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[Document Submitted]	Semi-annual Securities Report (“Hanki Hokokusho”)
[Article of the Applicable Law Requiring Submission of This Document]	Item (i) of the table for Article 24-5, paragraph (1) of the Financial Instruments and Exchange Act
[Filed to]	Director-General of the Kanto Local Finance Bureau
[Date of Submission]	November 7, 2024
[Interim Accounting Period]	Interim Period of the 53rd Fiscal Year (From April 1, 2024 to September 30, 2024)
[Company Name]	Kabushiki Kaisha DTS
[Company Name (in English)]	DTS CORPORATION
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[Contact for Communications]	Akio Shiota, General Manager, Accounting and Finance Department
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## Part I. Company Information

### I. Overview of Company

#### 1. Key financial data and trends

Fiscal year		First six months of 52nd	First six months of 53rd	52nd
Fiscal period		From April 1, 2023 to September 30, 2023	From April 1, 2024 to September 30, 2024	From April 1, 2023 to March 31, 2024
Net sales	(Millions of yen)	56,739	59,854	115,727
Ordinary profit	(Millions of yen)	6,120	6,623	12,831
Profit attributable to owners of parent	(Millions of yen)	4,139	4,457	7,293
Comprehensive income	(Millions of yen)	4,849	4,896	8,493
Net assets	(Millions of yen)	63,162	62,553	63,402
Total assets	(Millions of yen)	80,624	81,432	84,882
Basic earnings per share	(Yen)	95.28	104.76	168.51
Diluted earnings per share	(Yen)	—	—	—
Equity ratio	(%)	77.0	75.2	73.4
Cash flows from operating activities	(Millions of yen)	6,067	5,052	10,410
Cash flows from investing activities	(Millions of yen)	(3,249)	(1,363)	(8,516)
Cash flows from financing activities	(Millions of yen)	(4,833)	(8,541)	(7,817)
Cash and cash equivalents at end of period	(Millions of yen)	41,451	32,797	37,557

Notes: 1. Key financial data and trends are not presented since the Company prepares interim consolidated financial statements.  
2. Diluted earnings per share is not presented since no potential shares exist.

#### 2. Description of business

In the interim period under review, there were no significant changes in the description of business operated by the Company and its subsidiaries and associates. In addition, there were no changes in major subsidiaries and associates.

## II. Overview of Business

### 1. Business and other risks

In the interim period under review, there were no new business or other risks.

In addition, there were no significant changes in business or other risks presented in the Annual Securities Report for the previous fiscal year.

### 2. Management's analysis of financial position, operating results and cash flows

#### (1) Financial position and operating results

Forward-looking statements in this document are based on our views as of the end of the interim period under review.

In the interim consolidated accounting period under review, the Japanese economy has been recovering moderately, though it has faced occasional slowdowns in these days, as there is a risk that a downturn in overseas economic conditions could dampen business sentiment in Japan due to factors including continued high interest rate levels in the United States and Europe, as well as the impact of the continued stagnation of the real estate market in China. Furthermore, we must be fully aware of the impacts of rising prices, the circumstances surrounding the Middle East, and fluctuations in the financial and capital markets.

In light of these circumstances, the Group formulated "Vision 2030" as its management vision heading toward 2030.

The DTS Group aims to keep up with changes in the environment of the IT market, technologies, ESG, and other areas, build a new growth model by proactively investing in digital, solution and service businesses, as well as human resources to realize these businesses, in addition to evolution of existing SI business models, and further increase its corporate value through the dual approaches of creation of social value and economic value.

To achieve these objectives, the Group has set "increase sophistication of the value that we propose," "combination of SI x digital," "advance into new fields as well as globally," "strengthen ESG initiatives," and "reform management foundation" as key challenges, and is working on initiatives.

In the fiscal year under review, we are aiming for net sales of ¥125.0 billion (+8.0% year on year) and EBITDA of ¥14.95 billion (+10.0% year on year).

#### ■ "Increase sophistication of the value that we propose" and "combination of SI x digital"

We are enhancing our initiatives in "focus businesses" (Note 1) as the Group's target areas to achieve rapid growth. In our medium-term management plan, we are promoting our target of net sales of focus businesses making up 40% of total net sales by the fiscal year ending March 31, 2025. In the interim consolidated accounting period under review, net sales of focus businesses made up 52.3% of total net sales, showing steady progress toward our goal.

(Note 1) Focus businesses

Business fields on which the Group will focus, composed of three growth engines: Digital Biz, Solution Biz and Service Biz.

#### ■ "Strengthen ESG initiatives"

We formulated the DTS Group Human Rights Policy in April 2024 to clarify the Group's stance of respecting human rights. We will continue to identify negative impacts on human rights, and strive to prevent and mitigate them, through human rights due diligence.

