



February 1, 2024

To whom it may concern

Company: DTS CORPORATION
Representative: Tomoaki Kitamura,
Representative Director and President
(Stock code: 9682; Tokyo Stock Exchange, Prime Market)
Contact: Isao Asami,
Director and Managing Executive Officer
TEL: +81-3-3948-5488

**Notice Concerning Acquisition of Shares of Tohoku Systems Support Co., Ltd.
(to Make It a Subsidiary)**

DTS CORPORATION (“DTS”) hereby announces that it has resolved, at a meeting of the Board of Directors on February 1, 2024, to acquire all the shares of Tohoku Systems Support Co., Ltd. (“Tohoku Systems Support”) and make it a subsidiary of DTS.

1. Reasons for acquisition of shares

Established in Miyagi Prefecture in July 1976, Tohoku Systems Support is a systems development company with its head office and development center located in Sendai City and a development center in Morioka City. In recent years, Tohoku Systems Support has continued to grow its business while actively working on nearshore development.

At present, demand for nearshore development, in which large-scale IT development projects in Japan are outsourced to businesses in regional areas, is growing rapidly. DTS, as a total system integrator, considers securing a framework to meet this demand a top priority challenge.

Through the integration of human resources, technologies, and customer bases of the two companies, this acquisition will help to further strengthen the systems development framework in Japan. In line with the DTS Group’s growth strategy, DTS aims to strengthen and accelerate customers’ businesses through DX, as well as contribute to economic development in the Tohoku region.

2. Overview of the subsidiary (Tohoku Systems Support Co., Ltd.) subject to change

(1) Name	Tohoku Systems Support Co., Ltd.		
(2) Location	17F Tokyo Tatemono Sendai Building, 1-6-35 Chuo, Aoba-ku, Sendai City, Miyagi Prefecture		
(3) Job title and name of representative	Takamitsu Ito, Representative Director		
(4) Business activities	1. Information systems consulting 2. Comprehensive application development services 3. Infrastructure construction, maintenance, and management 4. Development and sales of packaged solutions 5. Wireless system construction and equipment sales (for barcodes, radio-frequency identification [RFID], etc.)		
(5) Share capital	¥98.8 million (as of March 31, 2023)		
(6) Date of establishment	July 5, 1976		
(7) Major shareholders and shareholding ratios	Undisclosed pursuant to a confidentiality agreement between the parties		
(8) Relation between the listed company and the company	Capital relationship	No items to report.	
	Personnel relationship	No items to report.	
	Business relationship	No items to report.	
(9) Management results and financial status of the company for the past three years			
Fiscal year ended Mar. 31	2021	2022	2023
Net assets	¥894 million	¥1,089 million	¥1,240 million
Total assets	¥1,683 million	¥1,936 million	¥2,018 million
Net sales	¥2,515 million	¥2,941 million	¥2,888 million
Operating profit	¥120 million	¥198 million	¥182 million
Ordinary profit	¥186 million	¥249 million	¥209 million
Profit	¥149 million	¥203 million	¥162 million

3. Overview of counterpart to acquisition of shares

This information is undisclosed pursuant to a confidentiality agreement between the parties. There are no capital relationships, personnel relationships, business relationships, or relevant matters toward affiliated parties between the two companies.

4. Number of shares to be acquired, acquisition value, and status of shareholding before and after acquisition

(1) Number of shares held prior to change	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0.0%)
(2) Number of shares to be acquired	Common shares: 60,000 shares Class A shares: 137,500 shares Class B shares: 100 shares

(3) Acquisition value	Acquisition value will not be disclosed at the request of the other party. However, due diligence has been conducted by a third party, and, after consideration of the results of share value evaluation based on comparable company analysis and the DCF method, DTS has made the decision to make the acquisition at an acquisition value that is believed to be fair and appropriate.
(4) Number of shares held after change	Common shares: 60,000 shares Class A shares: 137,500 shares Class B shares: 100 shares (Number of voting rights: 60,100) (Percentage of voting rights: 100.0%)

5. Schedule

(1) Date of the Board of Directors' resolution	February 1, 2024
(2) Date of agreement	February 1, 2024
(3) Date of commencement of share transfer	March 1, 2024 (scheduled)

6. Future outlook

As a result of this acquisition of shares, the company will be included in DTS's consolidated financial results for the fiscal year ending March 31, 2024, but the impact on DTS's consolidated financial results is immaterial.