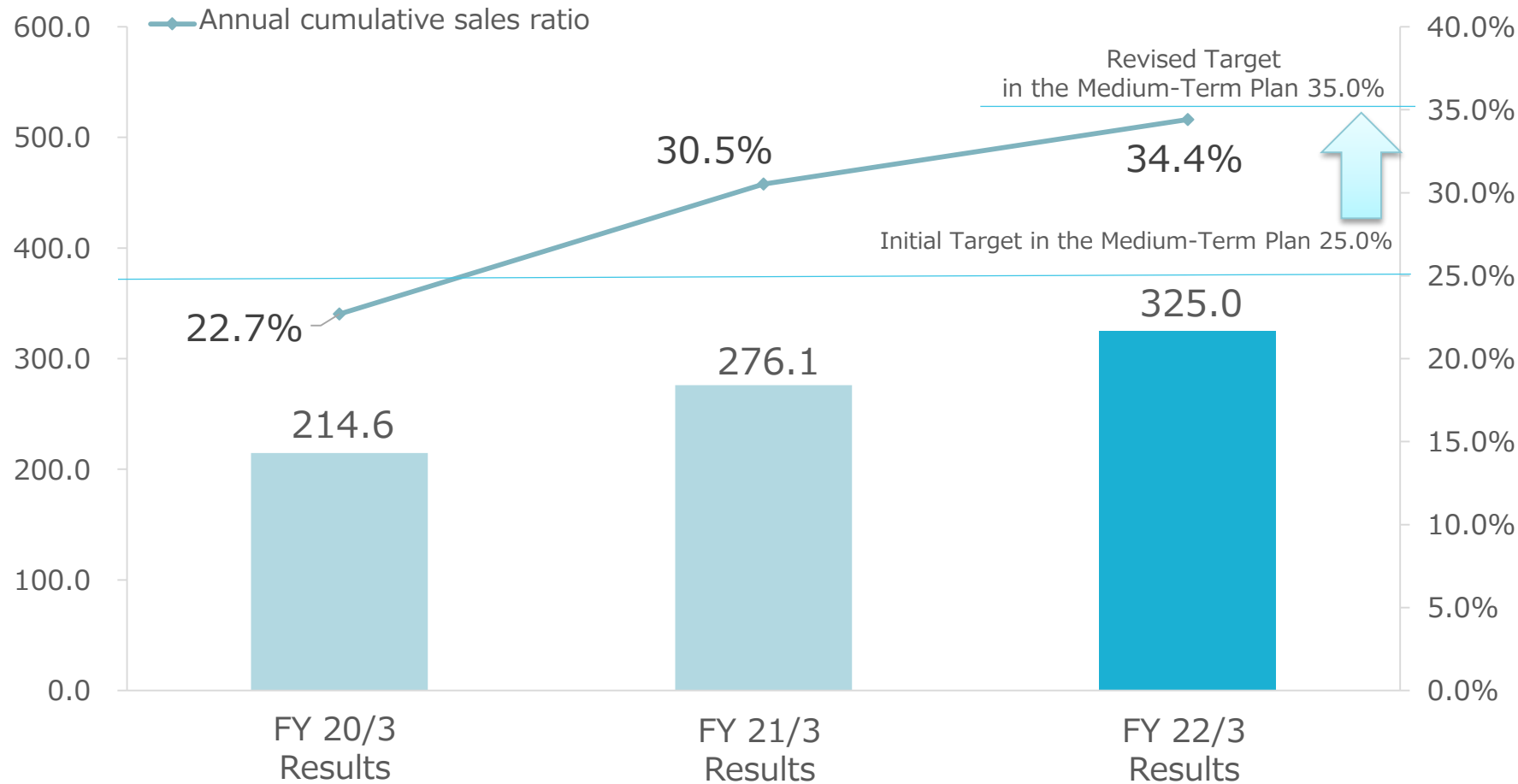


Effective from the first quarter of FY 22/3, the Company has adopted the “Accounting Standard for Revenue Recognition”; however, year-on-year comparisons are with the results for the previous year (FY 21/3) prior to the adoption of the said standard.

DX-related Net Sales and Human Resources

DX-related Net Sales rose to ¥32.50 billion (+¥4.88 billion, +17.7% year on year), and No. of DX employees rose to 843 persons (+259 persons year on year)

(Units: 100 million yen)



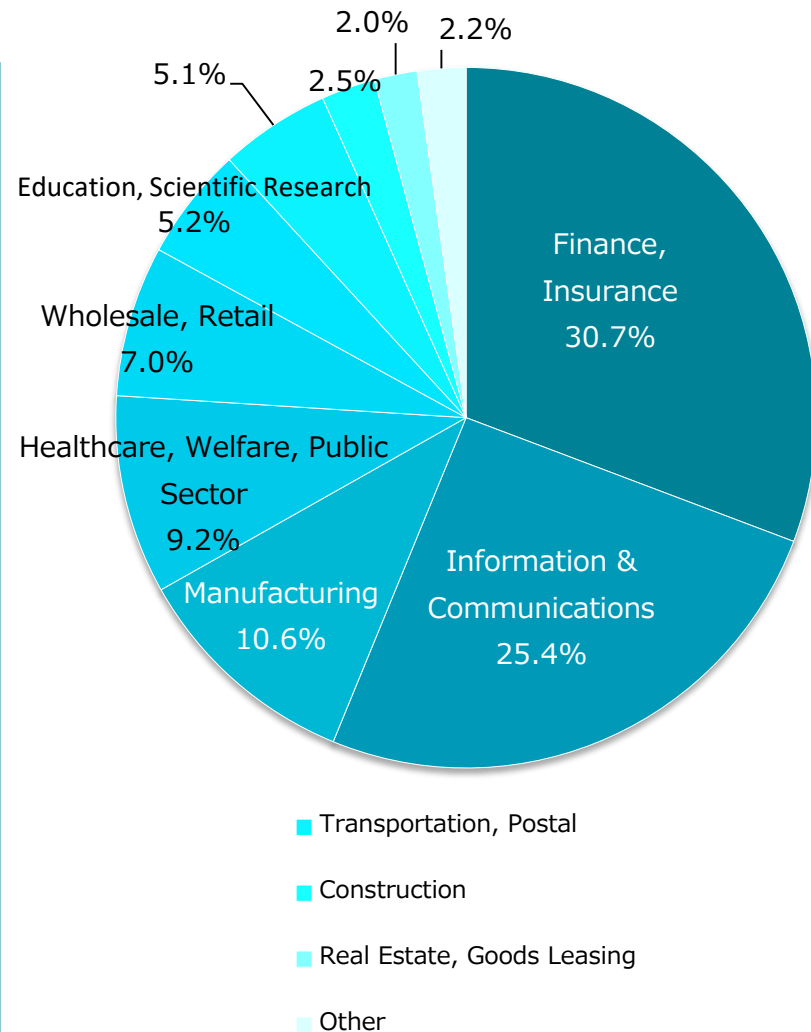
No. of employees	257 persons	584 persons	843 persons
------------------	-------------	-------------	-------------

Effective from the first quarter of FY 22/3, the Company has adopted the “Accounting Standard for Revenue Recognition”; however, year-on-year comparisons are with the results for the previous year (FY 21/3) prior to the adoption of the said standard.

(Reference) Consolidated Sales by Industry

Industrial Classification of METI

(100 million yen)	Amount	Year on year		Composition ratio
Finance, Insurance	290.4	+13.4	104.8%	30.7%
Information & Communications	240.3	+23.6	110.9%	25.4%
Manufacturing	100.4	-1.8	98.2%	10.6%
Healthcare, Welfare, Public Sector	86.6	+6.6	108.2%	9.2%
Wholesale, Retail	65.7	+0.1	100.3%	7.0%
Education, Scientific Research	49.2	-10.7	82.1%	5.2%
Transportation, Postal	48.2	+8.6	121.9%	5.1%
Construction	23.5	+2.5	112.0%	2.5%
Real Estate, Goods Leasing	18.7	-4.9	78.9%	2.0%
Other	21.1	+2.1	111.3%	2.2%
Total	944.5	39.5	104.4%	100.0%

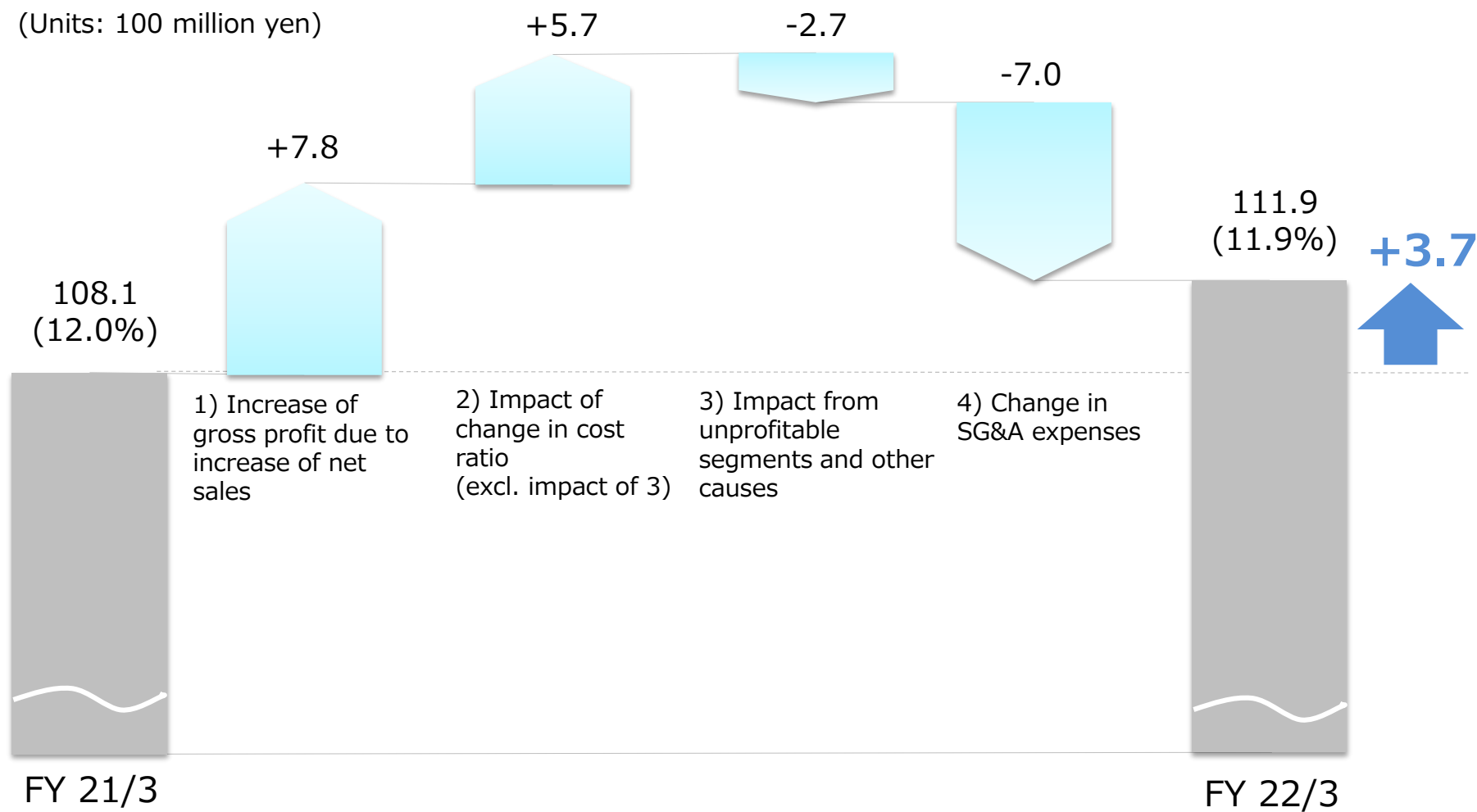


Effective from the first quarter of FY 22/3, the Company has adopted the "Accounting Standard for Revenue Recognition"; however, year-on-year comparisons are with the results for the previous year (FY 21/3) prior to the adoption of the said standard.

Reason for the Change in Consolidated Operating Profit

Profit increased due to higher revenue and improved cost ratio (+¥370 million year on year)

(Units: 100 million yen)



Effective from the first quarter FY 22/3, the Company has adopted the "Accounting Standard for Revenue Recognition"; however, year-on-year comparisons are with the results for the previous year (FY 21/3) prior to the adoption of the said standard.