## ■ “Shareholder returns”

After thoroughly evaluating growth investment opportunities, capital conditions, etc., to improve capital efficiency and to further improve returns for our shareholders, we resolved at the Board of Directors meeting held in April 2024 to acquire and cancel approximately ¥6.0 billion in treasury shares from April to December 2024.

As a result of the above, the Group reported net sales of ¥59,854 million for the interim consolidated accounting period under review (+5.5% year on year).

Gross profit was ¥13,218 million (+13.5% year on year) due to the increase in net sales.

Selling, general and administrative expenses were ¥6,763 million (+20.5% year on year). With the increase in gross profit, operating profit came to ¥6,455 million (+7.0% year on year), and ordinary profit came to ¥6,623 million (+8.2% year on year). Profit attributable to owners of parent was ¥4,457 million (+7.7% year on year), mainly due to the increase in ordinary profit.

(Millions of yen)

	Consolidated	Year-on-year change (%)
Net sales	59,854	5.5
Operating profit	6,455	7.0
Ordinary profit	6,623	8.2
Profit attributable to owners of parent	4,457	7.7

## <Breakdown of net sales>

(Millions of yen)

	Consolidated	Year-on-year change (%)
Operation & Solutions	25,308	22.2
Technology & Solutions	20,764	1.7
Platforms & Services	13,781	(11.8)
Total	59,854	5.5

Summaries of the operational conditions of each segment are as follows.

## Operation & Solutions Segment

Net sales came to ¥25,308 million (+22.2% year on year), due to the increased projects for the banking industry and the impact of new consolidations.

In initiatives for our “focus businesses,” we are striving to “strengthen application development capability based on cloud architecture,” “strengthen capabilities for agile/low code development,” and “expand and further create industry-specific solution services,” among others.

AMLion, packaged software for anti-money laundering and combating the financing of terrorism that complies with the latest domestic and international guidelines, has so far been introduced mainly by major securities firms. In the fiscal year under review, we started to provide the life insurance industry with AMLion that meets the unique requirements and needs of the life insurance industry.

In addition, in order to encourage greater efficiency in transaction management at medium-sized financial institutions in Japan, we have begun offering an anti-money laundering case management tool (Note 1) with a low introduction cost.

For the upcoming fifth review of the FATF (Note 2), we will strengthen proposals to life insurance companies and contribute to the advancement and efficiency of anti-money laundering operations in all types of finance businesses.

(Note 1) Anti-money laundering case management tool

A tool to electronically manage investigation histories, etc. for suspicious transaction data at financial institutions.

(Note 2) FATF

FATF stands for Financial Action Task Force. It refers to an organization established as a multinational framework to develop and implement international standards to combat money laundering.

## **Technology & Solutions Segment**

Net sales came to ¥20,764 million (+1.7% year on year), due to the strong sales of embedded system and other projects, despite a decrease in housing-related and other solution projects.

In our focus business initiatives, we aim to improve our cloud technologies, reform our business models, expand package sales functions, strengthen ERP business growth, and develop edge AI and cybersecurity technologies.

We have positioned ServiceNow® as one of our key areas of focus in seeking to extend our business domain by creating new solutions and services that prompt evolution from existing SI business models centered on applications development. In the fiscal year under review, we launched Simple-Start-Pack, which enables the low-cost, speedy introduction of ServiceNow® by carefully selecting the functions necessary for internal help desk operations from among the rich menu functions available with ServiceNow®.

In addition, with regard to the housing solutions business, we launched “Walk in home 2024” with enhanced integration of structural calculation, the “Walk in home Property Management Web” subscription-based service that enables the safe management of property data in a cloud environment, and the “Walk in home 360x” service with enhanced mobile presentation functionality. Group company Anshin Project Japan Inc. has launched the KT-PLAN service, which provides support for designing and proposing barrier-free and other senior-friendly living environments, in collaboration with the company’s “Walk in home Plus” service to support the building of safe and secure homes.

Furthermore, in initiatives utilizing cyber security technologies, we established a new organization specializing in security, and began offering DX Security Introduction and Operation Monitoring Support Service, which provides one-stop support from introduction to operation for the realization of zero trust security meeting the requirement levels of financial institutions. Going forward, we will aim to realize a secure and reliable system environment by offering security solutions.

## Platforms & Services Segment

Net sales came to ¥13,781 million (-11.8% year on year) as a reaction to the temporary increase in hardware sales in the same period of the previous year, despite the expansion of operational and infrastructure construction projects.

In our initiatives for focus businesses, we are striving to expand operational service menu centered on ReSM/ReSM plus, enhance and promote the sales of HybridCloud, Data Management, etc., and promote network integration business, among others.

We are working to grow sales of ReSM, which efficiently supports system operation and provides remote operation monitoring 24 hours a day, 7 days a week. The Company has assisted our client companies not only in switching their management and monitoring systems in a short period of time after starting to use a comprehensive set of our services, but also in reducing costs in the fiscal year under review.

We are additionally expanding the sales of ReSM plus, which promotes DX of helpdesk operations in client companies. ReSM plus combines a web portal and human operator and will provide a full range of FAQ services to streamline internal IT support operations in client companies. Our client companies successfully saw an improvement in user satisfaction in the fiscal year under review by introducing ReSM plus.

Going forward, we will continue to contribute to improving the service quality of our customers through the service provision of ReSM and ReSM plus.

Total assets as of September 30, 2024 were ¥81,432 million. Despite a ¥2,513 million increase in prepayment for purchase of treasury shares, etc. included in other under current assets, a ¥723 million increase in investment securities included in other under investments and other assets, a ¥403 million increase in prepaid expensed included in other under current assets, and a ¥344 million increase in work in process, total assets decreased by ¥3,449 million compared to the end of the previous fiscal year due mainly to a ¥4,637 million decrease in cash and deposits, and a ¥3,058 million decrease in notes and accounts receivable - trade, and contract assets.

Liabilities were ¥18,878 million. Liabilities decreased by ¥2,600 million compared to the end of the previous fiscal year due mainly to a ¥661 million decrease in consumption taxes payable included in other under current liabilities, a ¥460 million decrease in provision for bonuses, a ¥418 million decrease in deposits received included in other under current liabilities, a ¥346 million decrease in accounts payable - trade, and a ¥282 million decrease in income taxes payable.

Net assets were ¥62,553 million. Despite a ¥4,457 million increase in retained earnings, a ¥245 million increase in foreign currency translation adjustment, a ¥146 million increase in non-controlling interests, due to an increase in profit attributable to owners of parent, and a ¥149 million decrease in treasury shares due to disposal of treasury shares, net assets decreased by ¥848 million compared to the end of the previous fiscal year due mainly to the purchase of treasury shares of ¥3,497 million and payment of dividends of surplus of ¥2,488 million. Due to cancellation of treasury shares, treasury shares and retained earnings decreased by ¥5,937 million, respectively.

## (2) Cash flows

Cash and cash equivalents (hereinafter, “cash”) as of September 30, 2024 were ¥32,797 million, a decrease of ¥4,760 million from ¥37,557 million as of the previous fiscal year-end.

The respective cash flow positions in the interim period under review and comparisons with the previous interim period are as follows.

Net cash provided by operating activities was ¥5,052 million. There was a decrease in cash provided of ¥1,014 million compared with the previous interim period. This mainly reflected a decrease in cash due to a ¥641 million decrease in deposits received included in other, net, a ¥605 million decrease in provision for bonuses, and a ¥401 million increase in prepaid expenses included in other, net, despite an increase in cash due to a ¥587 million increase in trade payables.

Net cash used in investing activities was ¥1,363 million. There was a decrease in cash used of ¥1,886 million compared with the previous interim period. This mainly reflected a decrease in cash used due to a ¥1,547 million decrease in purchase of shares of subsidiaries resulting in change in scope of consolidation and a ¥1,037 million decrease in payments into time deposits, despite an increase in cash used due to ¥309 million increase in purchase of property, plant and equipment and a ¥300 million decrease in proceeds from redemption of securities.

Net cash used in financing activities was ¥8,541 million. There was an increase in cash used of ¥3,707 million compared with the previous interim period. This mainly reflected an increase in cash used due to a ¥2,355 million increase in purchase of treasury shares and a ¥2,050 million increase in cash segregated as deposits, despite a decrease in cash used due to a ¥565 million decrease in dividends paid.

## (3) Business and financial issues to be addressed

[Issues to be addressed by the Group]

In the interim period under review, there were no new issues nor significant changes in business and financial issues to be addressed by the Group.

## (4) Research and development activities

The amount of research and development expenses of the Group for the interim period under review was ¥73 million.

In the interim period under review, there were no significant changes in research and development activities conducted by the Group.

## (5) Results of production, orders and sales

During the interim period under review, the order volume in ‘Platforms & Services increased significantly year on year, driven by orders for large-scale projects.

### (i) Production

Production in the interim period under review is as follows.

Segment	Production (Millions of yen)	Year-on-year change (%)
Operation & Solutions	25,308	22.2
Technology & Solutions	20,764	1.7
Platforms & Services	13,781	(11.8)
Total	59,854	5.5

Note: Inter-segment transactions have been eliminated.

(ii) Orders

Orders in the interim period under review are as follows.

