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July 31, 2026

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2027 <under Japanese GAAP>

Company name: **DTS CORPORATION**
Stock listing: Tokyo Stock Exchange
Stock code: 9682
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Scheduled date for commencing dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2027 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	31,020	(5.7)	3,334	(11.1)	3,468	(12.1)	2,309	(14.4)
June 30, 2025	32,908	13.9	3,750	26.0	3,946	30.1	2,696	32.1

Note: Comprehensive income
Three months ended June 30, 2026: ¥2,724 million [(4.6)%]
Three months ended June 30, 2025: ¥2,855 million [19.7%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	14.57	–
June 30, 2025	16.79	–

Note: The Company conducted a 4-for-1 stock split of common shares effective October 1, 2025. Accordingly, basic earnings per share are calculated assuming that the stock split took place at the beginning of the fiscal year ended March 31, 2026.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	80,231	61,064	74.6
March 31, 2026	85,248	64,691	74.5

Reference: Equity
As of June 30, 2026: ¥59,858 million As of March 31, 2026: ¥63,512 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	60.00	–	22.00	–
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecasts)		15.00	–	23.00	38.00

Note 1: Revisions to the forecasts of dividends most recently announced: None

Note 2: The Company conducted a 4-for-1 stock split of common shares effective October 1, 2025. The second quarter-end dividend per share for the fiscal year ended March 31, 2026 reflects the amount before the split, and the fiscal year-end dividend per share for the fiscal year ended March 31, 2026 reflects the amount after the split. The total annual dividend is shown as "–."

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	142,000	5.0	17,000	3.4	17,350	2.4	11,700	0.5	75.00

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of specific accounting for preparing quarterly consolidated financial statements: Yes

Note: For the details, please refer to '(Application of specific accounting for preparing quarterly consolidated financial statements) in (3) Notes to quarterly consolidated financial statements in 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto' on page 10 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
b. Changes in accounting policies due to other reasons: None
c. Changes in accounting estimates: None
d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	163,954,928 shares
As of March 31, 2026	163,954,928 shares

b. Number of treasury shares at the end of the period

As of June 30, 2026	7,459,867 shares
As of March 31, 2026	4,614,875 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	158,468,595 shares
Three months ended June 30, 2025	160,606,832 shares

Note: The Company conducted a 4-for-1 stock split of common shares effective October 1, 2025. Accordingly, the number of issued shares (common stock) is calculated assuming that the stock split took place at the beginning of the fiscal year ended March 31, 2026.

* **Review of attached consolidated quarterly financial statements by certified public accountants or an audit firm:** None

* **Proper use of earnings forecasts, and other special matters**
  The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.
  For matters regarding the above earnings forecasts, please refer to '(3) Information regarding consolidated earnings forecasts and other forward-looking statements' in '1. Overview of Operating Results and Others,' on page 5 of the attached materials.

Attached Materials

Contents

1. Overview of Operating Results and Others

(1) Overview of operating results for the three months under review

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

In the first three months of the fiscal year ending March 31, 2027, the Japanese economy has been recovering moderately, although it is necessary to closely monitor the impact of the situation in the Middle East. Furthermore, we must pay attention to the impact of fluctuations in the financial and capital markets, and other factors.

The environment surrounding the Group is such that, with advances in technology, executive agendas are increasingly centered around themes such as strengthening customer relationships and data-driven management. In line with and influenced by these shifts, corporate IT investments are expected to move toward information systems and customer contact services. In addition, with the technological evolution of generative AI, the needs for AI utilization among client companies are expanding, and furthermore, given the concerns regarding security threats posed by frontier AI, the importance of addressing these issues is also expected to rise rapidly.

Against this backdrop, in the medium-term management plan (2025–2027), which is the 2nd Stage in Vision 2030, the Group will focus on three pillars: “evolution of focus businesses and deepening of core businesses,” “execution of strategic alliances,” and “strengthening of the Group’s management foundation,” and working on initiatives to promote our business growth and expansion as well as enhance stability and reliability.

In the fiscal year under review, which is the second year of the medium-term management plan, we are aiming to achieve net sales of ¥142,000 million (+5.0% year on year), operating profit of ¥17,000 million (+3.4% year on year), and EBITDA of ¥18,300 million (+3.2% year on year).

■ Evolution of focus businesses and deepening of core businesses

In the medium-term management plan (2025-2027), we have newly set “concentrated investment areas” (Note 2) and “forward-looking investment areas” (Note 3) within the “focus businesses” (Note 1) that we are strengthening as growth areas for the Group.

We are promoting our target of net sales of focus businesses making up 57% of total net sales by the fiscal year ending March 31, 2028. In the three months under review, the focus business net sales ratio was 62.9%, showing steady progress toward our goal.