Order Volume and Order Backlog by Segment

[Order Backlogs (+¥4.75 billion year on year)]

- Finance and Society Segment: Increased due to large-scale securities projects and expansion of projects in the banking and insurance industries
- Corporate Solutions Segment : Increased due to growth in embedded systems, etc. despite decline in housing-related sales
- Operational Infrastructure BPO: Increased due to the product business, the impact of new consolidation, and growth of finance and insurance projects
- Regional, Overseas, Etc.: Increased due to development projects in the telecommunications industry of the regional field

(Units: 100 million yen)	Order volume					Order backlog				
	New standard	(Reference) Previous standard				New standard	(Reference) Previous standard			
	Results	Results	Year on year	Compo- sition ratio		Results	Results	Year on year	Compo- sition ratio	
Consolidated	978.1	988.0	+77.7	108.5%	–	259.8	459.3	+47.5	111.5%	–
Finance and Society	297.4	300.6	+20.7	107.4%	30.4%	76.1	158.3	+16.3	111.5%	34.5%
Corporate Solutions	277.8	278.2	+9.3	103.5%	28.2%	61.3	84.9	+4.2	105.3%	18.5%
Operational Infrastructure BPO	283.3	289.6	+30.5	111.8%	29.3%	87.6	181.1	+20.4	112.7%	39.4%
Regional, Overseas, Etc.	119.4	119.4	+17.1	116.8%	12.1%	34.6	34.8	+6.4	122.9%	7.6%

Effective from the first quarter of FY 22/3, the Company has adopted the “Accounting Standard for Revenue Recognition” (new standard). Regarding order volume and order backlog, results for the fiscal year under review that have been reclassified into figures prior to the adoption of the said standard (previous standard) are compared with figures for the previous fiscal year.

(Reference) Order Volume by Segment: Quarterly

[Order Volume (4Q: +¥3.37 billion year on year)]

- Finance and Society Segment: +¥2.06 billion due to large-scale securities projects and expansion of projects in the banking and insurance industries
- Corporate Solutions Segment: +¥110 million due to growth in embedded systems, etc. despite decline in housing-related sales
- Operational Infrastructure BPO: +¥560 million due to the product business, the impact of new consolidation, and growth of finance and insurance projects
- Regional, Overseas, Etc.: +¥640 million due to expansion of existing projects in the regional segment, etc.

<Upper: New standard (after adoption of the Accounting Standard for Revenue Recognition); Lower: Previous standard (prior to adoption of the Accounting Standard for Revenue Recognition)>

(Units: 100 million yen)	Results for FY 21/3					Results for FY 22/3				
	1Q	2Q	3Q	4Q	Cumulative	1Q	2Q	3Q	4Q	Cumulative
Consolidated				—		169.3	249.4	237.1	322.1	978.1
	140.4	186.0	138.9	444.7	910.2	143.6	200.1	165.6	478.5	988.0
Finance and Society				—		44.6	82.1	70.5	100.1	297.4
	40.0	60.0	35.7	144.0	279.9	31.0	71.1	33.7	164.6	300.6
Corporate Solutions				—		61.1	63.4	64.1	88.9	277.8
	52.1	61.5	56.2	99.0	268.9	58.6	57.7	61.6	100.1	278.2
Operational Infrastructure BPO				—		34.3	74.3	75.3	99.2	283.3
	24.0	37.8	22.9	174.3	259.1	24.7	41.7	43.1	179.9	289.6
Regional, Overseas, Etc.				—		29.1	29.4	27.1	33.7	119.4
	24.1	26.6	24.1	27.3	102.3	29.1	29.4	27.1	33.7	119.4

Effective from the first quarter of FY 22/3, the Company has adopted the “Accounting Standard for Revenue Recognition” (new standard). Results for FY 22/3, that have been reclassified into figures prior to the adoption of the said standard (previous standard) are presented as well, in order to allow for meaningful year-on-year comparisons.

(Reference) Group Company Results

(Units: 100 million yen, %)	FY 22/3						FY 21/3	
	Net sales			Operating profit			Net sales	Operating profit
	Amount	YoY (%)		Amount	YoY (%)			
DTS CORPORATION	675.9	+21.6	103.3%	91.0	+3.9	104.6%	654.3	87.0
DIGITAL TECHNOLOGIES CORPORATION	91.8	-6.8	93.0%	3.0	-0.6	82.1%	98.7	3.7
DTS INSIGHT CORPORATION	61.0	+0.7	101.2%	7.6	+0.3	104.9%	60.3	7.2
JAPAN SYSTEMS ENGINEERING CORPORATION	52.5	+3.0	106.1%	5.1	+1.1	129.0%	49.5	4.0
DTS WEST CORPORATION	32.0	+1.2	104.1%	3.4	+0.3	112.1%	30.7	3.1
KYUSHU DTS CORPORATION	22.5	+2.4	112.3%	2.1	+0.0	104.1%	20.1	2.0
Nelito Systems	14.0	+0.7	105.7%	-0.4	-0.2	—	13.2	-0.2
I Net Rely Corporation	13.8	—	—	0.7	—	—	—	—
MIRUCA CORPORATION	4.5	+1.0	130.1%	0.5	+0.6	—	3.4	-0.0
DTS America Corporation	4.1	-1.0	79.0%	0.1	-0.0	64.6%	5.2	0.2
DLSE Japan *1	3.8	-1.1	77.6%	0.2	-0.1	72.1%	5.0	0.4
DTS Vietnam	3.4	+0.5	120.9%	0.3	+0.0	124.1%	2.8	0.2
DLSE *2	2.3	-1.6	58.6%	-0.5	-0.9	—	3.9	0.4
DTS (Shanghai) CORPORATION	1.7	-0.0	96.9%	0.0	-0.0	46.4%	1.8	0.1

*1: Japan SuperElectronics Co., Ltd. *2: Dalian SuperElectronics Co., Ltd.

(Results include intra-group transactions)

Effective from FY 22/3, the Company has adopted the “Accounting Standard for Revenue Recognition”; however, year-on-year comparisons are with the results for the previous year (FY 21/3) prior to the adoption of the said standard.

2. Long-Term Outlook and Medium-Term Management Plan

Long-Term Outlook and Medium-Term Management Plan

(FY 23/3 to FY 25/3)

Table of Contents

- ■ ■ **Observation on
the Business Environment**
- ■ ■ **Vision 2030**
- ■ ■ **Medium-Term Management Plan**



Observation on the Business Environment

The environment surrounding the DTS Group will experience dramatic changes that will nevertheless bring excellent growth opportunities

Market

- The IT market will continue to expand, with digital transformation (DX) being the primary focus
- Projects developed from scratch will be on the decline, and service provision-based projects from infrastructure development to application will be on the rise
- The shift toward in-house production in user companies will be most fast paced at leading companies

Technology

- Use of digital technologies, especially cloud computing (containers, etc.), will increase
- Development technologies such as non-programming, DevOps, and low code programming will advance
- Data-driven technologies (such as AI, data lakes, and iPaaS) will become more sophisticated, as the implementation of IoT will spread across society
- Security technologies will evolve from perimeter protection to zero-trust models

ESG

- Companies are now required to achieve carbon-free (or carbon-neutral) management
- Intensifying efforts for diversity and inclusion
- Engagement with capital markets will become even more active

Solid business and financial foundation to support the growth of the DTS Group

Robust customer base

- Diverse and long-term relationships, mainly with listed companies
 - Around 1,700 Group customers
 - Percentage of prime customers: around 70%
- *Number of Group customers is on a consolidated basis
*Percentage of prime customers is on a non-consolidated basis

Reliable SI capability

- Extensive development project experience and business know-how
 - Commitment to project completion and quality improvement
 - Around 380 PMs (12.6% of all employees)
- *Number of PMs is on a non-consolidated basis

Solid financial foundation

- Investment capacity to enable aggressive growth investment for the future
 - Equity-to-asset ratio: 78.4%
 - Net cash ratio: 57.9%
- *Equity-to-asset ratio and net cash ratio are on a consolidated basis

The challenge for DTS is to create solution services through aggressive investment so as to draw a growth trajectory

Business

- Transform the business model as the domain expands from application-centric development to the creation of new solutions and services
- Loss of proposal-oriented sales promotion and recruiting opportunities due to being misunderstood as a company focused on development services with few prime customers

Technology

- While project management capabilities have improved, DTS lacks the ability to develop cutting-edge applied technologies and to create unique solutions and services that utilize them, as well as research and development capabilities

Human resources

- Step up the development of personnel capable of realizing new business, doing proposal-oriented sales activities, and managing a company
- Develop systems and a corporate culture that empower employees
- Increase the percentage of female managers (currently, 3.1%)



Vision 2030

The DTS Group aims to establish a new growth model and further improve corporate value through the creation of both social value and financial value by understanding environmental changes to areas such as the IT market, technology and ESG, and in addition to further developing the existing SI business model, it will proactively invest into digital, solutions and service business as well as the human resources to realize this.

Vision 2030

**Become a company
that continuously takes on challenges
in order to provide value that exceeds expectations**

The values we embrace

Always enjoy change

The DTS Group wishes to provide value that exceeds the expectations placed upon it by customers, shareholders, business partners, employees and their families as well as the society that surrounds all of them.

In order to do this, each and every employee will take on various challenges while always enjoying changes.

Summary of Value Creation Story (Vision 2030)

Long-Term
Outlook

Medium-Term
Plan

To be a company that continues to challenge itself
to provide value that exceeds expectations

Vision 2030

Observation on the business environment

External business environment

- The primary focus in the IT service market is DX
- Projects developed from scratch will be on the decline, and service provision-based projects will be on the rise
- The shift toward in-house production among users will be most fast paced at leading companies

Internal environment

- Robust customer base
- Reliable SI capability
- Solid financial foundation
- x Delay in adapting to latest technologies including R&D
- x Ability to create new solution services

ESG

- Carbon-free management
- Diversity and inclusion
- Active engagement with capital markets

Key challenges

Business

- Increase sophistication of the value that we propose**
- Combination of SI x digital**
- Advance into new fields as well as globally**

Investment

Maximum investment per year: ¥10 billion

- Investment in human resources
- R&D
- Capital expenditures
- M&A

Management foundation

- Strengthen ESG Initiatives**
- Reform management foundation**

Key points for achievement

1. Strengthen our business formation and expand the coverage
2. Create winning techniques (offerings)
3. Renew our corporate image through active public relations activities
4. Secure and develop human resources
5. Introduce an organizational structure and delegation of authority that achieve greater agility
6. Leverage cutting-edge technologies within the Group
7. Commitment to TCFD recommendations and SBT
8. Create more opportunities for a variety of employees to do their best
9. Engagement with greater care and attention

Ideal vision

Business model

- Evolve toward “Total SI”
- Create new solution services
- Offer new value by integrating industry insights and technology

Financials

Establish the optimal balance between long-term investment and returns for shareholders

ESG

- Become carbon-neutral
- Achieve diversity and inclusion
- Abide by Japan’s Corporate Governance Code at a high level

Vision 2030/Business Models

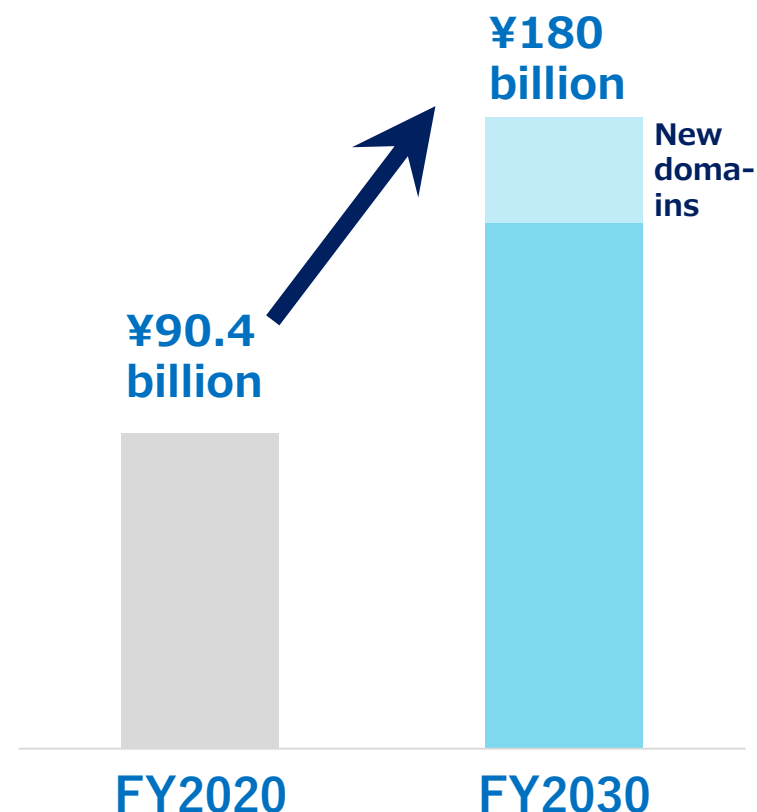
Long-Term
Outlook

Medium-
Term Plan

We aim to evolve from our current SI business model which focuses on developing application software, while expanding our business domains by creating new solution services, and to double our current net sales to ¥180 billion in FY2030.

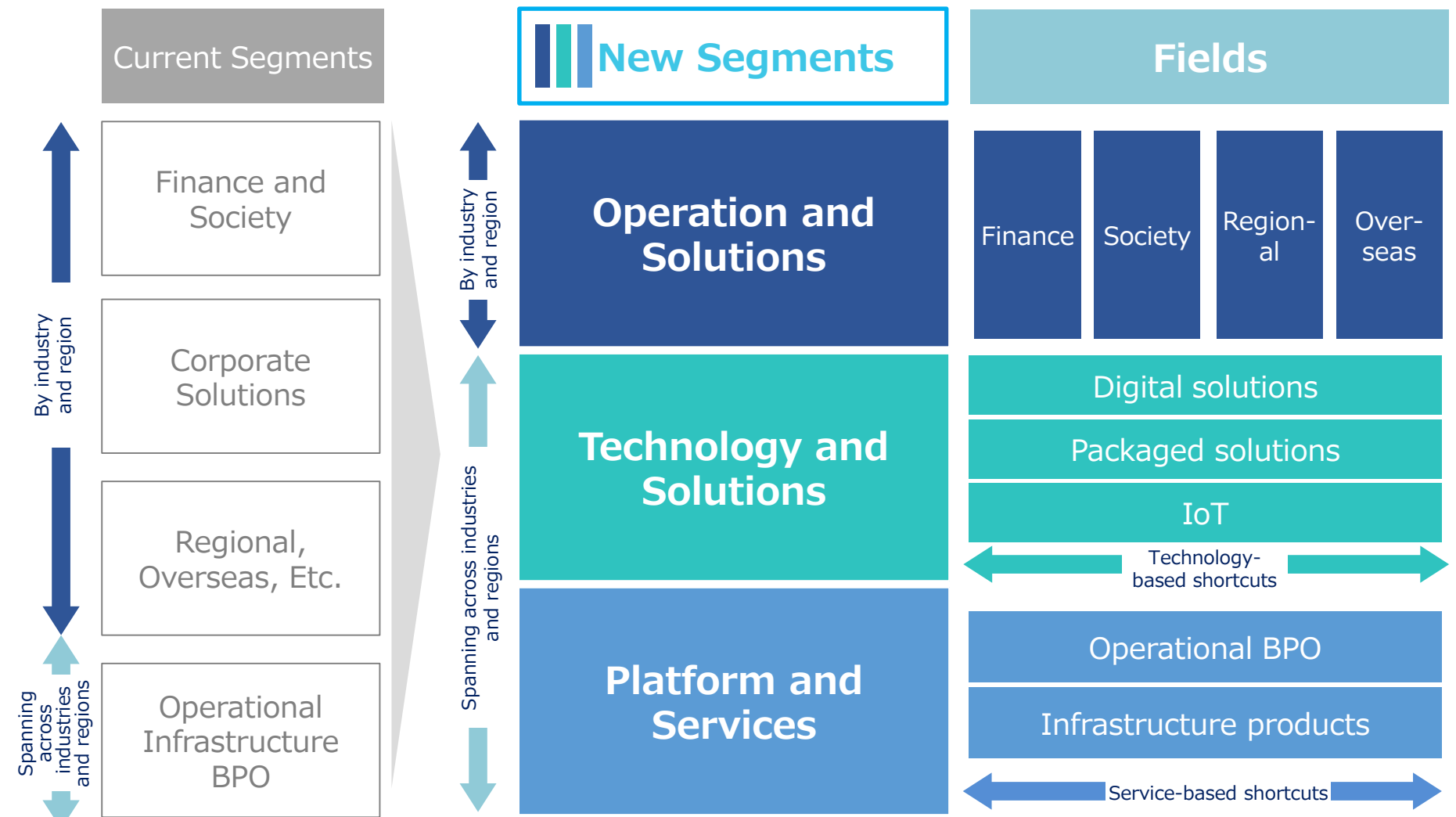
Offer new value by combining industry insights (*1) and technology

Achieve growth that doubles both sales and profit (EBITDA)



*1 Combination of our business knowledge and discoveries such as about ever-changing industry trends

Fundamentally review the business portfolio (segments) in order to promote the dynamic transformation of our business model.



Characteristics and Growth Potential of New Segments

Operation and Solutions

Offer new high value-added services to customers by adding digital technology to project management capabilities and industry insights, which are some of our strengths.
Actively create industry-specific solutions as well.

- Financial Sector
- Public Systems and Social Infrastructure Sector, etc.

CAGR

5%

Technology and Solutions

Specialize in digital technology and solutions, and use the latest technologies to meet the diverse needs of customers, regardless of industry or sector.

- Digital Solution Sector
- DTS INSIGHT CORPORATION, etc.

CAGR

9%

Platform and Services

Support IT environments customers can feel reassured using, by introducing advanced IT equipment, building IT platforms, and providing operation monitoring services.

- IT Platform Service Sector
- DIGITAL TECHNOLOGIES CORPORATION, etc.

CAGR

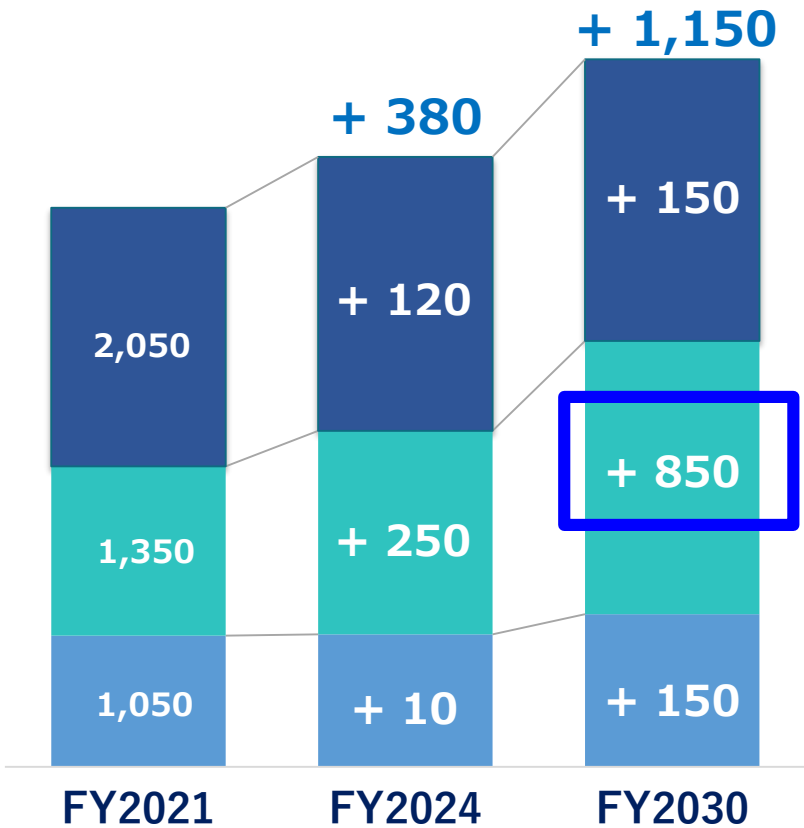
4%

*CAGR is calculated for the sales growth from FY2021 to FY2030

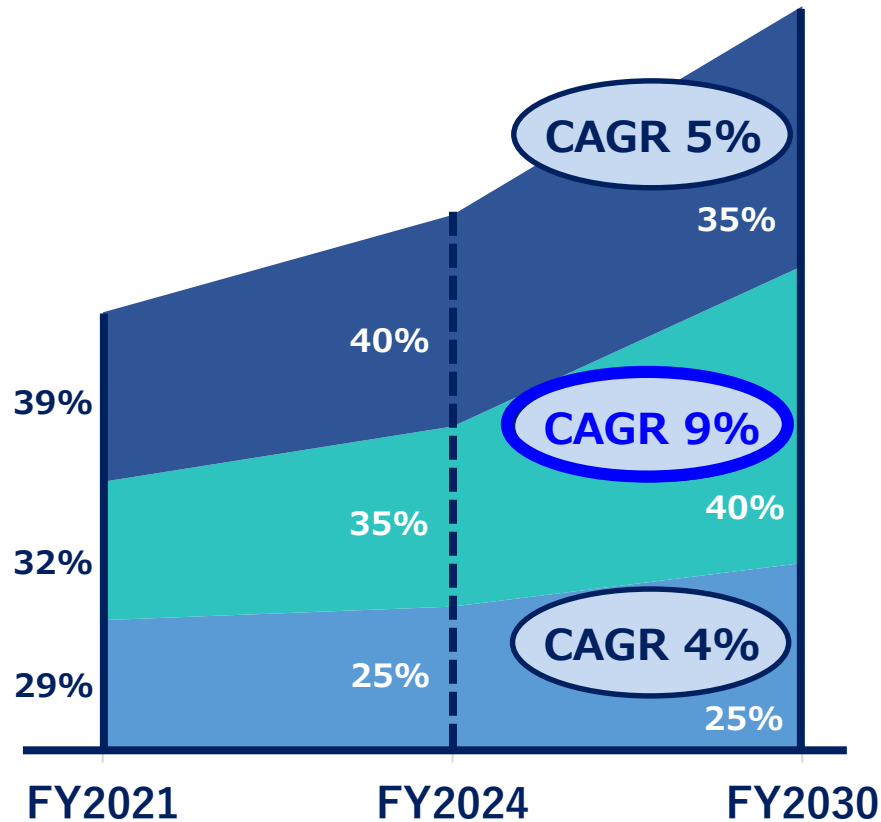
Allocate human resources mainly to the Technology and Solutions segment to drive overall growth.

Operation and Solutions Technology and Solutions Platform and Services

Number of domestic employees
(increases represent figures compared to FY2021)

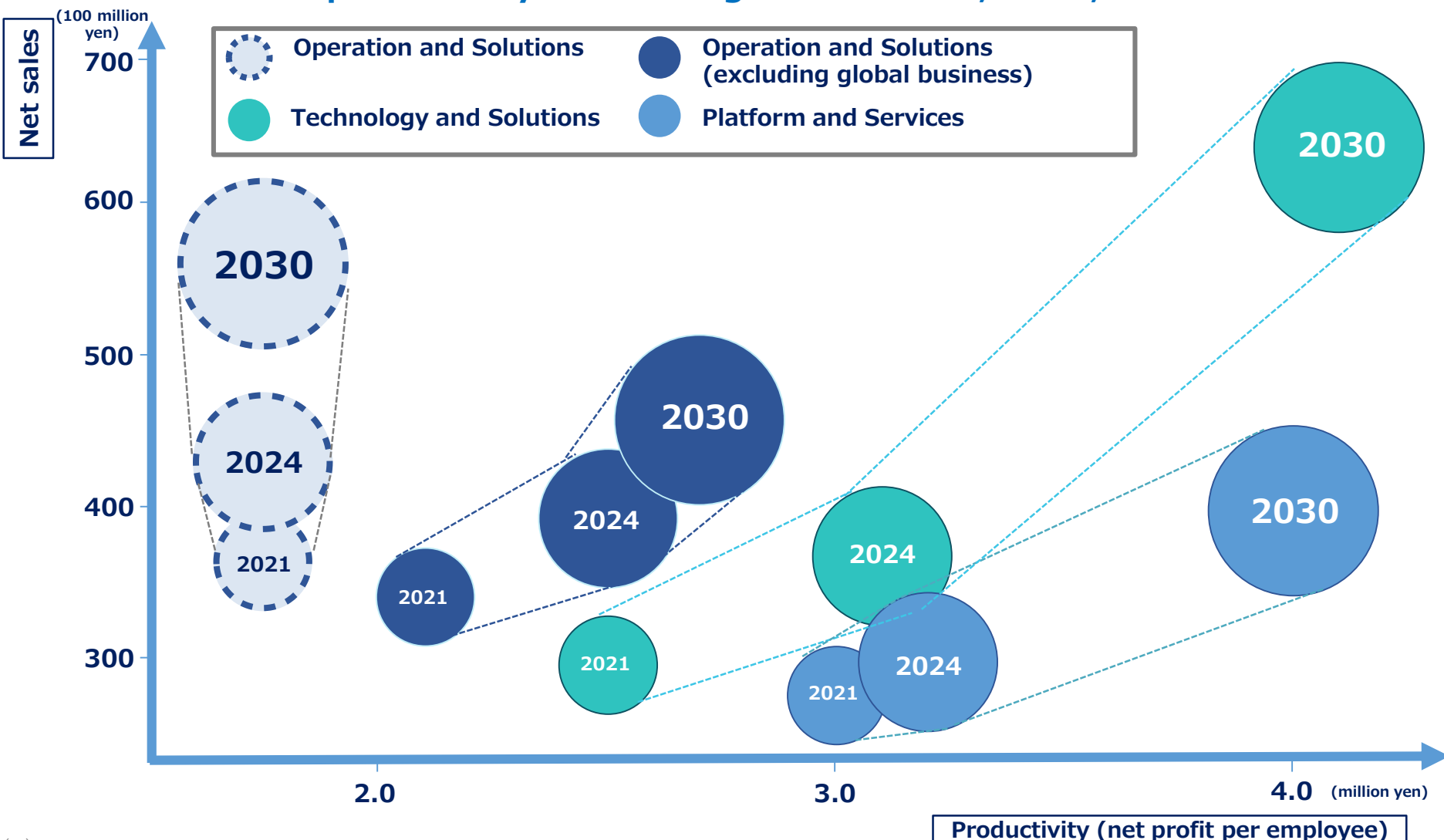


Sales growth
(% represents the share of each segment in total sales)

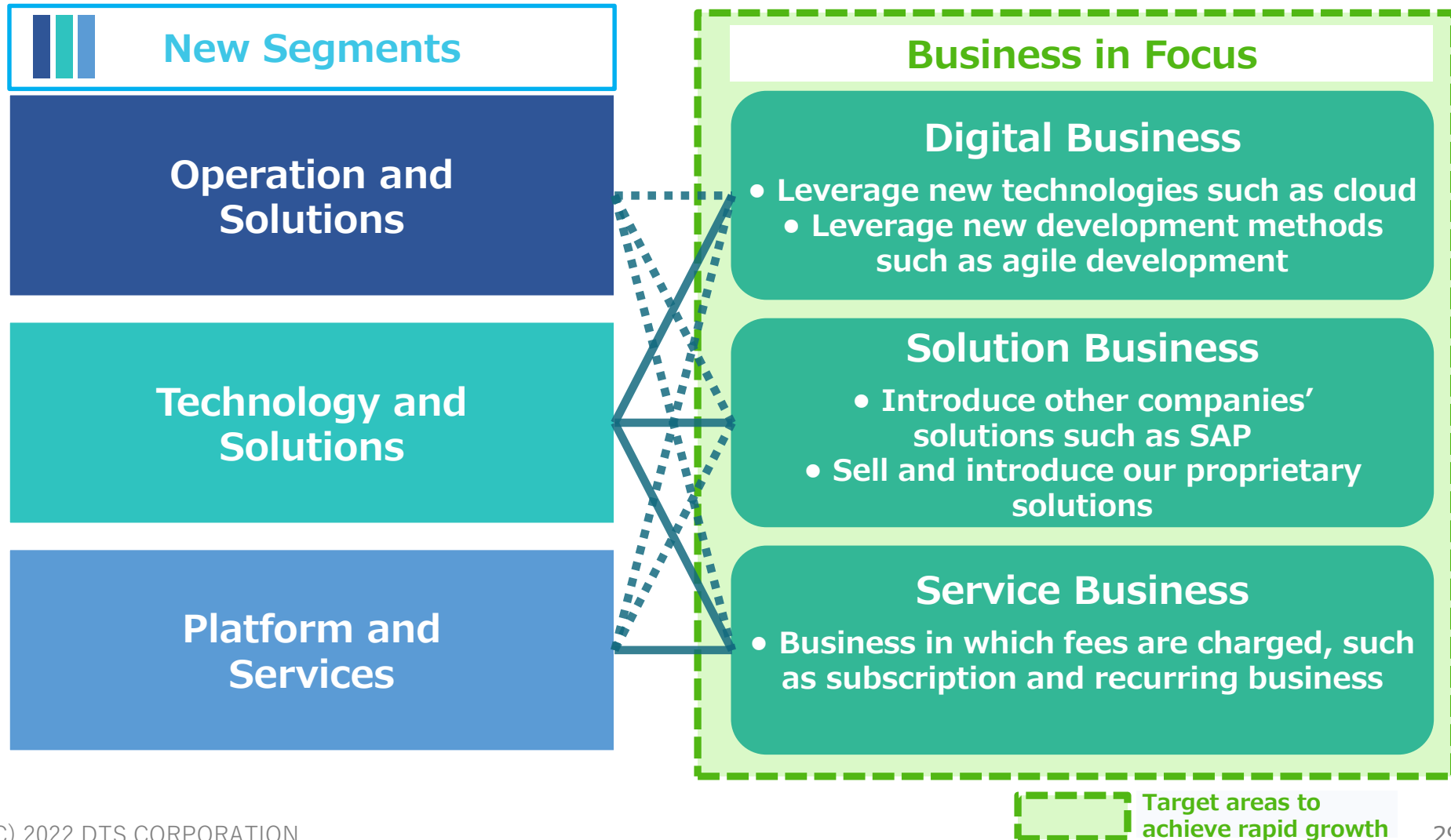


Increase productivity per employee in all segments and expand the scale of operations.

<Net sales and productivity of each segment in 2021, 2024, and 2030>



Define our digital business, solution business, and service business as “Business in Focus” areas to target to achieve rapid growth. Step up efforts in all business segments.



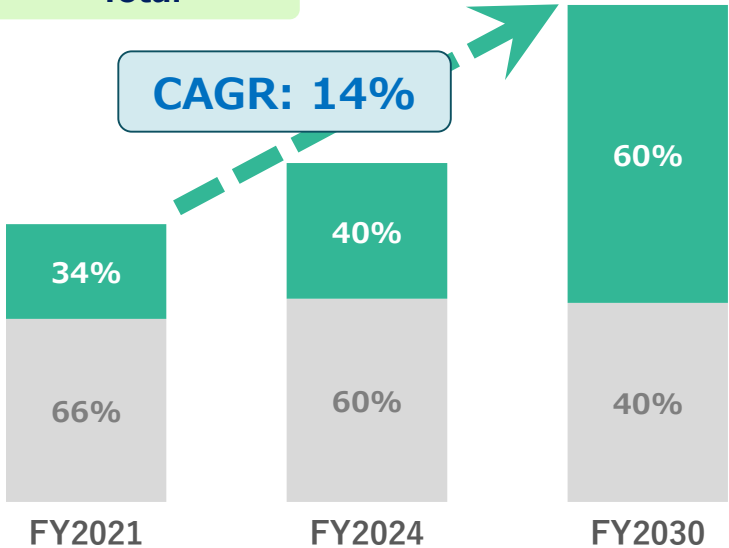
Sales Targets for Business in Focus

Long-Term
Outlook

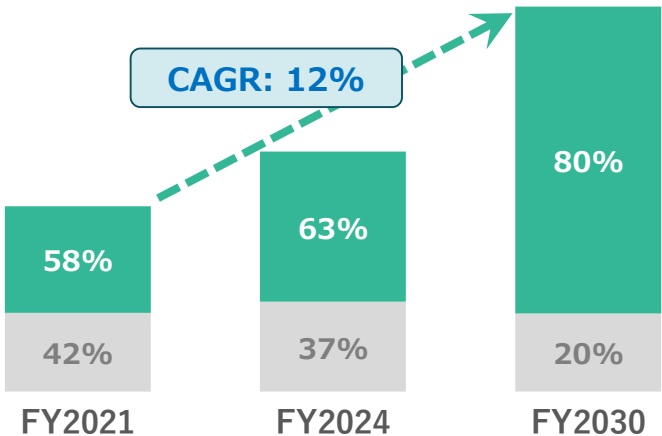
Medium-Term
Plan

Achieve the rapid growth of the Group by dramatically expanding business in focus.

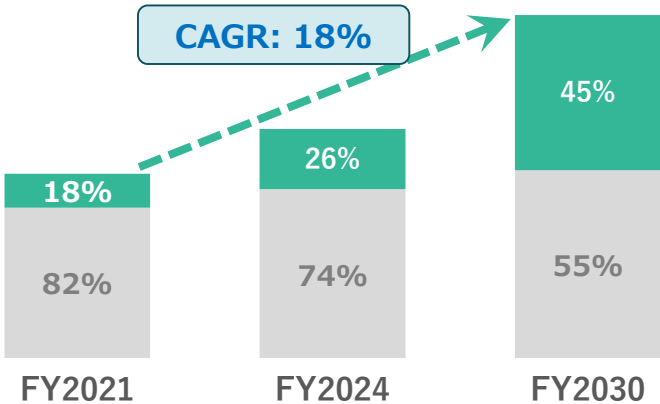
Total



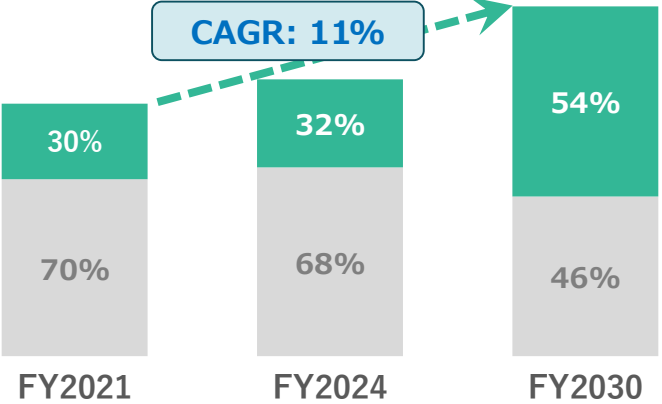
Technology and Solutions



Operation and Solutions



Platform and Services



*CAGR is calculated for the sales growth of business in focus from FY2021 to FY2030

Achieve the optimal balance between growth investment and returns for shareholders, while doubling sales and profits.

Sales and Profit (EBITDA)

compared with FY2020

2 times

Investments

FY2022 to FY2030

Approx. ¥ **10** billion annually

ROE

Improve up to **16**%

Shareholder returns

Payout ratio: **50**% or higher every fiscal year

Total return ratio: **70**% or higher every fiscal year

Approx. **130**% in FY2022

Promote the execution in three stages to achieve Vision 2030

To be a company that continues to challenge itself to provide value that exceeds expectations

