This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code 4704)

March 4, 2013

Dear Shareholders

Shinjuku MAYNDS Tower
1-1,Yoyogi 2-chome, Shibuya-ku, Tokyo, Japan
TREND MICRO INCORPORATED
President and Representative Director: Eva Chen

NOTICE OF CONVOCATION THE 24th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs and Madams

Our 24th Ordinary General Meeting of Shareholders will be held as listed below. We hereby notify you of this and request your attendance at the Meeting.

If you are unable to attend this Meeting, you may vote in writing or by electronic means (using the Internet or other means) and we would be grateful if you could kindly review the following Reference Material for the General Meeting of Shareholders and fill out the Voting Form enclosed herein with your decision. Please also kindly return the said Form to us by no later than 5:30 p.m. on March 25, 2013, (Monday) or vote after perusing the "Voting by Electronic Means" (ex. on the Internet) described hereafter (pp.60).

1. Date and time: 10:00 a.m. on March 26, 2013 (Tuesday)
2. Place: Momoyama, B1, Hyatt Regency Tokyo 7-2, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo, Japan
3. Purpose:

Matters to be reported

1. Contents of the Business Report for the 24th year (January 1, 2012, to December 31, 2012), contents of the consolidated financial statements and the audit reports by Accounting Auditors and the Corporate Auditors of the consolidated financial statements.
2. Contents of the unconsolidated financial statement for the 24th year (January 1, 2012, to December 31, 2012).

Matters for Resolution

Agenda 1: Appropriation of retained earnings

Agenda 2: Election of Five Directors

Agenda 3: Election of Four Corporate Auditors

Agenda 4: Revision of remuneration, etc. of directors

4. Decision concerning Convocation of General Meeting of Shareholders:

The exercise of voting rights by proxy is limited to the case where another shareholder holding voting rights is delegated as a proxy. Please note that submission of a document evidencing such proxy is required in this case.

- