



May 17, 2022

To whom it may concern

Company: DTS CORPORATION  
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**Notice Concerning Partial Amendments to the Articles of Incorporation in Connection with the Transition, Etc. to Company with Audit and Supervisory Committee**

DTS CORPORATION (the “Company”) hereby announces that its Board of Directors, at a meeting held today, resolved to submit a proposal for partial amendment to the Articles of Incorporation to the Company’s 50th Annual General Meeting of Shareholders scheduled to be held on June 23, 2022, as described below.

1. Purpose of amendments to the Articles of Incorporation

- (1) As separately disclosed in the “Notice Concerning Transition, Etc. to Company with Audit and Supervisory Committee” dated March 22, 2022, the Company has decided to make the transition from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee, subject to approval at its 50th Annual General Meeting of Shareholders scheduled on June 23, 2022, 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. Accordingly, the Company will make changes necessary for the transition to a company with an Audit and Supervisory Committee, including the establishment of new provisions regarding Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and the deletion of provisions regarding Corporate Auditors and the Board of Corporate Auditors.
- (2) Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.
  - (A) Article 14, paragraph 1 in “Proposed amendment” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
  - (B) Article 14, paragraph 2 in “Proposed amendment” below will establish the provision to limit the

scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.

(C) Since the provisions for Internet disclosure and deemed provision of reference documents etc. for a General Meeting of Shareholders (Article 14 of the current Articles of Incorporation) will no longer be required, they will be deleted.

(D) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

(3) Other necessary changes including the alteration of the wording will be made accompanying the above amendments.

2. Details of the amendments to the Articles of Incorporation

Details of the amendments are shown on the attachment.

3. Schedule

Date of the General Meeting of Shareholders to amend the Articles of Incorporation:

Thursday, June 23, 2022

Effective date of the amendments to the Articles of Incorporation:

Thursday, June 23, 2022

(Attachment) Details of the amendments to the Articles of Incorporation

(Underlined text indicates changes.)

Current	Proposed amendment
<p style="text-align: center;"><b>Chapter I.</b></p> <p style="text-align: center;"><b>General Provisions</b></p> <p><b>Articles 1. – 3.</b> (Text omitted)</p> <p><b>Article 4.</b> (Organizations)</p> <p>The Company shall establish the following organizations, in addition to the General Meeting of Shareholders and Directors.</p> <p>(1) Board of Directors;</p> <p>(2) <u>Corporate Auditors;</u></p> <p>(3) <u>Board of Corporate Auditors; and</u></p> <p>(4) <u>Accounting Auditor</u></p> <p><b>Article 5.</b> (Text omitted)</p>	<p style="text-align: center;"><b>Chapter I.</b></p> <p style="text-align: center;"><b>General Provisions</b></p> <p><b>Articles 1. – 3.</b> (Unchanged)</p> <p><b>Article 4.</b> (Organizations)</p> <p>The Company shall establish the following organizations, in addition to the General Meeting of Shareholders and Directors.</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit and Supervisory Committee; and</u></p> <p style="text-align: center;">(Deleted)</p> <p>(3) <u>Accounting Auditor</u></p> <p><b>Article 5.</b> (Unchanged)</p>
<p style="text-align: center;"><b>Chapter II.</b></p> <p style="text-align: center;"><b>Shares</b></p> <p><b>Articles 6. – 8.</b> (Text omitted)</p> <p><b>Article 9.</b> (Shareholder register administrator)</p> <p>1. The Company shall have a shareholder register administrator.</p> <p>2. The shareholder register administrator and its business handling office <u>shall be decided by resolution of the Board of Directors.</u></p> <p>3. (Text omitted)</p> <p><b>Article 10.</b> (Share Handling Rules)</p> <p>Handling of shares in the Company, and fees therefor shall be governed by, in addition to laws and regulations and these Articles of Incorporation, the Share Handling Rules established by the Board of Directors.</p>	<p style="text-align: center;"><b>Chapter II.</b></p> <p style="text-align: center;"><b>Shares</b></p> <p><b>Articles 6. – 8.</b> (Unchanged)</p> <p><b>Article 9.</b> (Shareholder register administrator)</p> <p>1. The Company shall have a shareholder register administrator.</p> <p>2. The shareholder register administrator and its business handling office <u>shall be decided by a resolution of the Board of Directors or by a Director delegated by a resolution of the Board of Directors.</u></p> <p>3. (Unchanged)</p> <p><b>Article 10.</b> (Share Handling Rules)</p> <p>Handling of shares in the Company, and fees therefor shall be governed by, in addition to laws and regulations and these Articles of Incorporation, the Share Handling Rules established by the Board of Directors <u>or a Director delegated by a resolution of the Board of Directors.</u></p>
<p style="text-align: center;"><b>Chapter III.</b></p> <p style="text-align: center;"><b>General Meeting of Shareholders</b></p> <p><b>Articles 11. – 12.</b> (Text omitted)</p>	<p style="text-align: center;"><b>Chapter III.</b></p> <p style="text-align: center;"><b>General Meeting of Shareholders</b></p> <p><b>Articles 11. – 12.</b> (Unchanged)</p>