Segment	Order volume (Millions of yen)	Year-on-year change (%)	Order backlog (Millions of yen)	Year-on-year change (%)
Operation & Solutions	26,704	28.6	14,622	31.8
Technology & Solutions	20,674	0.4	10,788	(11.1)
Platforms & Services	16,115	34.2	11,016	46.9
Total	63,493	19.0	36,426	18.5

Note: Inter-segment transactions have been eliminated.

(iii) Sales

Sales in the interim period under review are as follows.

Segment	Sales (Millions of yen)	Year-on-year change (%)
Operation & Solutions	25,308	22.2
Technology & Solutions	20,764	1.7
Platforms & Services	13,781	(11.8)
Total	59,854	5.5

Note: Inter-segment transactions have been eliminated.

3. Important business contracts

For the interim period under review, there were no decisions or conclusion of material contracts, etc.



### III. Corporate Information

#### 1. Information on the Company's shares

##### (1) Number of shares and other

###### (i) Number of shares

Class of shares	Total number of authorized shares
Common stock	100,000,000
Total	100,000,000

###### (ii) Issued shares

Class of shares	Number of shares issued as of the end of the interim period (Shares) (September 30, 2024)	Number of shares issued as of the submission date (Shares) (November 7, 2024)	Name of listed financial instruments exchange or registered or licensed financial instruments firms association	Description
Common stock	44,154,132	44,154,132	Tokyo Stock Exchange Prime Section	The number of shares constituting a standard unit 100 shares
Total	44,154,132	44,154,132	—	—

##### (2) Status of the share acquisition rights

###### (i) Stock option plans

No items to report.

###### (ii) Other share acquisition rights, etc.

No items to report.

##### (3) Exercise status of bonds with share acquisition rights containing a clause for exercise price adjustment

No items to report.

##### (4) Changes in the number of shares issued and the amount of share capital and other

Date	Changes in the number of shares issued (Shares)	Balance of the number of shares issued (Shares)	Changes in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From April 1, 2024 to September 30, 2024	(2,700,000)	44,154,132	—	6,113	—	6,190

Note: The decrease is due to cancellation of treasury shares.

## (5) Major shareholders

As of September 30, 2024

Name	Address	Number of shares held (Thousands of shares)	Number of shares (excluding treasury shares) held as a percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	5,734	13.62
DTS Group Employee Shareholding Association	Empire Building, 2-23-1 Hatchobori, Chuo-ku, Tokyo	3,088	7.34
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts (Tower A, SHINAGAWA INTERCITY, 2-15-1, Konan, Minato-ku, Tokyo)	2,339	5.56
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,959	4.65
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts (Tower A, SHINAGAWA INTERCITY, 2-15-1, Konan, Minato-ku, Tokyo)	1,678	3.99
NTC Corporation	3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo	1,171	2.78
Kumiko Akiyama	Meguro-ku, Tokyo	1,116	2.65
THE BANK OF NEW YORK MELLON 140044 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	240 Greenwich Street, New York, NY 10286, United States (Tower A, SHINAGAWA INTERCITY, 2-15-1, Konan, Minato-ku, Tokyo)	998	2.37
JPMorgan Chase Bank 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (Tower A, SHINAGAWA INTERCITY, 2-15-1, Konan, Minato-ku, Tokyo)	997	2.37
Chitomu Kosaki	Urayasu City, Chiba	803	1.91
Total	—	19,886	47.23

Notes: 1. According to its Large Shareholding Report (Change Report) issued for public inspection dated December 22, 2020, Mizuho Bank, Ltd. and its joint holders owned a stake in the Company as of December 15, 2020 as detailed below. However, the Company was not able to confirm the number of actual shares held by that investor as of September 30, 2024, and the Company has not included Mizuho Bank, Ltd. in the list of major shareholders detailed above.

For reference, the content of the Large Shareholding Report (Change Report) is as follows:

Individual or company name	Address	Number of shares held (Thousands of shares)	Percentage of shares, etc. held (%)
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	621	1.23
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo	1,298	2.57

2. According to its Large Shareholding Report (Change Report) issued for public inspection dated August 5, 2021, Acadian Asset Management LLC owned a stake in the Company as of July 30, 2021 as detailed below. However, the Company was not able to confirm the number of actual shares held by that investor as of September 30, 2024, and the Company has not included Acadian Asset Management LLC in the list of major shareholders detailed above.

For reference, the content of the Large Shareholding Report (Change Report) is as follows:

Individual or company name	Address	Number of shares held (Thousands of shares)	Percentage of shares, etc. held (%)
Acadian Asset Management LLC	20F, 260 Franklin Street, Boston, Massachusetts, United States	1,749	3.47

3. According to its Large Shareholding Report (Change Report) issued for public inspection dated November 7, 2022, Sumitomo Mitsui Trust Bank, Limited and its joint holders owned a stake in the Company as of October 31, 2022 as detailed below. However, the Company was not able to confirm the number of actual shares held by that investor as of September 30, 2024, and the Company has not included Sumitomo Mitsui Trust Bank, Limited in the list of major shareholders detailed above.