1st STAGE

Create a new
growth model

FY2022 to FY2024

2nd STAGE

Improve business
profitability

FY2025 to FY2027

3rd STAGE

Focus on improving
capital efficiency

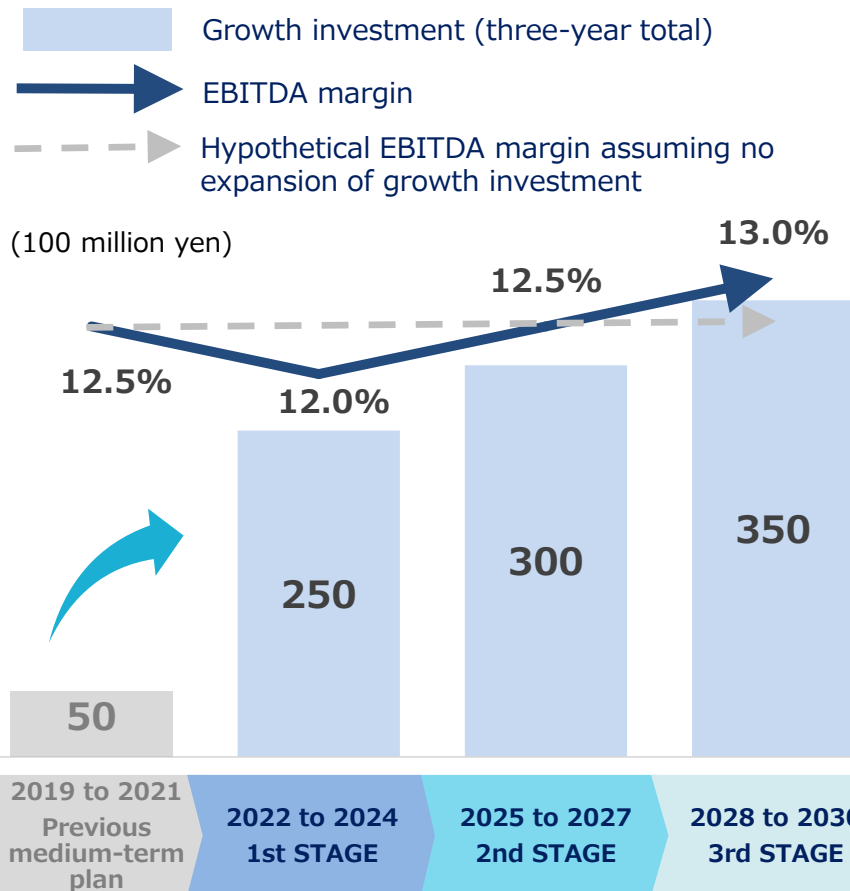
FY2028 to FY2030

SUSTAINABLE
DEVELOPMENT GOALS

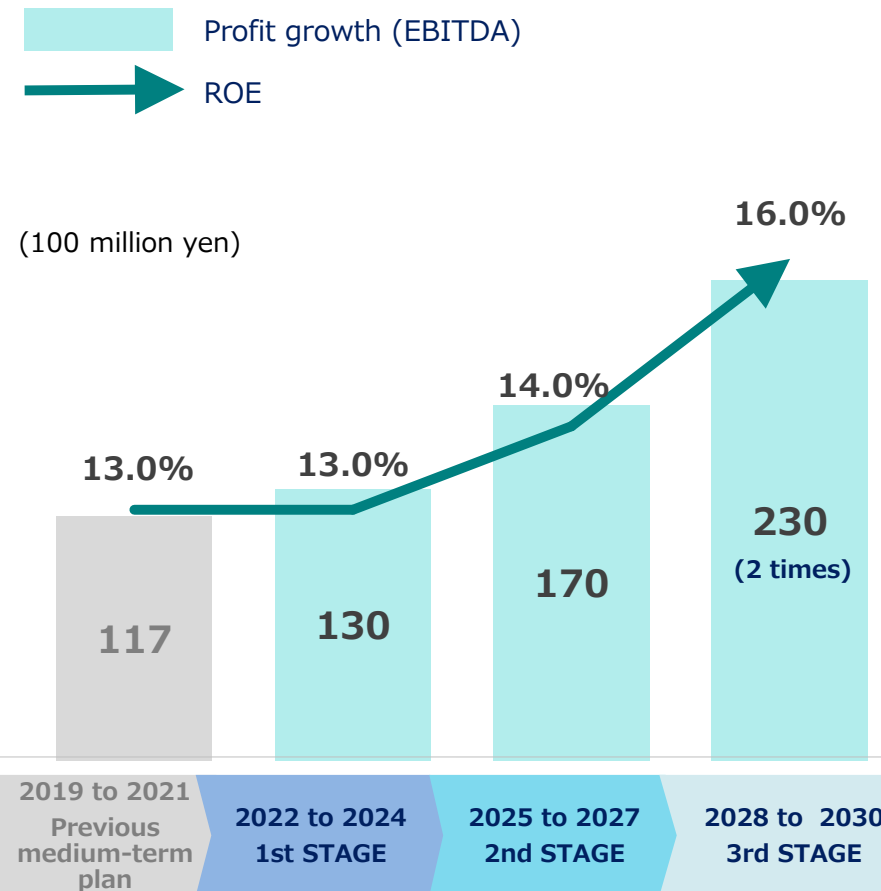
Achieve growth that doubles both sales and
profit (EBITDA)

- Carry out aggressive growth investment and improve profitability (EBITDA margin).
- Double the amount of profit (EBITDA) and improve ROE.

Change in growth investment



Changes in profit growth and ROE



Vision 2030 Cash Allocation Policy

Long-Term
Outlook

Medium-
Term Plan

- Systemically carry out aggressive growth investment and returns for shareholders, aiming to enhance corporate value over the long term.
- Carry out further acquisition of treasury shares in a flexible manner, taking into account the progress of growth investment and then-current share price.

Cash in

Cash income from business

Sales and profits (EBITDA)

2 times

Cash on hand (FY2022 opening balance)

Percentage to
total assets:

A little less than **60%**

Allocation

— Growth investment — (around ¥10 billion per year)

Investment in
human resources

Research and
development

Capital
expenditures

M&A

Any unspent amount for growth investment will be used for further acquisition of treasury shares in a flexible manner

Returns for shareholders

Payout ratio: **50** % or higher for every fiscal year

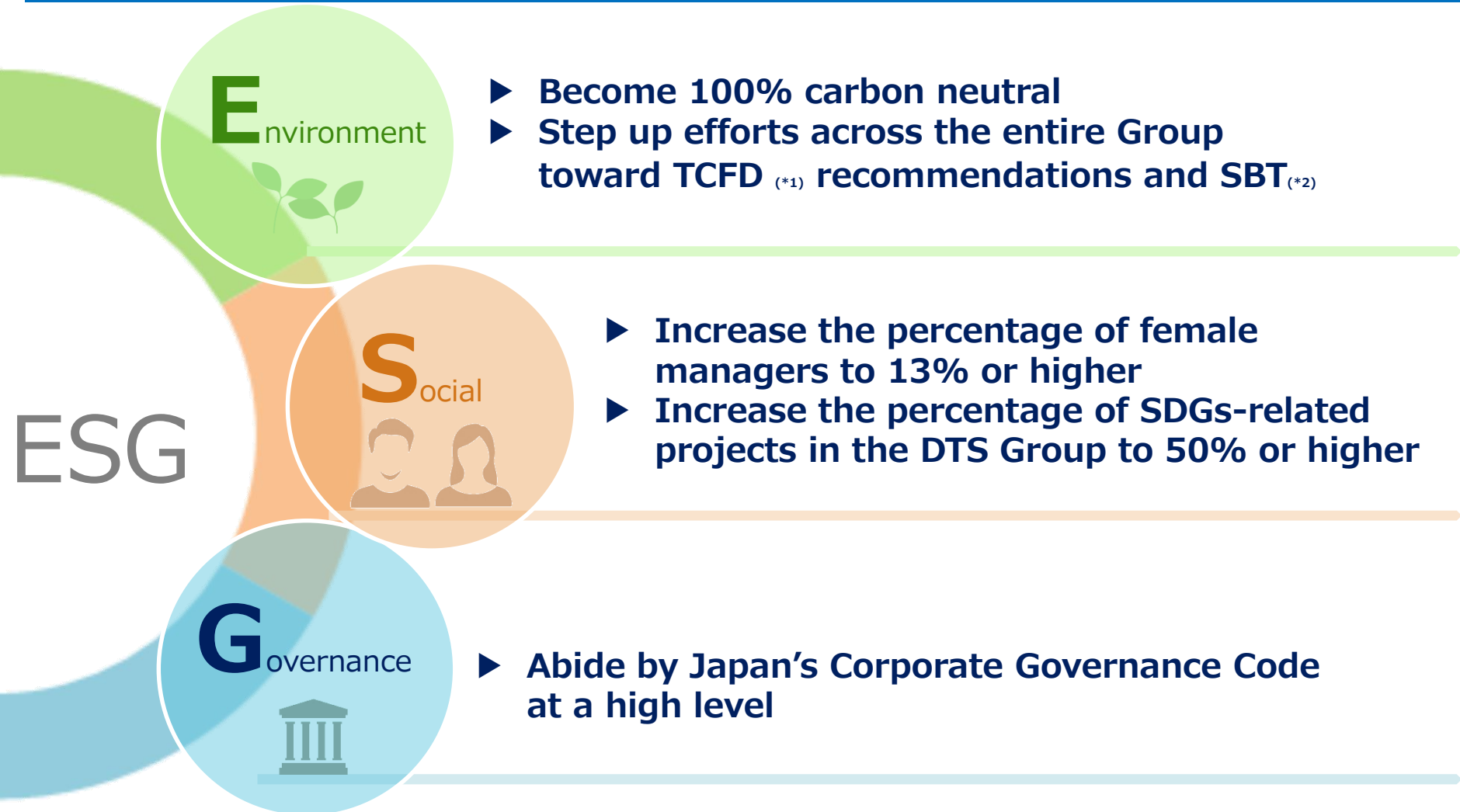
Total return ratio: **70** % or higher for every fiscal year

Cash on hand (Financial soundness)

Percentage to total assets:

Around **30%**

Aim to be a company that grows together with society by practicing sustainable management, including the achievement of carbon neutrality.



*1 Task Force on Climate-related Financial Disclosures (a framework for disclosing information on corporate initiatives against climate change and their impacts)

*2 Greenhouse gas emission reduction targets for the next 5 to 15 years set by companies (a framework that encourages companies to set scientific medium- to long-term targets)



Medium-Term Management Plan

Under Vision2030, the Group has set key challenges for both its businesses and its management foundation, and established the targets for solving those challenges.

Carry out aggressive investments and achieve stable returns for shareholders.

[Financial targets for FY 25/3]

Operating revenue	Consolidated net sales:	¥110.0 billion or higher
	EBITDA: (*1)	¥13.0 billion or higher
	EBITDA margin:	approx. 12%
NEW Investment	Investments : (cumulative over three years)	¥25.0 billion
Management efficiency	ROE:	13% or higher
Shareholder returns	Payout ratio:	50% or higher
	Total return ratio:	70% or higher (approx. 130% in FY2022)

*1 Operating profit: ¥12.0 billion or more (reference)

Set a target that 40% or more of sales should be from business in focus target areas to achieve rapid growth. In addition, set targets related to ESG to realize a sustainable society.

[Financial targets for FY 25/3]

Areas focused on

Net sales of focus businesses: (*1) **40%** or higher

*1 Business fields that consist of the three growth engines of the Digital Business, Solutions Business and Services Business, are being focused on going forward.

NEW

ESG

Reduction of CO₂ emissions: **50%** or higher
(compared with FY2013 figures)

SDGs-related net sales: (*2) **40%** or higher

Ratio of female managers: **6%** or higher

Ratio of female Directors: **10%** or higher

Independent Outside Directors: Over **50%**

*2 Net sales from projects contributing to SDGs (17 goals).
Constant awareness of SDGs throughout the Group, including frontline employees.

Summary of Value Creation Story (Vision 2030)

Long-Term
Outlook

Medium-Term
Plan

To be a company that continues to challenge itself
to provide value that exceeds expectations

Vision 2030

Observation on the business environment

External business environment

- The primary focus in the IT service market is DX
- Projects developed from scratch will be on the decline, and service provision-based projects will be on the rise
- The shift toward in-house production among users will be most fast paced at leading companies

Internal environment

- Robust customer base
- Reliable SI capability
- Solid financial foundation
- x Delay in adapting to latest technologies including R&D
- x Ability to create new solution services

ESG

- Carbon-free management
- Diversity and inclusion
- Active engagement with capital markets

Key challenges

Business

- Increase sophistication of the value that we propose**
- Combination of SI x digital**
- Advance into new fields as well as globally**

Investment

Maximum investment per year: ¥10 billion

- Investment in human resources
- R&D
- Capital expenditures
- M&A

Management foundation

- Strengthen ESG Initiatives**
- Reform management foundation**

Key points for achievement

1. Strengthen our business formation and expand the coverage
2. Create winning techniques (offerings)
3. Renew our corporate image through active public relations activities
4. Secure and develop human resources
5. Introduce an organizational structure and delegation of authority that achieve greater agility
6. Leverage cutting-edge technologies within the Group
7. Commitment to TCFD recommendations and SBT
8. Create more opportunities for a variety of employees to do their best
9. Engagement with greater care and attention

Ideal vision

Business model

- Evolve toward "Total SI"
- Create new solution services
- Offer new value by integrating industry insights and technology

Financials

Establish the optimal balance between long-term investment and returns for shareholders

ESG

- Become carbon-neutral
- Achieve diversity and inclusion
- Abide by Japan's Corporate Governance Code at a high level

Key Challenges “Business”