Current	Proposed amendment
<p><b>Article 13.</b> (Convener and Chair)</p> <ol style="list-style-type: none"> <li>1. A General Meeting of Shareholders shall be convened by the President and Director, who shall act as Chair.</li> <li>2. In cases where the President and Director is unable to so act, another Director shall take his or her place in the order previously determined by the Board of Directors to convene the General Meeting of Shareholders and act as Chair.</li> </ol> <p><b>Article 14.</b> (Internet disclosure and deemed provision of <u>reference documents etc. for a General Meeting of Shareholders</u>)</p> <p><u>When convening a General Meeting of Shareholders, it may be deemed that the Company has provided shareholders with the information with respect to matters which shall be stated or presented in reference documents for the General Meeting of Shareholders, business reports, and non-consolidated and consolidated financial statements by disclosing said information via the Internet pursuant to the provisions of the applicable ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p> <p><b>Articles 15. – 16.</b> (Text omitted)</p>	<p><b>Article 13.</b> (Convener and Chair)</p> <ol style="list-style-type: none"> <li>1. A General Meeting of Shareholders shall be convened by the President and Director, who shall act as Chair.</li> <li>2. In cases where the President and Director is unable to so act, another Director shall take his or her place in the order previously determined by the Board of Directors <u>or a Director delegated by a resolution of the Board of Directors</u> to convene the General Meeting of Shareholders and act as Chair.</li> </ol> <p>(Deleted)</p> <p><b>Article 14.</b> (Measures, etc. for providing information in <u>electronic format</u>)</p> <ol style="list-style-type: none"> <li>1. <u>When convening a General Meeting of Shareholders, the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u></li> <li>2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></li> </ol> <p><b>Articles 15. – 16.</b> (Unchanged)</p>

Current	Proposed amendment
<p style="text-align: center;"><b>Chapter IV.</b></p> <p style="text-align: center;"><b>Directors and the Board of Directors</b></p> <p><b>Article 17.</b> (Number of Directors)</p> <p>The Company shall have not more than seventeen (17) Directors.</p> <p style="text-align: center;">(Newly established)</p> <p><b>Article 18.</b> (Election method)</p> <p>1. Directors shall be elected at a General Meeting of Shareholders.</p> <p>2. – 3. (Text omitted)</p> <p><b>Article 19.</b> (Term of office)</p> <p>The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the latest fiscal year ending within one (1) year after his or her election.</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> <p><b>Article 20.</b> (Representative Directors)</p> <p>The Company shall appoint not more than two (2)</p>	<p style="text-align: center;"><b>Chapter IV.</b></p> <p style="text-align: center;"><b>Directors and the Board of Directors</b></p> <p><b>Article 17.</b> (Number of Directors)</p> <p>1. The Company shall have not more than seventeen (17) Directors <u>who are not Audit and Supervisory Committee Members.</u></p> <p><u>2. The Company shall have not more than five (5) Directors who are Audit and Supervisory Committee Members.</u></p> <p><b>Article 18.</b> (Election method)</p> <p>1. Directors shall be elected at a General Meeting of Shareholders, <u>distinguishing between Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members.</u></p> <p>2. – 3. (Unchanged)</p> <p><b>Article 19.</b> (Term of office)</p> <p>1. The term of office of a Director <u>who is not an Audit and Supervisory Committee Member</u> shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the latest fiscal year ending within one (1) year after his or her election.</p> <p><u>2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the latest fiscal year ending within two (2) years after their election.</u></p> <p><u>3. The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill a vacancy of a Director who is an Audit and Supervisory Committee Member who retired from office before the expiration of his or her term of office, shall continue until the time at which the term of office of the retired Director who is an Audit and Supervisory Committee Member would have expired.</u></p> <p><b>Article 20.</b> (Representative Directors)</p> <p>The Company shall appoint not more than two (2)</p>