For reference, the content of the Large Shareholding Report is as follows:

Individual or company name	Address	Number of shares held (Thousands of shares)	Percentage of shares, etc. held (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	531	1.12
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo	1,387	2.92
Nikko Asset management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	640	1.35

4. According to its Large Shareholding Report (Change Report) issued for public inspection dated June 6, 2024, Asset Value Investors Limited owned a stake in the Company as of May 31, 2024 as detailed below. However, the Company was not able to confirm the number of actual shares held by that investor as of September 30, 2024, and the Company has not included Asset Value Investors Limited in the list of major shareholders detailed above.

For reference, the content of the Large Shareholding Report (Change Report) is as follows:

Individual or company name	Address	Number of shares held (Thousands of shares)	Percentage of shares, etc. held (%)
Asset Value Investors Limited	2 Cavendish Square London, United Kingdom	2,479	5.26

(6) Status of voting rights

(i) Issued shares

As of September 30, 2024

Category	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with no voting rights	—	—	—
Shares with restricted voting rights (Treasury shares, etc.)	—	—	—
Shares with restricted voting rights (Others)	—	—	—
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Common stock 2,051,300	—	—
Shares with full voting rights (Others)	Common stock 42,072,300	420,723	—
Stocks of less than a standard unit	Common stock 30,532	—	Stocks of less than a standard unit (100 shares)
Total number of issued shares	44,154,132	—	—
Total voting rights held by all shareholders	—	420,723	—

Note: Number of shares and number of voting rights in the “Shares with full voting rights (Others)” section include 26,800 shares and 268 voting rights in the name of Japan Securities Depository Center.

(ii) Treasury shares, etc.

As of September 30, 2024

Name or designation of owner	Addresses of owner	Number of shares held under own name (Shares)	Number of shares held under the name of a third party (Shares)	Total number of shares held (Shares)	Ratio of shares held to the total number of shares issued (%)
DTS CORPORATION	2-23-1 Hatchobori, Chuo-ku, Tokyo	2,051,300	—	2,051,300	4.65
Total	—	2,051,300	—	2,051,300	4.65

- (Notes)
- At a meeting of the Board of Directors held on April 26, 2024, the Company resolved on the acquisition of its treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Article 165, paragraph (3) of the same Act. Accordingly, the Company acquired 850,700 treasury shares during the period from April 30, 2024 to September 30, 2024.
  - At a meeting of the Board of Directors held on April 26, 2024, the Company resolved on the cancellation of its treasury shares pursuant to the provisions of Article 178 of the Companies Act. Accordingly, the Company cancelled 2,700,000 shares were cancelled on May 15, 2024.
  - At a meeting of the Board of Directors held on April 26, 2024, the Company resolved on the disposal of treasury shares as restricted stock compensation. Accordingly, 7,179 shares were disposed of on July 16, 2024.
  - At a meeting of the Board of Directors held on April 26, 2024, the Company resolved on the disposal of treasury shares for granting restricted shares for the Employee Shareholding Association. Accordingly, 49,988 shares were disposed of on July 26, 2024.
  - As a result of the acquisition, cancellation, and disposals as described in Notes 1 through 4 above, the total of the number of treasury shares held and the number of shares held as of September 30, 2024 were 2,051,323 shares, respectively, including the number of shares acquired through the repurchase of fractional shares.

2. Directors (and other officers)

No items to report.

#### **IV. Financial Information**

1. Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 28, 1976 “Regulations on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (hereinafter the “Regulations for Consolidated Financial Statements”).

The Company falls into the category of companies listed in the upper column of Item 1 of the table for Article 24-5, paragraph (1) of the Financial Instruments and Exchange Act, and has prepared Type 1 interim consolidated financial statements in accordance with Parts 1 and 3 of the Regulations for Consolidated Financial Statements.

2. Auditing and attestation

The interim consolidated financial statements for the interim period of the fiscal year ending March 31, 2025 (from April 1, 2024 to September 30, 2024) were reviewed by Ernst & Young ShinNihon LLC, pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

1. Interim consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	38,838	34,200
Notes and accounts receivable - trade, and contract assets	22,334	19,275
Securities	562	478
Merchandise and finished goods	548	758
Work in process	277	622
Raw materials and supplies	67	76
Other	1,423	4,327
Allowance for doubtful accounts	(32)	(20)
Total current assets	64,019	59,719
Non-current assets		
Property, plant and equipment	4,358	4,435
Intangible assets		
Goodwill	5,540	5,358
Other	774	924
Total intangible assets	6,315	6,283
Investments and other assets		
Other	10,195	11,001
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	10,189	10,994
Total non-current assets	20,862	21,713
Total assets	84,882	81,432

