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To whom it may concern

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Notice Concerning Disposal of Common Stock as Granting Restricted Stock for Employee Shareholding Association

DTS CORPORATION (the “Company”) hereby announces that, in accordance with the restricted stock compensation plan for employees (hereinafter, the “Plan”) that grants restricted shares to employees of the Company through the DTS Group Employee Shareholding Association (hereinafter, the “Shareholding Association”) that was introduced by resolution at the Board of Directors meeting held on November 25, 2022, 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”) for the Shareholding Association as the planned allottee. The details are described below.

1. Overview of disposal

(1) Date of disposal	July 25, 2025
(2) Number of shares for disposal	43,455 shares of common stock of the Company (Note)
(3) Disposal value	¥5,060 per share
(4) Total disposal value	¥219,882,300
(5) Disposal method (Planned allottees)	Conditional on an application for subscription being received from the Shareholding Association, the number of subscription shares specified by the Shareholding Association within the range indicated in (2) above for the number of shares for disposal shall be allotted to the Shareholding Association through third-party allotment (the number of allotted shares is the number of shares for disposal). (DTS Group Employee Shareholding Association 43,455 shares) Note that applications from eligible employees (defined below) for only a portion of the number of shares to be granted will not be accepted.

(Note) The “number of shares for disposal” and the “total disposal value” were calculated on the assumption that restricted shares were granted to 3,219 employees of the Company, which is the maximum number of eligible persons under the Plan. The actual number of shares for disposal and the total disposal value will be determined according to the number of employees of the Company (maximum of 3,219 employees) who have agreed to the Plan and the number of shares to be granted per employee as stipulated according to the employee levels established by the Company

(MSG3: 432 shares for up to 16 employees, MSG2: 1,771 shares for up to 71 employees, MSG1 and PG2: 5,947 shares for up to 309 employees, G4 and PG1: 7,545 shares for up to 499 employees, G3: 11,214 shares for up to 801 employees, G2: 7,896 shares for up to 658 employees, and G1: 8,650 shares for up to 865 employees) after the membership promotion for those who have not joined the Shareholding Association has been completed and the approval of the Plan has been obtained from members of the Shareholding Association. Specifically, as described in (5) above, the number of subscription shares specified by the Shareholding Association is the “number of shares for disposal” and the “total disposal value” is the amount obtained by multiplying that number by the disposal value per share.

2. Purpose and reason for disposal

For employees of the Company who are eligible to join the Shareholding Association, the Company contributes to wealth building by employees who have become members of the Shareholding Association by the date stipulated separately by the Company and who meet certain conditions for eligibility under the Plan (hereinafter, the “Eligible Employees”) by providing them with an opportunity to acquire restricted shares (common stock) that are issued or disposed of by the Company through the Shareholding Association. Furthermore, the Company resolved to introduce the Plan with the aim of providing incentive to employees of the Company to sustainably increase the corporate value of the Company and promote further sharing among employees of value with the Company’s shareholders.

The overview of the Plan is described below.

[Overview of the Plan]

Under the Plan, the Company provides monetary claims as a special financial incentive (hereinafter, the “Special Financial Incentive”) to the Eligible Employees for granting restricted shares, and the Eligible Employees contribute the Special Financial Incentive to the Shareholding Association. In addition, the Shareholding Association provides the entire amount of the Special Financial Incentive contributed by the Eligible Employees to the Company as in-kind contribution, and receives common stock issued or disposed of by the Company as restricted shares.

The amount to be paid in per share of the Company’s common stock when the Company newly issues or disposes of common stock based on the Plan shall be determined by the Board of Directors within a range that is not especially advantageous to the Shareholding Association (and by extension, the Eligible Employees) based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution by the Board of Directors regarding the issuance or disposal (if no transactions are concluded on that day, the closing price on the immediately preceding date).

For the issuance and disposal of the Company’s common stock based on the Plan, the Company and the Shareholding Association shall conclude an agreement on the allotment of restricted shares stipulating such terms as (i) it is prohibited to transfer the allotted shares to a third party or to establish a security interest on and otherwise dispose of the shares during a certain period (hereinafter, the “Transfer Restrictions”) and (ii) the Company shall acquire the allotted shares without consideration under certain specified circumstances. In addition, the provision of the Special Financial Incentive to the Eligible Employees is conditional on the Company and the Shareholding Association concluding the agreement on the allotment of restricted shares.

In addition, regarding the individual members’ equity interest related to the restricted shares acquired by the Shareholding Association through the issuance or disposal (hereinafter, the “Restricted Share Equity Interest”), the Eligible Employees are not allowed to withdraw the restricted shares corresponding to the

Restricted Share Equity Interest until the Transfer Restrictions on the restricted shares are removed based on the Shareholding Association Rules and the Detailed Rules on the Operations of the Shareholding Association (hereinafter, the “Shareholding Association Rules, etc.”)