(Note 1) Focus businesses
Business fields on which the Group will focus

(Note 2) Concentrated investment areas
The five areas that we have redefined to further expand our business scale: i.e., (1) Cloud computing & modernization, (2) Data utilization, (3) Security & managed services, (4) Enterprise Application Services, and (5) IoT & Edge Technology. These are the areas that are expected to grow particularly within our focus businesses.

(Note 3) Forward-looking investment areas
Areas expected to see rapid market expansion and increased customer business value in the future, i.e., AI, generative AI, and customer experience value (CX)

■ Execution of strategic alliances

As part of our strategic alliance initiatives, we have launched a joint research project with Associate Professor Chika Sugimoto of the Faculty of Engineering at Yokohama National University to develop an AI-based learning support model focused on the presenteeism of students preparing for entrance examinations (Note 1). By utilizing wearable data and other metrics, the initiative aims to visualize learning conditions and provide highly personalized learning support tailored to each individual student. Moving forward, we will continue to promote alliances across various domains and objectives in order to complement and strengthen the capabilities necessary for realizing our growth strategy.

(Note 1) Presenteeism of students preparing for entrance examinations
This refers to a state in which students preparing for entrance examinations continue to study but experience reduced concentration, comprehension, motivation to learn, and learning performance due to factors such as physical illness, mental health issues, or examination-related stress and anxiety.

■ Strengthening of the Group's management foundation

To strengthen our management foundation, we will invest in human capital and reinforce group governance and system infrastructure, and improve capital efficiency, aiming for sustained, stable enhancement of corporate value.

To improve capital efficiency, implement cash allocation based on the medium-term management plan, and further increase returns to shareholders, we plan to repurchase our treasury shares for approximately ¥5.0 billion from May through September 2026 and cancel all of them in September 2026.

While the Group has steadily advanced initiatives under the three pillars of the medium-term management plan, net sales for the three months under review was ¥31,020 million (-5.7% year on year), primarily due to the reactionary impact from the peak-out of large-scale projects in each segment during the same period of the previous fiscal year.

Although profitability improved as a result of better project margins, gross profit was ¥6,966 million (-3.5% year on year) due to the decrease in net sales.

Selling, general and administrative expenses were ¥3,632 million (+4.8% year on year), mainly due to an increase in research and development expenses. With the decrease in gross profit and the increase in selling, general and administrative expenses, operating profit came to ¥3,334 million (-11.1% year on year), and ordinary profit came to ¥3,468 million (-12.1% year on year). Profit attributable to owners of parent was ¥2,309 million (-14.4% year on year), mainly due to the decrease in ordinary profit.

(Millions of yen)

	Consolidated	Year-on-year change (%)
Net sales	31,020	(5.7)
Operating profit	3,334	(11.1)
Ordinary profit	3,468	(12.1)
Profit attributable to owners of parent	2,309	(14.4)

<Net sales by segment>

(Millions of yen)

Segment name	Consolidated	Year-on-year change (%)
Operation & Solutions	12,997	(2.9)
Technology & Solutions	10,989	(1.7)
Platforms & Services	7,033	(15.6)
Total	31,020	(5.7)

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

Operation & Solutions Segment

Net sales came to ¥12,997 million (-2.9 % year on year) as a reaction to the temporary increase in large-scale projects for financial institutions in the same period of the previous fiscal year, despite the expansion of projects for life insurance companies and public-sector development.

In initiatives for our "focus businesses," we will combine industry expertise in areas such as the financial and public sectors with digital technology to expand areas of concentrated investment, such as cloud shifting and migration services, and drive business growth.

Under this policy, we have successfully completed, in collaboration with Daiichi Life Techno Cross Co., Ltd., a project to redevelop the claims procedure navigation system promoted by Daiichi Life Insurance Co., Ltd. As a result, we reduced the time required to process claims procedures to approximately one-tenth of previous methods and improved the convenience of procedures conducted via dedicated tablets and websites.

Furthermore, SBI Sumishin Net Bank, Ltd. (Note 1) has adopted all features of AMLion, our anti-money laundering product, and has commenced full-scale operations. AMLion is a product that realizes a series of operations related to anti-money laundering and counter financing of terrorism (AML/CFT) in real time on a single platform, and it was selected and implemented in recognition of its capability to be utilized for detecting unauthorized or fraudulent use of financial services. We will continue to contribute to the advancement of AML/CFT through AMLion.

Tohoku Systems Support Co., Ltd., our group company, has released the asset and item management system "MONiSTOR," built upon approximately 20 years of expertise in RFID implementation. By leveraging RFID data, it streamlines management operations such as ledgers, physical inventory, and lending/borrowing, while helping to reduce working hours and manpower, improve ledger accuracy, and minimize human error. We will continue to expand RFID solutions and contribute to the promotion of DX in on-site operations.