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,697	6,350
Income taxes payable	2,934	2,652
Provision for bonuses	3,656	3,195
Provision for bonuses for directors (and other officers)	98	44
Provision for loss on orders received	84	74
Other	6,727	5,741
Total current liabilities	20,199	18,059
Non-current liabilities		
Retirement benefit liability	288	297
Other	991	521
Total non-current liabilities	1,280	818
Total liabilities	21,479	18,878
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,113	6,113
Capital surplus	4,992	5,081
Retained earnings	57,396	53,428
Treasury shares	(8,527)	(5,937)
Total shareholders' equity	59,973	58,685
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,563	1,649
Foreign currency translation adjustment	70	316
Remeasurements of defined benefit plans	662	623
Total accumulated other comprehensive income	2,296	2,589
Non-controlling interests	1,132	1,278
Total net assets	63,402	62,553
Total liabilities and net assets	84,882	81,432

## (2) Consolidated statements of income and consolidated statements of comprehensive income

## Consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	56,739	59,854
Cost of sales	45,097	46,635
Gross profit	11,642	13,218
Selling, general and administrative expenses	* 5,610	* 6,763
Operating profit	6,031	6,455
Non-operating income		
Interest income	36	50
Dividend income	51	56
Surrender value of insurance policies	3	15
Other	54	89
Total non-operating income	145	212
Non-operating expenses		
Interest expenses	5	3
Loss on investments in investment partnerships	10	—
Commission for purchase of treasury shares	2	5
Foreign exchange losses	36	28
Other	0	7
Total non-operating expenses	55	45
Ordinary profit	6,120	6,623
Extraordinary income		
Gain on sale of non-current assets	—	5
Total extraordinary income	—	5
Extraordinary losses		
Loss on retirement of non-current assets	0	11
Office relocation expenses	—	11
Total extraordinary losses	0	22
Profit before income taxes	6,120	6,605
Income taxes	1,931	2,137
Profit	4,188	4,467
Profit attributable to non-controlling interests	49	10
Profit attributable to owners of parent	4,139	4,457



Consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	4,188	4,467
Other comprehensive income		
Valuation difference on available-for-sale securities	364	85
Foreign currency translation adjustment	321	381
Remeasurements of defined benefit plans, net of tax	(25)	(38)
Total other comprehensive income	660	428
Comprehensive income	4,849	4,896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,714	4,750
Comprehensive income attributable to non-controlling interests	135	146

## (3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,120	6,605
Depreciation	288	327
Amortization of goodwill	212	203
Increase (decrease) in provision for bonuses	143	(461)
Increase (decrease) in provision for bonuses for directors (and other officers)	(40)	(54)
Increase (decrease) in provision for loss on orders received	(5)	(9)
Decrease (increase) in retirement benefit asset	—	(51)
Increase (decrease) in retirement benefit liability	(40)	(47)
Decrease (increase) in accounts receivable - trade, and contract assets	2,841	3,171
Decrease (increase) in inventories	(295)	(566)
Increase (decrease) in trade payables	(957)	(369)
Other, net	(33)	(1,468)
Subtotal	8,233	7,280
Interest and dividends received	72	82
Interest paid	(5)	(3)
Income taxes paid	(2,231)	(2,305)
Net cash provided by (used in) operating activities	6,067	5,052
<b>Cash flows from investing activities</b>		
Purchase of securities	—	(124)
Proceeds from sale of securities	—	209
Proceeds from redemption of securities	300	—
Purchase of property, plant and equipment	(85)	(395)
Purchase of intangible assets	(225)	(269)
Purchase of investment securities	(400)	(600)
Payments into time deposits	(1,215)	(178)
Proceeds from withdrawal of time deposits	201	177
Net decrease (increase) in short-term loans receivable	(2)	1
Proceeds from distributions from investment partnerships	21	7
Purchase of long-term prepaid expenses	(297)	(200)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,547)	—
Other, net	1	8
Net cash provided by (used in) investing activities	(3,249)	(1,363)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(1,147)	(3,502)
Decrease (increase) in cash segregated as deposits	(456)	(2,507)
Dividends paid	(3,050)	(2,485)
Other, net	(179)	(46)
Net cash provided by (used in) financing activities	(4,833)	(8,541)
Effect of exchange rate change on cash and cash equivalents	103	91
Net increase (decrease) in cash and cash equivalents	(1,912)	(4,760)
Cash and cash equivalents at beginning of period	43,364	37,557
Cash and cash equivalents at end of period	* 41,451	* 32,797

# Notes to interim consolidated financial statements

## (Specific accounting applied for preparing interim consolidated financial statements)

### (Calculation of taxes)

Taxes are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the interim period under review, and next by multiplying the periodical profit before income taxes by such estimated effective tax rate.