Long-Term
Outlook

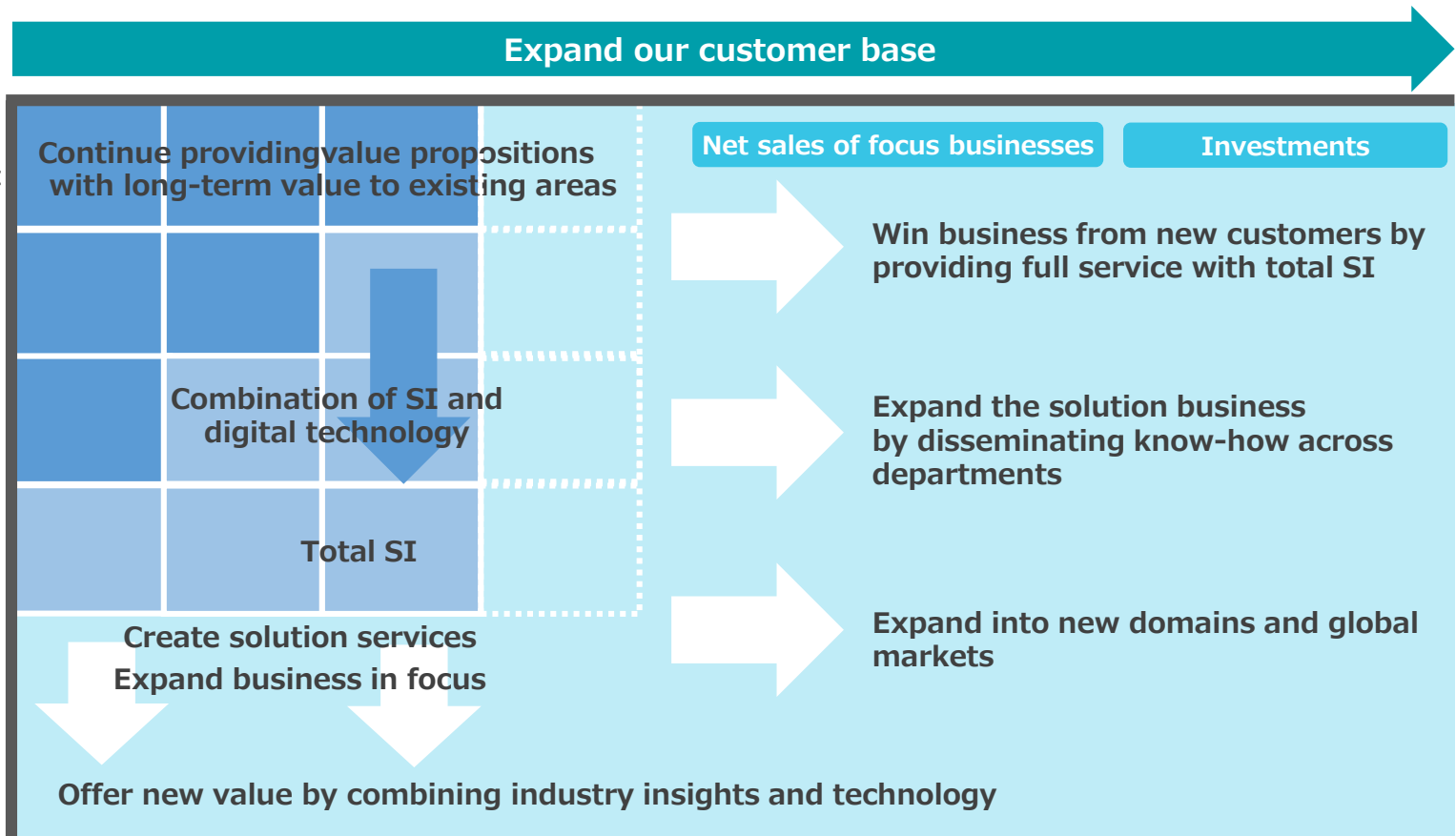
Medium-
Term Plan

Evolve value propositions starting from application-centered SI business, which is one of our strengths, and expand our customer base.

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally



KPI

Add “digital technology” to “project management capabilities” and “industry insights” and offer new high value-added services. Actively create industry-specific solutions as well.

Growth strategy in our medium-term management plan

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally

- I** Expand modernization business
- II** Strengthen DX capabilities (combination of project management capabilities, industry insights, and technology)
- III** Strengthen co-creative relationships among group companies in Japan and overseas (across customers, nearshore and offshore)
- I** Increase new customers by evolving our value propositions

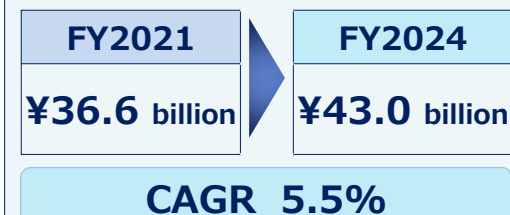
Initiatives for business in focus

- Strengthen application development capability based on cloud architecture
(including containers, DevOps, microservices, and CI/CD)
- Strengthen capabilities for agile/low code development
(including Scrum/ServiceNow, OutSystems, and GeneXus)
- Expansion and further creation of industry-specific solution services
(AMLion, DAVinCI LABS, and industry-specific solutions)

Major growth investment

- Develop and hire human resources with a high level of skills (such as business consultants, applications specialists, business producers, and people with global skills)
- Research and development for the enhancement of AMLion and Nelito FinCraft
- Development of industry-specific solutions
- Reinforce our strengths including by M&A and co-creation with domestic and overseas business solutions

Net sales



Percentage of business in focus



Number of employees



Productivity (net profit per employee)



*Number of employees and productivity (net profit per employee) figures exclude persons in overseas locations

Specialize in digital technology and solutions, and use the latest technologies to meet the diverse needs of customers, regardless of industry or sector.

Growth strategy in our medium-term management plan

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally

- II Further expand cloud infrastructure business, promote the launch of zero-trust security business, and reform our business models
- I Further enhance and promote our proprietary solutions and winning techniques
- II Promote the expansion of technological domains in the field of IoT and integration
- I Build business models in data-driven domains

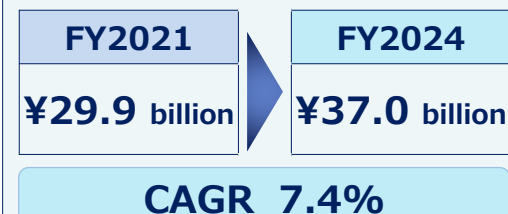
Initiatives for business in focus

- Enhance our cloud business technologies and reform our business models
(including AWS, Azure, ServiceNow, Snowflake, and Okta)
- Enhance functions for the expansion of package sales and strengthen ERP business expansion
(including Walk in home, GalleriaSolo, and SAP)
- Establish the technologies for edge AI and server security
(including AI, and LSI design (RISC-V, arm))

Major growth investment

- Develop and hire human resources with a high level of skills (such as infrastructure technology engineers, cloud technology engineers, business producers, and data scientists)
- Research and development in the fields of proprietary packages, IoT, AI, and semiconductors
- Development of services in the security domain
- Investments (including equity investments) in domains in which reinforcement of services development is needed

Net sales



Percentage of business in focus



Number of employees



Productivity (net profit per employee)



Support IT environments customers can feel reassured using, by introducing advanced IT equipment, building IT platforms, and providing operation monitoring services.

Growth strategy in our medium-term management plan

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally

- I** Transformation from labor-intensive business to knowledge-intensive business, and its sophistication
- I** Expansion of service provision through the evolution of service-oriented business
- II** Promote customers' DX business by leveraging our products and services

Initiatives for business in focus

- Expand operational service menu centered on ReSM/ReSM plus
(including AWS, Azure, ServiceNow, and zero-trust models)
- Enhance and promote the sales of HybridCloud, Data Management, etc.
(AWS, Azure, VMware Cloud, Telework, HCI, and other backup technologies)
- Promote network integration business
(including SDN, 5G, VPN, WAN, LAN, Internet, and security)

Major growth investment

- Develop and hire human resources with a high level of skills (such as business consultants, infrastructure technology engineers, and cloud technology engineers)
- Research and development for the evaluation and implementation of new technologies
- Establishment of the Second ReSM Center and a showroom
- Promote M&A and alliances to strengthen DX business, including SaaS-type monitoring tools

Net sales

FY2021	FY2024
¥27.8 billion	¥30.0 billion
CAGR 2.5%	

Percentage of business in focus

FY2021	FY2024
30 %	32 %

Number of employees

FY2021	FY2024
1,050	1,060

Productivity (net profit per employee)

FY2021	FY2024
¥3.0 million	¥3.2 million

Key Challenges “Management Foundation”

Long-Term
Outlook

Medium-
Term Plan

- Step up efforts on ESG to contribute to the realization of a sustainable society.
- Reform our management foundation to urge our people to take on challenges and speed up management decision making.

IV. Strengthen ESG initiatives

KPI

Step up efforts for the environment

Reduction of CO₂ emissions

SDGs-related net sales

- Promote carbon-free management, including procurement of renewable energy
- Expansion and promotion of projects with SDGs in mind
- Set up a sustainability committee to accelerate discussion and response

Promote employee engagement and diversity

Ratio of female managers

- Provide comfortable work environments in which a variety of employees can play an active role
- Strategic development of potential candidates for management
- Conduct periodic employee engagement surveys and ensuing analysis/response

Enhance governance and information disclosures

Ratio of female Directors

Independent Outside Directors

- Transition to a company with an audit and supervisory committee
- Enhance the independence and diversity of the Board of Directors
- Enrich non-financial information and improve the disclosure of company performance continually

V. Reform management foundation

Overhaul business processes and leverage cutting-edge technologies

- Achieve agility through delegation of authority and urge our people to take on challenges
- Transform our management style to be data-driven, thereby becoming a reference model for customers

A total of ¥25 billion will be set aside for investment over a three-year period from FY2022 to FY2024, mainly in the Technology and Solutions segment.

Growth investment (three-year total)

Investment in human resources

(including the increase in
personnel expenses due to the
workforce expansion)

Around ¥**7.5** billion

Investment in research and development

Around ¥**2.0** billion

Capital expenditures

Around ¥**3.0** billion

M&A

Around ¥**10.0** billion

Additional investment

Around ¥**2.5** billion

Major purposes of investment

- Develop human resources with a high level of skills
 - Reinforce recruiting activities for experienced talents and/or fresh graduates, etc.
- Promote research and development in the fields of proprietary packages, IoT, AI, and semiconductors
 - Development of services in the security domain, etc.
- The Second ReSM Center
 - Promotion of DX for internal back office, etc.
- Reinforce our DX business, including monitoring tools using SaaS
 - New business domains, exploration of overseas business domains, etc.
- To be set aside as an additional amount for each investment

Medium-Term Management Plan —Returns for Shareholders (FY2022)

Long-Term
Outlook

Medium-
Term Plan

Stably increase dividends and execute flexible capital policies such as acquisition of treasury shares, while achieving targets for dividend payout ratio and total return ratio.

Celebrating our 50th
anniversary

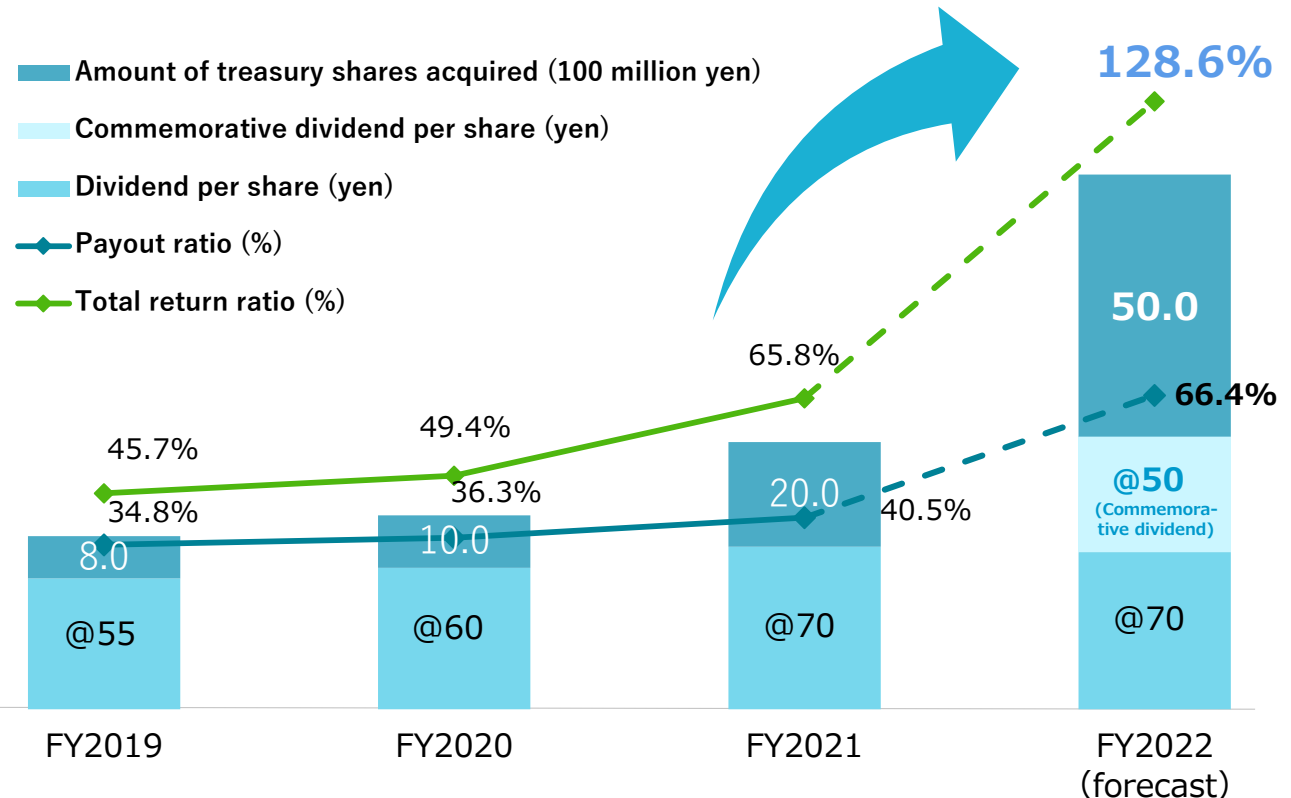


Acquisition of
treasury
shares
¥5.0
billion

Commemora-
tive dividend
+¥50

Changes in dividend payout ratio and total return ratio

- In FY2022, we will **acquire ¥5.0 billion of treasury shares** and pay a **commemorative dividend of ¥50 per share** to celebrate our 50th anniversary. (All acquired treasury stock will be cancelled.)
- For FY2023 and onward, we will maintain **50% or higher for the dividend payout ratio** and **70% or higher for the total return ratio**.



