



June 24, 2025

To whom it may concern

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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, 2025		
(2) Class and total number of shares for disposal	10,291 shares of common stock of the Company		
(3) Disposal value	¥5,060 per share		
(4) Total disposal value	¥52,072,460		
(5) Planned allottees	3 Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors):	4,493 shares	
	10 Executive Officers:		5,798 shares

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 on June 23, 2022 (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 the 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 ¥22,734,580 in monetary compensation receivable to three 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 10,291 shares of the Company's common stock (hereinafter, the "Allotted Shares") by paying a total of ¥52,072,460 in monetary compensation receivables to 13 Allottees (3 Eligible Directors, 10 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, 2025, to July 15, 2055

Allottees shall not transfer, establish a security interest on, gift inter vivo, 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 based on a resolution of 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 Allotees under the Plan shall be managed by a securities company stipulated by the Company in dedicated accounts opened by Allotees during the Transfer Restriction Period so that they cannot be subject to transfer, establishment of a security interest on, gifted inter vivo, 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 ¥5,060 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 23, 2025), 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 a particularly advantageous price for the Allotees.