## (Interim consolidated balance sheets)

### (Contingent liabilities)

Improper payments were made to individuals deemed to be public officials at a specific overseas subsidiary of the Company, and it has been recognized that these payments could be in violation of local anti-corruption laws and other laws and regulations. Accordingly, there is a possibility that investigations and prosecutions may be conducted by local authorities in the future, but the situation is uncertain at this point in time. There are also many uncertainties in estimating fines and penalties to be imposed by the authorities at this time, and it is therefore difficult to reasonably estimate the specific amount of future losses.

## (Interim consolidated statements of income)

### \* Main items of selling, general and administrative expenses

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Salaries and allowances	2,018	2,216
Provision for bonuses	513	503
Commission expenses	813	1,452

## (Interim consolidated statements of cash flows)

### \* Reconciliation of interim closing balance of cash and cash equivalents and the related account on the interim consolidated balance sheets

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash and deposits	42,702	34,200
Time deposits with a maturity over 3 months	(1,250)	(1,402)
Cash and cash equivalents	41,451	32,797

(Shareholders' equity)

I For the interim period ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Amount of dividends paid

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
June 22, 2023 Annual General Meeting of Shareholders	Common shares	3,051	70	March 31, 2023	June 23, 2023	Retained earnings

Notes: The dividend of ¥70 per share resolved at the Annual General Meeting of Shareholders on June 22, 2023, includes a commemorative dividend of ¥30 for the 50th anniversary of the Company's foundation.

2. Dividends for which the record date falls in the six months under review the effective date is arriving after the end of the interim period under review

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
October 30, 2023 Board of Directors	Common shares	1,948	45	September 30, 2023	November 21, 2023	Retained earnings

II For the interim period ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Amount of dividends paid

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
June 25, 2024 Annual General Meeting of Shareholders	Common shares	2,488	58	March 31, 2024	June 26, 2024	Retained earnings

2. Dividends for which the record date falls in the six months under review the effective date is arriving after the end of the interim period under review

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
October 29, 2024 Board of Directors	Common shares	2,105	50	September 30, 2024	November 21, 2024	Retained earnings

(Segment information, etc.)

Segment information

I For the interim period ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information about net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount reported on interim consolidated statements of income (Note 2)
	Operation & Solutions	Technology & Solutions	Platforms & Services	Total		
Net sales						
Sales to external customers	20,703	20,409	15,626	56,739	—	56,739
Intersegment sales or transfers	709	30	221	961	(961)	—
Total	21,413	20,439	15,847	57,700	(961)	56,739
Segment profit	2,400	2,164	1,463	6,027	3	6,031

Notes: 1. There were no material segment profit adjustments.

2. Segment profit is reconciled to operating profit in the interim consolidated statements of income.

2. Information about impairment loss or goodwill, etc. on non-current assets by reportable segment

(Significant changes in amount of goodwill)

In the interim period, goodwill was recognized in the “Technology & Solutions” segment due to the acquisition of Anshin Project Japan Inc. The increase in goodwill from this event was ¥1,271 million.

II For the interim period ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information about net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount reported on the interim consolidated statements of income (Note 2)
	Operation & Solutions	Technology & Solutions	Platforms & Services	Total		
Net sales						
Sales to external customers	25,308	20,764	13,781	59,854	—	59,854
Intersegment sales or transfers	771	49	236	1,058	(1,058)	—
Total	26,080	20,814	14,018	60,912	(1,058)	59,854
Segment profit	2,974	2,075	1,404	6,454	1	6,455

Notes: 1. There were no material segment profit adjustments.

2. Segment profit is reconciled to operating profit in the interim consolidated statements of income.

2. Information about impairment loss or goodwill, etc. on non-current assets by reportable segment

(Significant changes in amount of goodwill)

No items to report.

(Revenue recognition)

Breakdown of revenue arising from contracts with customers

For the interim period ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(Millions of yen)

	Reportable segment			Total
	Operation & Solutions	Technology & Solutions	Platforms & Services	
Services	1,175	5,971	10,853	18,000
SI and development	19,501	14,290	650	34,442
Products	26	146	4,123	4,296
Revenue arising from contracts with customers	20,703	20,409	15,626	56,739
Revenues from external customers	20,703	20,409	15,626	56,739

For the interim period ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable segment			Total
	Operation & Solutions	Technology & Solutions	Platforms & Services	
Services	2,550	6,613	10,852	20,016
SI and development	22,497	13,976	629	37,103
Products	260	174	2,299	2,734
Revenue arising from contracts with customers	25,308	20,764	13,781	59,854
Revenues from external customers	25,308	20,764	13,781	59,854

(Per share information)

Basic earnings per share and the calculation basis are as follows.