Current	Proposed amendment
Representative Directors by resolution of the Board of Directors.	Representative Directors <u>from among its Directors who are not Audit and Supervisory Committee Members</u> by resolution of the Board of Directors.
<b>Article 21.</b> (Appointment of Directors with titles)  The Company may, by resolution of the Board of Directors, appoint one (1) Chairman and Director, one (1) President and Director, <u>one (1) Vice-President and Director, one (1) Senior Executive Director, and several Executive Directors.</u>	<b>Article 21.</b> (Appointment of Directors with titles)  The Company may, by resolution of the Board of Directors, appoint one (1) Chairman and Director <u>and</u> one (1) President and Director <u>from among the Directors who are not Audit and Supervisory Committee Members.</u> <sup>a</sup>
<b>Article 22.</b> (Text omitted)	<b>Article 22.</b> (Unchanged)
<b>Article 23.</b> (Notice of convocation of a meeting of the Board of Directors)  1. The notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director <u>and each Corporate Auditor</u> no later than three (3) days prior to the day of the meeting; provided, however, that the above period may be shortened if it is urgently necessary.  2. A meeting of the Board of Directors may be held without following the convocation process if so agreed by all the Directors <u>and Corporate Auditors.</u>  (Newly established)	<b>Article 23.</b> (Notice of convocation of a meeting of the Board of Directors)  1. The notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director no later than three (3) days prior to the day of the meeting; provided, however, that the above period may be shortened if it is urgently necessary.  2. A meeting of the Board of Directors may be held without following the convocation process if so agreed by all the Directors.  <b>Article 24.</b> <u>(Delegation of important business execution decisions)</u>  <u>Pursuant to Article 399-13, paragraph (6) of the Companies Act, the Company may, by a resolution of the Board of Directors, delegate to the Directors all or part of the decisions on the execution of important operations (excluding the matters listed in each item of paragraph (5) of Article 399-13 of the Companies Act).</u>
<b>Article 24.</b> (Omission of resolution at meeting of the Board of Directors)  In cases where requirements under Article 370 of the Companies Act are satisfied, it shall be deemed that a resolution at a meeting of the Board of Directors of the Company has been adopted.  (Newly established)	<b>Article 25.</b> (Omission of resolution at meeting of the Board of Directors)  In cases where requirements under Article 370 of the Companies Act are satisfied, it shall be deemed that a resolution at a meeting of the Board of Directors of the Company has been adopted.  <b>Article 26.</b> <u>(Rules of the Board of Directors)</u>  <u>Matters concerning the Board of Directors shall be governed by the Rules of the Board of Directors established by the</u>

Current	Proposed amendment
<p><b>Article 25.</b> (Remunerations)</p> <p>Remunerations, bonuses or other economic benefits from the Company as a consideration for the performance of the duties <u>(hereinafter referred to as “Remunerations”)</u> to be received by Directors shall be determined by resolution of a General Meeting of Shareholders.</p> <p><b>Article 26.</b> (Agreement limiting liability for Directors)</p> <p>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into agreements with Directors (excluding Directors who are not an executive director, etc.) to limit liability for damages prescribed in Article 423, paragraph (1) of the same Act (but only if such Outside Directors are in good faith and are not grossly negligent in performing their duties); provided, however, that the maximum amount of liability for damages under such agreements shall be the higher of either the predetermined amount of not less than one million (1,000,000) yen, or the amount provided for in applicable laws and regulations.</p>	<p><u>Board of Directors in addition to laws and regulations or these Articles of Incorporation.</u></p> <p><b>Article 27.</b> (Remunerations)</p> <p>Remunerations, bonuses or other economic benefits from the Company as consideration for the performance of duties to be received by Directors shall be determined by resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members.</u></p> <p><b>Article 28.</b> (Agreement limiting liability for Directors)</p> <p>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into agreements with Directors (excluding Directors who are not an executive director, etc.) to limit liability for damages prescribed in Article 423, paragraph (1) of the same Act (but only if such Outside Directors are in good faith and are not grossly negligent in performing their duties); provided, however, that the maximum amount of liability for damages under such agreements shall be the higher of either the predetermined amount of not less than one million (1,000,000) yen, or the amount provided for in applicable laws and regulations.</p> <p>(Change in Japanese only; English unchanged)</p>
<p style="text-align: center;"><b><u>Chapter V.</u></b></p> <p style="text-align: center;"><b><u>Corporate Auditors and Board of Corporate Auditors</u></b></p> <p><b>Article 27.</b> (Number of Corporate Auditors)</p> <p><u>The Company shall have not more than five (5) Corporate Auditors.</u></p> <p><b>Article 28.</b> (Election method)</p> <p><u>1. Corporate Auditors shall be elected at a General Meeting of Shareholders.</u></p> <p><u>2. A resolution for election of Corporate Auditors shall be adopted by a majority of the voting rights of the shareholders present at the General Meeting of Shareholders where the shareholders holding in aggregate one third (1/3) or more of the voting rights of shareholders</u></p>	<p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>