(Note 1) SBI Sumishin Net Bank, Ltd. is scheduled to change its corporate name to DOCOMO SMTB Net Bank, Inc. effective August 3, 2026.

Technology & Solutions Segment

Net sales came to ¥10,989 million (-1.7% year on year), due to a peak-out of large-scale projects such as core system renewals and ERP renewals, which had generated concentrated sales in the previous year, despite the expansion of focus areas such as ServiceNow and data utilization.

In our initiatives for focus businesses, we will drive the expansion of the Group's focus businesses by expanding concentrated investment areas such as Enterprise Application Services, as well as by strengthening initiatives in forward-looking investment areas such as generative AI.

In the Enterprise Application Services domain, our successful completion of highly challenging projects involving mcframe was recognized, and we received the Excellent Partner Award at mcframe Award 2026. This marks our second consecutive year of receiving the mcframe Award, following the Take Off Award in 2025.

We are also progressively expanding our digital integrated infrastructure platform based on the IT infrastructure expertise we have cultivated across various industries. In the first phase, we have launched data center services and network services, in addition to our cloud-managed services, which comprehensively handle monitoring, operations, and maintenance for cloud environments. We will support the reduction of operational burdens and drive continuous improvement by leveraging AI-driven operations monitoring for predictive detection and automated recovery, as well as operational processes aligned with ITSM.

Platforms & Services Segment

Net sales came to ¥7,033 million (-15.6% year on year), due to a reactionary decline following lifecycle management service projects in the previous year, despite the expansion of solutions capturing demand for virtualization infrastructure migration and backup in the infrastructure product business area.

In our initiatives for focus businesses, in addition to expanding our operational service menu centered on ReSM and ReSM plus, we will advance our operational services through the use of AI to shorten failure recovery time and other measures.

(2) Overview of financial position for the three months under review

In terms of financial position, total assets decreased by ¥5,016 million from the end of the previous fiscal year to ¥80,231 million. This was mainly due to decreases of ¥7,365 million in notes and accounts receivable – trade, and contract assets, and ¥3,891 million in cash and deposits, despite increases of ¥2,180 million in advance payment for purchase of treasury shares included in the “other” category under current assets, ¥1,604 million in securities, and ¥1,315 million in merchandise and finished goods.

Liabilities decreased by ¥1,389 million from the end of the previous fiscal year to ¥19,167 million. This was mainly due to decreases of ¥1,625 million in income taxes payable, and ¥1,359 million in provision for bonuses, despite increases of ¥788 million in deposits received included in the “other” category under current liabilities, and ¥640 million in accounts payable – trade.

Net assets decreased by ¥3,626 million from the end of the previous fiscal year to ¥61,064 million. This was mainly due to a decrease of ¥3,505 million in retained earnings resulting from the payment of dividends of surplus and an increase of ¥2,845 million in treasury shares following the share repurchase, despite an increase of ¥2,309 million in retained earnings resulting from the recording of profit attributable to owners of parent.

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

With respect to the full-year consolidated earnings forecasts, there is no change from the earnings forecasts announced on May 1, 2026.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	29,775	25,884
Notes and accounts receivable - trade, and contract assets	27,729	20,363
Securities	791	2,395
Merchandise and finished goods	1,033	2,348
Work in process	169	186
Raw materials and supplies	76	82
Other	1,864	4,428
Allowance for doubtful accounts	(18)	(16)
Total current assets	61,422	55,673
Non-current assets		
Property, plant and equipment	4,642	4,608
Intangible assets		
Goodwill	4,578	4,476
Other	904	905
Total intangible assets	5,482	5,381
Investments and other assets		
Other	13,707	14,576
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	13,700	14,568
Total non-current assets	23,826	24,558
Total assets	85,248	80,231

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	6,804	7,444
Income taxes payable	3,087	1,461
Provision for bonuses	3,224	1,865
Provision for bonuses for directors (and other officers)	91	21
Provision for loss on orders received	561	507
Other	5,864	6,885
Total current liabilities	19,634	18,186
Non-current liabilities		
Retirement benefit liability	239	241
Other	683	739
Total non-current liabilities	922	981
Total liabilities	20,556	19,167
Net assets		
Shareholders' equity		
Share capital	6,113	6,113
Capital surplus	4,992	4,992
Retained earnings	52,674	51,477
Treasury shares	(4,645)	(7,491)
Total shareholders' equity	59,133	55,091
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,004	3,387
Foreign currency translation adjustment	243	285
Remeasurements of defined benefit plans	1,130	1,093
Total accumulated other comprehensive income	4,379	4,767
Non-controlling interests	1,178	1,206
Total net assets	64,691	61,064
Total liabilities and net assets	85,248	80,231