	Six months ended September 30, 2023	Six months ended September 30, 2024
Basic earnings per share (Yen)	95.28	104.76
(Calculation basis)		
Profit attributable to owners of parent (Millions of yen)	4,139	4,457
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent related to common stock (Millions of yen)	4,139	4,457
Average number of outstanding shares of common stock during the period (Shares)	43,443,625	42,546,999

Notes: Diluted earnings per share are not presented since no potential shares exist.

(Significant subsequent events)

No items to report.

2. Other

At the Board of Directors meeting held on October 29, 2024, the Company resolved the interim dividends for the 53rd fiscal year as follows.

The total amount of interim dividends	¥2,105 million
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Dividend per share	¥50
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Effective date of the right to claim payment of dividends and the payment commencement date	November 21, 2024
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Note: The Company will pay dividends to shareholders registered or recorded on the shareholders' register as of September 30, 2024.

## **Part II. Information on Guarantors for the Company**

No items to report.



Independent Auditor's Interim Review Report on the Interim Consolidated Financial Statements  
(English Translation)

November 7, 2024

To the Board of Directors  
DTS CORPORATION

Ernst & Young ShinNihon LLC

Tokyo office

Shigeru Sekiguchi  
Certified Public Accountant  
Designated and Engagement Partner

Saori Nakata  
Certified Public Accountant  
Designated and Engagement Partner

*Conclusion*

Pursuant to the provisions in Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we have conducted an interim review on the interim consolidated financial statements, which comprise the interim consolidated balance sheets, interim consolidated statements of income, interim consolidated statements of comprehensive income, interim consolidated statements of cash flows and notes of DTS CORPORATION (the "Company") for the interim period ended September 30, 2024 (from April 1, 2024 to September 30, 2024) of the fiscal year from April 1, 2024 through March 31, 2025, as listed in "Financial Information."

In our interim review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements referred to above do not present fairly, in all material respects, the financial positions of DTS CORPORATION and its consolidated subsidiaries as of September 30, 2024, and that their operating results and status of cash flows for the interim period ended on such date are not in conformity with accounting principles generally accepted in Japan.

*Basis for conclusion*

We conducted our interim review in accordance with the interim review standards that are generally accepted in Japan. Our responsibilities under the interim review standards are described in "Auditor's Responsibility in the Interim Review of the Interim Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained evidence to provide a basis for our conclusion.

*Responsibilities of Management and the Audit and Supervisory Committee for the Interim Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the design and operation of internal control as management deems necessary to enable the preparation and fair presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the interim consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the execution of Directors' duties related to designing and operating the financial reporting process.

### *Auditor's Responsibility for the Interim Review of the Interim Consolidated Financial Statements*

Our responsibility is to express our conclusion on the interim consolidated financial statements from an independent standpoint in a Report on the Interim Review of the Interim Consolidated Financial Statements based on our interim review.

We make professional judgments in the interim review process in accordance with interim review standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Mainly make inquiries to management, persons in charge of financial and accounting matters, and other relevant personnel, and perform analytical and other interim review procedures. Interim review procedures are more limited in scope than an audit of annual financial statements performed in accordance with auditing standards generally accepted in Japan.
- Based on the audit evidence, if we determine that there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, we will conclude, on whether nothing has come to our attention that causes us to believe that the interim consolidated financial statements are not fairly presented in accordance with accounting principles generally accepted in Japan. In addition, if there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the interim consolidated financial statements in the Report on the Interim Review of the Interim Consolidated Financial Statements, or if the notes to the interim consolidated financial statements pertaining to the significant uncertainty are inappropriate, the auditor is required to express a qualified conclusion or an adverse conclusion on the interim consolidated financial statements. While the auditor's conclusion is based on the evidence obtained up to the date of the Report on the Interim Review of the Interim Consolidated Financial Statements, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether nothing has come to our attention that causes us to believe that the presentation of and notes to the interim consolidated financial statements are not in accordance with accounting principles generally accepted in Japan, we assess whether nothing has come to our attention that causes us to believe that the presentation, structure, and content of the interim consolidated financial statements including related notes, and the transactions and accounting events on which the interim consolidated financial statements are based are not fairly presented.
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express a conclusion on the interim consolidated financial statements. We are responsible for the direction, supervision, and examination of the interim review of the interim consolidated financial statements. We are solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope, timing, and significant findings of the interim review.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the provisions of professional ethics in Japan regarding independence, matters that may reasonably be thought to bear on our independence, and details of whether measures are taken to delete disincentives or whether safeguards are applied in order to mitigate disincentives to an acceptable level.

### *Interest*

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

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- Notes:
1. The original of the above Report on the Interim Review of the Interim Consolidated Financial Statements is kept separately by the Company (the company submitting the Interim Securities Report).
  2. The XBRL data is not included in the scope of interim review.