

(Translation)

March 13, 2012

To shareholders

Company Name: Trend Micro Incorporated
Name of Representative: Eva Chen,
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Supplement to Agendas No. 2 and No.3
for the 23rd Ordinary General Meeting of Shareholders

We obtained information on the recommendation of a negative vote by a proxy advisor, International Shareholder Services, Inc. (hereinafter called "ISS"), to Agenda No. 2 (Amendment to Remuneration for Directors) and Agenda No. 3 (Issue of Share Options as Stock Options as stock-based remuneration) for the 23rd Ordinary General Meeting of Shareholders to be held on March 27, 2012 (hereinafter called "the Ordinary Shareholders Meeting").

We would therefore like to make a supplementary statement on these Agendas for your understanding as follows:

1. Rate of Dilution Associated with Exercise of Share Options

The reason for its recommendation of a negative vote described in the report of ISS dated March 7, 2012 is that the ratio of the total dilution will be 16.53 % after the resolution of Agenda No.3.

It is not altogether clear on what grounds ISS computed this dilution rate, but as described in the business report for the 23rd fiscal year, the number of the Share Options issued is as follows as of December 31, 2011:

(For your reference)

Total number of shares issued as of December 31, 2011: 140,293,004 shares

Closing price on March 12, 2012: ¥2,525

Ordinal Number	Exercise Price	Time Limit of Exercise	Number of Shares as Object of Share Options	Ratio to Total Number of Shareholders Issued
19 th	¥4,780	September 13, 2012	262,500 shares	0.18%
20 th	¥4,240	November 25, 2012	174,000 shares	0.12%
21 st	¥3,500	June 30, 2013	2,059,500 shares	1.46%
22 nd	¥2,580	November 18, 2013	2,147,000 shares	1.53%
23 rd	¥3,080	July 1, 2014	2,359,000 shares	1.68%
24 th	¥3,170	November 24, 2014	1,241,500 shares	0.88%
25 th	¥2,346	June 30, 2015	1,973,900 shares	1.4%
26 th	¥2,582	November 25, 2015	2,339,500 shares	1.66%
27 th A	¥2,557	July 14, 2016	149,700 shares	0.1%
27 th B	¥2,557	July 14, 2016	2,176,900 shares	1.55%
28 th A	¥2,406	December 14, 2016	100,000 shares	0.07%
28 th B	¥2,406	December 14, 2016	2,070,100 shares	1.47%
Total			17,053,600 shares	12.15%

In this regard, the fair value of a Share Option as stock option as stock-based remuneration tends to be higher than that of a conventional share option. We will therefore reduce the total number of shares as the object of the 24th fiscal year share options by less than half of that of shares as the object of the share options issued in the 23rd fiscal year (the sum of the shares as the object of the 27th A and B and 28th A and B share options) in view of the effect on the recording of expenses.

2. Exercise Period for Share Options

There is mention in the above report of ISS dated March 7, 2012 to the effect that the exercise periods of the share options issued based on Agendas No. 2 and No.3 will commence after retirement. However, as specified in the details or content of the share options, the exercise period will be “within five years from the next day of the day of allotment” or “five years from the next day of the day of allotment” respectively. We will in fact provide for a one year waiting period before the commencement of the exercise period in principle in a share option allotment agreement to be entered into between the company and the person to whom share options will be allotted. For some of the persons to whom share options are to be allotted, we will remove the restriction on the said waiting period only if there is a change of control as is the case in retention remunerations proposed in Agenda No. 2 “II. Retention Plan.”

For your information, the above description in the report of ISS dated March 7, 2012 has been corrected within the content of the above Agendas (i.e., “within five years from the next day of the day of allotment” or “five years from the next day of the day of allotment”).

3. Issue of Share Options as Stock Options as stock-based remuneration to our Directors

The report of ISS dated March 7, 2012 states that once Agenda No.2 is resolved, no resolution of a Shareholders Meeting will be necessary for the subsequent issue of share options to directors. However, because we consider that the Share Options as stock options as stock-based remuneration will fall under the category of advantageous placement, we will request shareholders to vote on such issue for the year ahead as well as request the shareholders to vote on Agenda No. 3 this year.

4. Persons to whom Share Options as Stock Options as stock-based remuneration are to be Allotted

The report of ISS dated March 7, 2012 also states that the persons to whom Share Options as stock options as stock-based remuneration are to be allotted will include outside directors. However, we specify in Agenda No. 3 that the persons to whom the Share Options as stock options as stock-based remuneration are to be allotted include the directors and employees of the company and our subsidiaries, and in Agenda No. 2 that no Share Options will be allotted to the outside directors regarding the content of remunerations for directors. The outside directors are therefore not included in the persons to whom the Share Options as stock options as stock-based remuneration are to be allotted. We will not allot the Share Options to the outside directors in the future as well.

For your information, the above description in the report of ISS dated March 7, 2012 has been supplemented in the report of ISS dated March 9, 2012 by the remarks that such persons will not include the outside directors.

In conclusion, we made a supplemental statement on Agendas No. 2 and No.3 for the Shareholders Meeting. We decided that the resolutions of these Agendas are requisites for enhancing the willingness and raising the morale of our directors and employees to improve business performance, to strengthen the business deployment with a higher regard for the interest of shareholders, and to boost shareholder value.

We therefore ask for your understanding of Agendas No. 2 and No.3 for the Shareholders Meeting.