Medium-Term Management Plan—Cash Allocation

Long-Term
Outlook

Medium-Term
Plan

Implement aggressive growth investment toward sales and profit expansion, as well as an increase in return for shareholders including the commemorative dividend celebrating our 50th anniversary, thereby increasing our corporate value.

Cash in

¥35 billion

Cash income
from business

Sales and profits (EBITDA)

1.2 times

¥45 billion

Cash on hand
(FY2022 opening balance)

Percentage to
total assets:

A little less than 60%

Allocation

¥25 billion

Growth investment

Investment in
human resources

Research and
development

Capital
expenditures

M&A

Any unspent amount for growth investment will be used for further acquisition of treasury shares in a flexible manner

¥20 billion

Returns for
shareholders

Total return ratio: around 90%
on average

¥35 billion

Cash on hand
(Financial soundness)

Percentage to total assets:
around 40%

Summary of Value Creation Story (Vision 2030)

Re-presented

Long-Term Outlook

Medium-Term Plan

To be a company that continues to challenge itself to provide value that exceeds expectations

Vision 2030

Observation on the business environment

External business environment

- The primary focus in the IT service market is DX
- Projects developed from scratch will be on the decline, and service provision-based projects will be on the rise
- The shift toward in-house production among users will be most fast paced at leading companies

Internal environment

- Robust customer base
- Reliable SI capability
- Solid financial foundation
- x Delay in adapting to latest technologies including R&D
- x Ability to create new solution services

ESG

- Carbon-free management
- Diversity and inclusion
- Active engagement with capital markets

Key challenges

Business

- I. Increase sophistication of the value that we propose
- II. Combination of SI x digital
- III. Advance into new fields as well as globally

Investment

Maximum investment per year: ¥10 billion

- Investment in human resources
- R&D
- Capital expenditures
- M&A

Management foundation

- IV. Strengthen ESG Initiatives
- V. Reform management foundation

Key points for achievement

1. Strengthen our business formation and expand the coverage
2. Create winning techniques (offerings)
3. Renew our corporate image through active public relations activities
4. Secure and develop human resources
5. Introduce an organizational structure and delegation of authority that achieve greater agility
6. Leverage cutting-edge technologies within the Group
7. Commitment to TCFD recommendations and SBT
8. Create more opportunities for a variety of employees to do their best
9. Engagement with greater care and attention

Ideal vision

Business model

- Evolve toward "Total SI"
- Create new solution services
- Offer new value by integrating industry insights and technology

Financials

Establish the optimal balance between long-term investment and returns for shareholders

ESG

- Become carbon-neutral
- Achieve diversity and inclusion
- Abide by Japan's Corporate Governance Code at a high level

To resolve the five key challenges, we have identified key points for actions which should be immediately taken in the medium-term management plan.

1 Strengthen our business formation and expand the coverage

- Implement organizational reforms (e.g., integration of manufacturing and sales functions) for more sharing and execution of business strategies in each segment
- Strengthen and promote total SI proposals in addition to application development
- Shift to proposal-oriented sales, including consulting business domains

2 Create winning techniques (offerings)

- Decide on focus areas and solutions, accumulate achievements and experience, and learn winning techniques
- Expand our business utilizing the industry and our winning techniques as mutual multipliers to produce results
- Control and suppress projects with problems by identifying our winning techniques and repeatedly using them

3 Renew our corporate image through active public relations activities

- Establish a public relations department to enhance public relations/advertising activities
- Engage in active external communications about our track record in system architecture and ESG initiatives so as to narrow the differences between how the public perceives us and what we really are

4 Secure and develop human resources

- Develop personnel in the field of digital technology, sales, operations, project management, administration, and global operations, as well as leaders for the next generation
- Reinforce recruiting activities for experienced talents in accordance with the strategy of each segment
- Revise evaluation and treatment with greater emphasis on achievements and performance

Key Points for Achievement of the Medium-Term Management Plan (2)

Long-Term
Outlook

Medium-
Term Plan

5 Introduce an organizational structure and delegation of authority that achieve greater agility

- Delegation of authority for faster decision-making and greater initiative
- Organizational reforms (including innovation functions and integration of foundations)

6 Leverage cutting-edge technologies within the Group

- Advanced security measures (support zero-trust models)
- Promotion of DX for internal back office using cutting-edge technologies
→Turn the practice of this promotion into our offering and then into a proposal to customers, creating a virtuous cycle

7 Commitment to TCFD (*1) recommendations and SBT (*2)

- Achieve the reduction of CO₂ emissions by half during the medium-term plan period (through the procurement of renewable energy, etc.) *compared to FY2013 figures
- Create solutions and services that contribute to a carbon-free society

8 Create more opportunities for a variety of employees to do their best

- Increase the percentage of female managers (3.1%⇒6.0%)
- Increase the ratio of employees with disabilities (keep surpassing the statutory ratio)
- Employment of non-Japanese nationals

9 Engagement with greater care and attention

- Conduct periodic employee engagement surveys , and plan and promote measures to improve engagement scores
- Integrate IR and SR functions into the ESG Promotion Department to promote engagement with shareholders and investors in an integrated manner

*1 Task Force on Climate-related Financial Disclosures (a framework for disclosing information on corporate initiatives against climate change and their impacts)

*2 Greenhouse gas emission reduction targets for the next 5 to 15 years set by companies (a framework that encourages companies to set scientific medium- to long-term targets)

And Finally....

Our Philosophy

**Technology is
the power to make people happy, and create
greater enrichment in society.**

**At DTS we use:
technology to build the trust and confidence of our
customers,
technology to increase our corporate value,
technology to improve the lives of our employees,
technology to contribute to the society.**



3. FY 23/3 Forecast

Performance Forecasts for FY 23/3 [Consolidated]

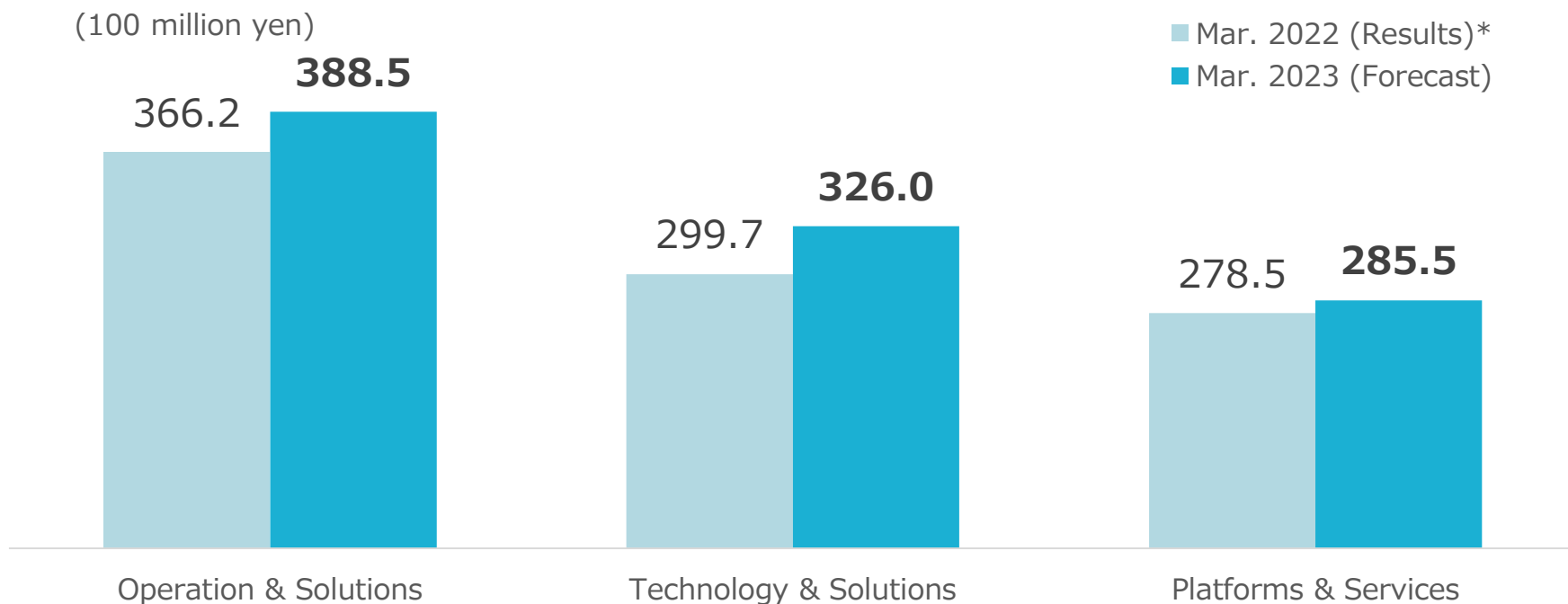
Net sales are expected to hit ¥100.0 billion (up ¥5.54 billion year on year) and operating profit is forecast to reach ¥11.4 billion (up ¥200 million year on year) with an operating margin of 11.4%, as we aim to set new record highs in both net sales and operating profit.

(Units: 100 million yen)	Results	Forecast	Year on year		Sales composition ratio (%) / YoY	
Net sales	944.5	1,000.0	+55.4	105.9%	–	
Gross profit	191.4	204.0	+12.5	106.6%	20.4%	(+0.1pt)
SG&A expenses	79.4	90.0	+10.5	113.3%	9.0%	(+0.6pt)
Operating profit	111.9	114.0	+2.0	101.8%	11.4%	(-0.5pt)
Ordinary profit	114.0	116.0	+1.9	101.7%	11.6%	(-0.5pt)
Profit attributable to owners of parent	78.5	79.5	+0.9	101.2%	8.0%	(-0.4pt)
EBITDA	117.9	121.0	+3.0	102.6%	12.1%	(-0.4pt)

(Reference) Performance Forecasts for FY 23/3

[Sales by Segment]

(Units: 100 million yen)	Results*	Forecast	Year on year		Sales composition ratio
Consolidated	944.5	1,000.0	+55.4	105.9%	—
Operation & Solutions	366.2	388.5	+22.2	106.1%	38.9%
Technology & Solutions	299.7	326.0	+26.2	108.7%	32.6%
Platforms & Services	278.5	285.5	+6.9	102.5%	28.6%



FY 23/3 Shareholder Returns

For FY 22/3, a year-end dividend of ¥40 is planned, an increase of ¥5 from the initial forecast. For FY 23/3, an annual dividend of ¥120 is planned. To commemorate the 50th anniversary of its founding, the company plans to acquire ¥5.0 billion of treasury shares and pay a commemorative dividend of ¥50 per share (all acquired treasury shares will be canceled).