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	32,908	31,020
Cost of sales	25,690	24,053
Gross profit	7,217	6,966
Selling, general and administrative expenses	3,467	3,632
Operating profit	3,750	3,334
Non-operating income		
Interest income	31	34
Dividend income	66	90
Other	103	25
Total non-operating income	201	150
Non-operating expenses		
Interest expenses	1	4
Commission for purchase of treasury shares	3	1
Foreign exchange losses	–	8
Other	0	2
Total non-operating expenses	5	16
Ordinary profit	3,946	3,468
Extraordinary income		
Gain on sale of non-current assets	–	5
Gain on sale of investment securities	67	–
Total extraordinary income	67	5
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	4,014	3,473
Income taxes	1,282	1,160
Profit	2,731	2,313
Profit attributable to non-controlling interests	34	3
Profit attributable to owners of parent	2,696	2,309

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	2,731	2,313
Other comprehensive income		
Valuation difference on available-for-sale securities	321	382
Foreign currency translation adjustment	(169)	65
Remeasurements of defined benefit plans, net of tax	(28)	(37)
Total other comprehensive income	123	411
Comprehensive income	2,855	2,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,884	2,696
Comprehensive income attributable to non-controlling interests	(29)	27

(3) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on substantial changes in the amount of shareholders' equity)

No items to report.

(Application of specific accounting for preparing quarterly 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 first quarter under review, and next by multiplying the periodical profit before income taxes by such estimated effective tax rate.

(Notes on consolidated balance sheets)

(Contingent liabilities)

Improper payments were made to individuals deemed to be public officials at a specific overseas subsidiary of the Company in the past, 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.

(Notes on segment information, etc.)

[Segment Information]

I For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

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

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
	Operation & Solutions	Technology & Solutions	Platforms & Services	Total		
Net sales						
Sales to external customers	13,390	11,183	8,334	32,908	–	32,908
Intersegment sales or transfers	415	40	167	623	(623)	–
Total	13,806	11,223	8,501	33,531	(623)	32,908
Segment profit	1,713	1,236	805	3,754	(4)	3,750

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

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

II For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
	Operation & Solutions	Technology & Solutions	Platforms & Services	Total		
Net sales						
Sales to external customers	12,997	10,989	7,033	31,020	–	31,020
Intersegment sales or transfers	337	7	52	397	(397)	–
Total	13,334	10,997	7,085	31,417	(397)	31,020
Segment profit	1,783	961	587	3,332	1	3,334

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

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

(Notes on statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the three months under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first three months of fiscal years are as follows.

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	¥202 million	¥190 million
Amortization of goodwill	¥102 million	¥102 million

(Revenue recognition)

Disaggregation of revenue from contracts with customers

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable segment			Total
	Operation & Solutions	Technology & Solutions	Platforms & Services	
Services	1,932	3,694	5,014	10,641
SI and development	11,212	7,368	2,056	20,637
Products	245	120	1,263	1,629
Revenue from contracts with customers	13,390	11,183	8,334	32,908
Sales to external customers	13,390	11,183	8,334	32,908

For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Millions of yen)

	Reportable segment			Total
	Operation & Solutions	Technology & Solutions	Platforms & Services	
Services	1,851	3,381	4,776	10,008
SI and development	10,940	7,436	806	19,182
Products	205	172	1,450	1,828
Revenue from contracts with customers	12,997	10,989	7,033	31,020
Sales to external customers	12,997	10,989	7,033	31,020

3. Others

Results of production, orders and sales

(1) Production

Production in the three months under review is as follows.

Segment	Production (Millions of yen)	Year-on-year change (%)
Operation & Solutions	12,997	(2.9)
Technology & Solutions	10,989	(1.7)
Platforms & Services	7,033	(15.6)
Total	31,020	(5.7)

Note: Inter-segment transactions have been eliminated.

(2) Orders

Orders in the three months 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	12,059	(2.7)	14,642	0.8
Technology & Solutions	12,358	(10.6)	14,411	(5.0)
Platforms & Services	7,970	5.5	10,226	4.0
Total	32,388	(4.1)	39,280	(0.6)

Note: Inter-segment transactions have been eliminated.

(3) Sales

Sales in the three months under review are as follows.

Segment	Sales (Millions of yen)	Year-on-year change (%)
Operation & Solutions	12,997	(2.9)
Technology & Solutions	10,989	(1.7)
Platforms & Services	7,033	(15.6)
Total	31,020	(5.7)

Note: Inter-segment transactions have been eliminated.