Current	Proposed amendment
<p><u>however, that the maximum amount of liability for damages under such agreements shall be the higher of either the predetermined amount of not less than one million (1,000,000) yen, or the amount provided for in applicable laws and regulations.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p><b>Chapter VI.</b> <b>Accounting Auditor</b></p> <p>Articles <u>34.</u> – <u>35.</u> (Text omitted)</p>	<p><b><u>Chapter V.</u></b> <b><u>Audit and Supervisory Committee</u></b></p> <p><b><u>Article 29.</u></b> (<u>Full-time Audit and Supervisory Committee Members</u>)</p> <p><u>The Audit and Supervisory Committee may, by its resolution, appoint one or more full-time Audit and Supervisory Committee Members from among the Audit and Supervisory Committee Members.</u></p> <p><b><u>Article 30.</u></b> (<u>Notice of convocation of a meeting of the Audit and Supervisory Committee</u>)</p> <p><u>1. The notice of convocation of a meeting of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member no later than three (3) days prior to the day of the meeting; provided, however, that the above period may be shortened if it is urgently necessary.</u></p> <p><u>2. A meeting of the Audit and Supervisory Committee may be held without following the convocation process if so agreed by all the Audit and Supervisory Committee Members.</u></p> <p><b><u>Article 31.</u></b> (<u>Rules of the Audit and Supervisory Committee</u>)</p> <p><u>Matters concerning the Audit and Supervisory Committee shall be governed by the Rules of the Audit and Supervisory Committee established by the Audit and Supervisory Committee in addition to laws and regulations or these Articles of Incorporation.</u></p> <p><b><u>Chapter VI.</u></b> <b><u>Accounting Auditor</u></b></p> <p>Articles <u>32.</u> – <u>33.</u> (Unchanged)</p>

Current	Proposed amendment
<p style="text-align: center;"><b>Chapter VII.</b></p> <p style="text-align: center;"><b>Accounts</b></p> <p><b>Articles 36. – 39.</b> (Text omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p style="text-align: center;"><b>Chapter VII.</b></p> <p style="text-align: center;"><b>Accounts</b></p> <p><b>Articles 34. – 37.</b> (Unchanged)</p> <p style="text-align: center;"><b>Supplementary Provisions</b></p> <p><u>Article 1. (Transitional measures concerning exemption from liability of Corporate Auditors)</u></p> <p><u>The agreements limiting liability for damages under Article 423, paragraph (1) of the Companies Act in relation to the acts of Corporate Auditors (including former Corporate Auditors) prior to the conclusion of the 50th Annual General Meeting of Shareholders shall apply, as per the provisions of Article 33 of the Articles of Incorporation, prior to the amendment by the resolution of the said Annual General Meeting of Shareholders.</u></p> <p><u>Article 2. (Transitional measures concerning internet disclosure and deemed provision of reference documents etc. for a General Meeting of Shareholders)</u></p> <p><u>1. The deletion of Article 14 (Internet disclosure and deemed provision of reference documents etc. for a General Meeting of Shareholders) of the Articles of Incorporation before amendment by resolution of the 50th Annual General Meeting of Shareholders, and the establishment of Article 14 (Measures, etc. for providing information in electronic format) of the Articles of Incorporation after amendment by resolution of the same Annual General Meeting of Shareholders, shall take effect from the date of enforcement of the revised provisions (hereinafter the “Date of Enforcement”) provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 14 of the Articles of Incorporation, prior to the amendment by the resolution of the 50th Annual General Meeting of Shareholders, shall remain in effect for the</u></p>

Current	Proposed amendment
	<p data-bbox="868 197 1390 275"><u>General Meeting of Shareholders to be held on a date within six (6) months from the Date of Enforcement.</u></p> <p data-bbox="837 302 1430 474"><u>3. This Article shall be deleted after six (6) months from the Date of Enforcement or three (3) months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>