	Dividends			Payout ratio (Consolidated)	Amount of treasury shares acquired (100 million yen)	Total return ratio (Consolidated)
	End of 2Q (yen)	Year end (yen)	Full year (yen)			
FY 23/3 * Forecast	50 (20)	70 (30)	120 (50)	66.4%	50	<u>128.6%</u>
FY 22/3	30	40	70	40.5%	Approx. 20	65.8%

*The figures in the brackets are the 50th anniversary commemorative dividends

Other information

(Reference) Major News Releases

Date of release	Company	Title, brief description
2022		
April 28	DTS	<p>Notice Concerning Dividend of Surplus (Dividend Increase)</p> <p>In addition to the record high in operating profit, profit attributable to owners of parent also reached a record high and exceeded the initial earnings forecast. It was therefore decided to increase the year-end dividend by ¥5 from the forecast to ¥40 (annual dividend of ¥70).</p>
April 28	DTS	<p>Notice Concerning Decision on Matters Relating to Acquisition and Cancellation of Treasury Shares</p> <p>Comprehensively considering factors such as opportunities for growth investment, capital and the market environment, including recent stock prices, DTS will flexibly acquire and cancel treasury shares for the purpose of improving capital efficiency and further improving returns for shareholders.</p> <p>1) Plan to acquire: 1,830,000 shares; total amount of acquisition: ¥5.0 billion; period: May 2, 2022, to December 30, 2022</p> <p>2) Plan to cancel: All treasury shares acquired in 1); date of cancellation: January 13, 2023</p>
April 28	DTS	<p>Notice Concerning Formulation of Long-Term Outlook and Medium-Term Management Plan</p> <p>Formulated its long-term outlook toward 2030 and its 1st Stage, the Medium-term Management Plan (FY 23/3 to FY 25/3).</p>
April 21	I Net Rely Corporation	<p>Launched anti-ransomware software “NeuShield Data Sentinel”</p> <p>Launched an anti-ransomware software made by U.S. security company NeuShield Inc., “NeuShield Data Sentinel.”</p>
April 18	DTS INSIGHT CORPORATION	<p>Launched APX1000 automatic programming system for mass production</p> <p>On April 18, 2022, launched APX1000 automatic programming system for mass production, which enables high-speed transfer and high-speed writing.</p>
April 1	DTS	<p>Notice Concerning Establishment of “Sustainability Committee”</p> <p>Recognizing that it was an important management challenge for the DTS Group (the “Group”) to aim for both the realization of a sustainable society and the Group’s sustainable growth, DTS newly establish the “Sustainability Committee” to further strengthen the Group’s environmental and social efforts.</p>
April 1	DTS INSIGHT CORPORATION	<p>Formed a capital and business alliance with CHOWA GIKEN Corporation, an AI venture company certified from Hokkaido University</p> <p>Concluded a capital and business alliance agreement with CHOWA GIKEN Corporation in order to expand AI-driven business and exchange of personnel.</p>

(Reference) Major News Releases

Date of release	Company	Title, brief description
2022		
March 22	DTS	<p>Notice Concerning Transition, Etc. to Company with Audit and Supervisory Committee</p> <p>Subject to approval at the Annual General Meeting of Shareholders scheduled to be held on June 23, 2022, DTS has resolved to transition to a company with an Audit and Supervisory Committee at the meeting of the Board of Directors 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 by having the Audit and Supervisory Committee Members responsible for auditing the execution of duties by Directors as members of the Board of Directors.</p>
March 15	DTS WEST	<p>Certificate issuing machines with contactless touch panel adopted by Kyoto Institute of Technology</p> <p>Using the Parity Mirror® manufactured by Parity Innovations Co., Ltd., developed a device that can be operated by operations made in the air instead of touching a panel. Adopted by Kyoto Institute of Technology as their certificate issuing machines.</p>
March 9	DTS	<p>Selected for the first time as a "Health and Productivity Management Stock" and certified for the first time as a "Certified Health and Productivity Management Outstanding Organizations (White 500)"</p> <p>Selected for the first time as a "2022 Health and Productivity Management Stock" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for listed companies with excellent health and productivity management. At the same time, certified for the first time by the "2022 Certified Health and Productivity Management Outstanding Organizations Recognition Program (White 500)" of the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for corporations that practice excellent health and productivity management.</p>
March 7	DTS	<p>Notice Concerning Status of Acquisition of Treasury Shares, Completion of Acquisition, and Cancellation of Treasury Shares</p> <p><Acquisition></p> <p>Total number of shares acquired: 371,900 shares; Total acquisition price: ¥999,828,600; Acquisition period: From February 2, 2022 to March 4, 2022</p> <p><Cancellation></p> <p>Number of shares to be cancelled: 1,371,900 shares (Ratio to the total number of issued shares before the cancellation: 2.72%)</p> <p>Date of cancellation: March 31, 2022</p>
February 16	DTS INSIGHT CORPORATION	<p>Partnered with sdtech Inc. to provide a one-stop system from upstream consulting to development</p> <p>DTS INSIGHT CORPORATION and sdtech Inc. agreed to jointly build a system that can provide one-stop services from upstream consulting to design, system development, maintenance, and operation.</p>

(Reference) Major News Releases

Date of release	Company	Title, brief description
2022		
February 8	I Net Rely Corporation	<p>Launched a total solution to support the safety, security, and comfort of telework, "Safe Satellite Office™ by With Corona"</p> <p>Launched Safe Satellite Office™ by With Corona, a total solution for operating and managing "safe, secure and comfortable telework" utilizing triple authentication: face authentication, QR code authentication, and body temperature measurement.</p>
January 31	DTS	<p>Launch of introduction and operation service dedicated for Amazon Web Services (AWS)</p> <p>On February 1, DTS will begin offering the "AWS Introduction and Operation Service," which provides consistent AWS support from pre-installation to operation and maintenance support. The lineup includes eight services such as "preinstallation support," "billing agency," and "operation and maintenance."</p>
January 21	DTS	<p>Notice on organizational and personnel changes</p> <p>At its meeting held on January 21, 2022, the Board of Directors resolved to make organizational and personnel changes in order to integrate manufacturing and sales, further strengthen the DX business, and revitalize ESG activities ahead of the new Medium-Term Management Plan starting in April 2022.</p>
2021		
December 20	DTS	<p>Anti-money laundering solution for securities, insurance, and credit card companies</p> <p>DTS to begin free trials of sanctions list screening system compatible with Financial Services Agency's guidelines</p> <p>On January 1, 2022, DTS will begin offering the Watch List Screening component and free trials of the service for securities, insurance, and credit card companies. The Watch List Screening component realizes the list screening feature available on the AMLion anti-money laundering system.</p>
December 7	DTS	<p>Acquired "Premier" segment certification under ServiceNow's Services Partner Program</p> <p>DTS acquired certification in the "Premier" segment of ServiceNow's services partner program, effective December 1, 2021.</p>

(Reference) Major News Releases

Date of release	Company	Title, brief description
2021		
November 30	DTS	Posted DTS Group REPORT 2021 DTS posted DTS Group REPORT 2021 on its website on November 30 (English version; on December 22).
November 17	DTS	Business alliance with IT consulting firm Pacific Business Consulting System integrator DTS and IT consulting firm Pacific Business Consulting, Inc. agreed to form a business alliance to develop systems using Microsoft Dynamics 365, a cloud-based business application.
October 29	DTS	Began providing AI automated data analytics cloud service DAVinCI Jr. On October 29, 2021, DTS began providing DAVinCI Jr., a SaaS type cloud service for the AI automated data analytics platform DAVinCI LABS developed by aily Co., Ltd.
October 25	DTS WEST	Conducted demonstration experiment of the “AI Chatbot for Local Government Office,” which utilizes kotosora for LGWAN DTS West signed a demonstration experiment agreement with Sodegaura City and conducted a demonstration experiment of the “AI Chatbot for Local Government Office” using the AI-operated kotosora for LGWAN FAQ solution that supports the Local Government Wide Area Network.
October 21	DTS	Healthy company gold certification renewed For our initiatives on health and productivity management, “Company of Health Excellence Certification/Gold Certification,” which is awarded to companies that have achieved certain results, has been renewed on September 27, 2021 (initially certified in September 2020).
September 27	DTS	AI stops fraudulent transactions! Making cashless payments safer In conjunction with ALTAIR, began providing Illicit Activity Prediction and Detection Solutions to financial institutions In conjunction with ALTAIR ENGINEERING, LTD, we released the AI “Illicit Activity Prediction and Detection Solutions” that utilizes ALTAIR’s data analytics product. Leveraging AI and a rule-based engine, this solution can counter false detection and new illegal hacks, which have become a problem for fraud detection for cashless payments.

(Reference) Major News Releases

Date of release	Company	Title, brief description
2021		
September 10	DTS	<p>Notice on the resolution to select the “Prime Market” in the TSE restructuring</p> <p>At its meeting held on September 10, 2021, the Board of Directors resolved to select the “Prime Market” as the market segment to which the Company will belong after the market restructuring by the Tokyo Stock Exchange scheduled in April 2022.</p>
September 7	DTS WEST	<p>Began operation of the “Tottori Prefecture Competitive Bidding Eligibility Chat Bot,” which utilizes kotosora</p> <p>Tottori Prefecture, which has introduced the AI FAQ solution “kotosora,” began operation of “Tottori Prefecture Competitive Bidding Eligibility Chat Bot,” where “kotosora” autonomously answers inquiries regarding new or renewal applications for competitive bidding eligibility on behalf of Tottori Prefecture workers.</p>
August 30	DTS	<p>Electronic filing to health insurance associations with SAP human resources system made easy</p> <p>The cloud based solution “eG-Connector,” which connects e-Gov electronic filing system (official web portal of the government) with SAP’s human resources system (*1), now has a function to work with Mynaportal API (*2), enabling electronic filing to health insurance associations. The solution simplifies work processes.</p> <p>*1: SAP® SuccessFactors® and SAP® ERP Human Capital Management</p> <p>*2: API (application programming interface) provided to enable electronic filing via Mynaportal</p>
July 16	DTS	<p>Notice concerning completion of payment for disposal of treasury stock as restricted share-based remuneration</p> <p>DTS completed payment procedures for disposal of treasury stock as restricted share-based remuneration</p> <ul style="list-style-type: none"> •¥2,633 per share •10,264 shares of common stock of the Company •Allocation: 5,930 shares for six directors (excluding outside directors); 4,334 shares for 11 executive officers
June 21	DTS INSIGHT CORPORATION	<p>Launched SiFive-produced development board “HiFive Unmatched”</p> <p>From June 21, 2021, launched the new RISC-V development board product announced by SiFive in the U.S. “HiFive Unmatched,” which is limited to Japanese corporations.</p>

(Reference) Major News Releases

Date of release	Company	Title, brief description
2021		
June 18	DTS	<p>Mitsubishi UFJ Morgan Stanley Securities adopts DTS' anti-money laundering measure system "AMLion"</p> <p>The Company received an order from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. for the introduction of an anti-money laundering measure and anti-terrorist financing measure system. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is the first Japanese securities company to adopt AMLion, and full-fledged operation by January 2022 is being aimed for.</p>
June 14	DTS	<p>Notice concerning status and completion of treasury stock acquisition</p> <p>Number of shares acquired: 385,200 shares, Total amount: ¥999,871,400, Period: April 30, 2021 to June 11, 2021.</p>
May 28	DTS	<p>Agreement for acquisition of 100% of shares of I Net Rely Corporation</p> <p>Concluded share transfer agreement for the acquisition of shares of I Net Rely Corporation.</p> <p>Share transfer date: June 28, 2021</p>
May 25	DTS	<p>Walk in home received highest evaluation from the Vietnam Software & IT Services Association</p> <p>DTS Vietnam entered the living space presentation CAD software "Walk in home" that contracts development from DTS at "Sao Khue 2021," which was sponsored by the Vietnam Software & IT Services Association, and it received the "Sao Khue Award," which is the highest evaluation, in the "Products" and "Services (Development)" divisions in the New Software Products & Services category.</p>
May 14	DTS	<p>Notice concerning introduction of restricted share-based remuneration plan</p> <p>Board of Directors resolved to submit a proposal to the General Meeting of Shareholders held on June 24, 2021 to introduce a restricted share-based remuneration plan in order to provide incentives for directors (excluding outside directors) and executive officers to sustainably enhance corporate value and in order to promote further value sharing with shareholders.</p>
May 1	DTS WEST	<p>Began operation of the "Tottori Prefecture Automobile Tax Chatbot," which utilizes kotosora, in Tottori Prefecture.</p> <p>Tottori Prefecture began operation of the "Tottori Prefecture Automobile Tax Chatbot," where the AI FAQ solution "kotosora" automatically answers inquiries related to the various automobile tax procedures in place of Tottori's government employees.</p>

DTS CORPORATION

(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.