



June 23, 2022

To Shareholders with Voting Rights

Company: DTS CORPORATION
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Notice Concerning Disposal of Common Stock as Restricted Stock Compensation

DTS CORPORATION (the “Company”) hereby announces that it has resolved at its Board of Directors meeting held today to dispose of common stock to grant restricted stock compensation (hereinafter, the “Disposal of Common Stock”). The details are described below.

1. Overview of disposal

(1) Date of disposal	July 15, 2022
(2) Class and total number of shares for disposal	9,375 shares of common stock of the Company
(3) Disposal value	¥3,015 per share
(4) Total disposal value	¥28,265,625
(5) Planned allottees	Five Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors): 5,152 shares 11 Executive Officers: 4,223 shares
(6) Others	Regarding the Disposal of Common Stock, the Company has submitted a securities notification statement in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for disposal

The Company resolved at its Board of Directors meeting held on May 17, 2022 to introduce a restricted stock compensation plan (hereinafter, the “Plan”) after the transition to a company with an Audit and Supervisory Committee with the aim of providing incentive to Directors of the Company who are not Audit and Supervisory Committee Members (excluding Outside Directors; hereinafter, the “Eligible Directors”) and Executive Officers (hereinafter, the “Eligible Executive Officers”); Eligible Directors and Eligible Executive Officers are collectively referred to as the “Allottees”) to sustainably increase the corporate value of the Company and promote further sharing of value with its shareholders.

Furthermore, at the 50th Annual General Meeting of Shareholders held today (hereinafter, the “General Meeting of Shareholders”), approval was received to abolish the previous compensation limits for Directors and set new compensation limits for Eligible Directors in accordance with the Plan due to the transition to a company with an Audit and Supervisory Committee (Monetary compensation receivables of ¥45 million per annum will be paid to Eligible Directors as monetary compensation receivables to be paid

to the Company as in-kind contribution for the allotment of restricted shares. The total number of shares of common stock that the Company will issue or dispose of for Eligible Directors under the Plan shall be within 26,000 shares per annum. (However, in the event that the Company's common stock is subject to a stock split (including the gratis allotment of the Company's stock) or reverse stock split effective on or after the date of resolution of this General Meeting of Shareholders, the number of total shares may be adjusted within a reasonable extent on or after said effective date.)).

Moreover, the Company has resolved at the Board of Directors meeting held today to pay a total of ¥15,533,280 in monetary compensation receivables to five Eligible Directors, having given consideration to the purpose of the Plan, the Company's performance and other various matters. At the same Board of Directors meeting, the Company also resolved to dispose of 9,375 shares of the Company's common stock (hereinafter, the "Allotted Shares") by paying a total of ¥28,265,625 in monetary compensation receivables to 16 Allottees (five Eligible Directors, 11 Eligible Executive Officers) as in-kind contribution for the Company in accordance with the Plan.

The outline of the agreement on the allotment of restricted shares to be concluded between the Company and the Allottees for the Disposal of Common Stock (hereinafter, the "Allotment Agreement") is as described in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 15, 2022, to July 15, 2052

Allottees shall not transfer, establish a security interest on, gift inter vivos, or otherwise dispose of Allotted Shares during the aforementioned transfer restriction period (hereinafter, "Transfer Restriction Period").

(2) Removal of the transfer restrictions

The Company shall remove the transfer restrictions on all Allotted Shares upon the expiration of the Transfer Restriction Period provided that Allottees have continuously remained in a position as Director of the Company, or any other position stipulated by the Board of Directors of the Company during the Transfer Restriction Period.

However, in the event that the Allottee resigns or retires for a justifiable reason prior to the expiration of the Transfer Restriction Period, the number of Allotted Shares for which the transfer restrictions are to be removed and the timing thereof shall be reasonably adjusted as necessary.

(3) Causes for acquisition without consideration

In the event that there are Allotted Shares whose transfer restrictions have not been removed at the time of the removal of transfer restrictions stipulated in (2) above, the Company shall acquire these as a matter of course without consideration. Other causes for acquisition without consideration shall be stipulated in the Allotment Agreement by the Board of Directors of the Company.

(4) Treatment in the event of restructuring, etc.

Notwithstanding the provision in (1) above, in the event that, during the Transfer Restriction Period, the Company's General Meeting of Shareholders approves a merger agreement whereby the Company becomes the non-surviving company, a share exchange agreement or share transfer plan whereby the Company becomes a wholly-owned subsidiary, or any other matters pertaining to restructuring, etc. (however, in the event that the approval of the Company's General Meeting of Shareholders for said

restructuring, etc. is not required, approval by the Company's Board of Directors), the number of Allotted Shares whose transfer restrictions are to be removed and the timing thereof, shall be reasonably adjusted as necessary. In that event, if there are any Allotted Shares whose transfer restrictions have not been removed immediately after the transfer restrictions have been removed, the Company shall acquire them as a matter of course without consideration.

(5) Other Matters

Other matters pertaining to the Allotment Agreement shall be determined by the Board of Directors of the Company.

It is the Company's intention that shares that have been allotted to Allottees under the Plan shall be managed by a securities company stipulated by the Company in dedicated accounts opened by Allottees so that they cannot be subject to transfer, establishment of a security interest on, gifted inter vivos, or otherwise disposed of during the Transfer Restriction Period.

4. Basis for calculation of the amount to be paid in and specific details thereof

The disposal price for the Disposal of Common Stock is ¥3,015, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the Board of Directors meeting (June 22, 2022), in order to eliminate arbitrariness in determination of such price. This is the market price immediately prior to the resolution date of the Company's Board of Directors, and the Company believes this to be reasonable and not to be particularly advantageous price for the Allottees.