For the Disposal of Common Stock, the Company will dispose of shares of the Company’s common stock (hereinafter, the “Allotted Shares”) for the Shareholding Association with the Shareholding Association, as the planned allottee, providing the entire amount of the Special Financial Incentive contributed by the Eligible Employees as in-kind contribution based on the Plan. The outline of the agreement on the allotment of restricted shares to be concluded between the Company and the Shareholding Association for the Disposal of Common Stock (hereinafter, the “Allotment Agreement”) is as described in “3. Overview of the Allotment Agreement” below. The number of shares for disposal in the Disposal of Common Stock will be determined at a later date as described in the Note for 1. above. However, the Company expects to dispose of 43,455 shares if the maximum number of eligible people under the Plan, which is all 3,219 employees of the Company, joins the Shareholding Association and approves the Plan. On the assumption that the number of shares for disposal is disposed of, the extent of share dilution due to the Disposal of Common Stock will be 0.10% (rounded to the second decimal place; the same applies to percentage calculations hereinafter) of the total number of issued shares of 41,498,032 shares as of March 31, 2025, and 0.11 % of the total number of voting rights of 402,657 as of March 31, 2025.

Note that the Disposal of Common Stock is conditional on the amended Shareholding Association Rules, etc. taking effect by the day immediately prior to the disposal date for the Disposal of Common Stock and on the Company and the Shareholding Association concluding the Allotment Agreement during the subscription period.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 25, 2025, to the later of (i) the date on which the Annual Securities Report for the fiscal year including the retirement date of each Eligible Employee or the payment date of the property delivered in exchange for the disposed shares (the “Payment Date”) is submitted, or (ii) if the Payment Date falls within six months from the beginning of the Company’s fiscal year, the date on which the Semi-Annual Securities Report for such fiscal year is submitted.

(2) Removal of the Transfer Restrictions

If an Eligible Employee retires from the Company or withdraws from the Shareholding Association during the transfer restriction period, the Company shall remove the Transfer Restrictions on the date the Eligible Employee retires or withdraws provided that the Eligible Employee has satisfied the applicable reasons for the removal of Transfer Restrictions stipulated separately by the Company. In this case, the Company shall notify the Shareholding Association regarding the removal of Transfer Restrictions and the number of Allotted Shares for which the Transfer Restrictions will be removed.

(3) Acquisition without consideration by the Company

If the transfer restriction period has expired or an Eligible Employee withdraws from the Shareholding Association during the transfer restriction period, and reasons for the removal of Transfer Restrictions stipulated separately by the Company do not apply to the Eligible Employee, the Company shall acquire the Allotted Shares for which the Transfer Restrictions have not been removed as a matter of course without consideration immediately after that time.

(4) Management of shares

To prevent the Allotted Shares from being transferred, having a security interest established on them, or otherwise being disposed of during the transfer restriction period, the Shareholding Association shall manage the Allotted Shares during the transfer restriction period by opening a dedicated account with Mizuho Securities Co., Ltd. The Shareholding Association shall also record and manage the restricted shares holdings of Eligible Employees separately from the holdings of other Association members.

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

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, a share delivery plan whereby the Company becomes the share delivery subsidiary, or any other matters pertaining to organizational restructuring and the like (however, in the event that the approval of the Company's General Meeting of Shareholders for said restructuring is not required, approval by the Company's Board of Directors, or in the event of a share delivery, approval of the general meeting of shareholders for the company that becomes the share delivery parent company), the Transfer Restrictions on the Allotted Shares shall be removed immediately before the business day preceding the day on which the restructuring and the like is scheduled to take effect.

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

For the Disposal of Common Stock to the Shareholding Association (the planned allottees), the Special Financial Incentive paid to the Eligible Employees for the purpose of granting restricted stock compensation will be contributed by the Eligible Employees to the Shareholding Association as an in-kind contribution. To eliminate arbitrariness, the disposal price is ¥5,060, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on June 23, 2025 (the business day immediately prior to the resolution date of the Company's Board of Directors). This is the market price immediately prior to the resolution date of the Board of Directors, and the Company believes this to be reasonable and to not be particularly advantageous.

The rates of deviation (rounded to two decimal places) of this price from the closing averages for the Company's common stock on the Prime Market of the Tokyo Stock Exchange are as follows.

Period	Closing averages (fractional figures less than one yen not shown)	Rates of deviation
1 month (from May 24, 2025 to June 23, 2025)	5,003 yen	1.13%
3 months (from March 24, 2025 to June 23, 2025)	4,479 yen	11.48%
6 months (from December 24, 2024 to June 23, 2025)	4,351 yen	14.01%

All 4 Directors who are Audit and Supervisory Committee Members that attended the Board of Directors meeting held today have expressed the opinion that the process that determined the aforementioned disposal price to not be particularly advantageous to the allottees is reasonable and that the resulting decision was appropriate, taking into account the fact that the Disposal of Common Stock is for the purpose of Disposal of Common Stock as Granting Restricted Stock for Employee Shareholding Association and that the disposal

price is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately prior to the resolution date of the Board of Directors.

5. Matters concerning corporate code of conduct procedures

The Disposal of Common Stock does not require an independent third-party opinion nor steps to confirm the intent of shareholders pursuant to Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange because (1) the rate of dilution is less than 25% and (2) the disposal is not part of a change in controlling shareholders.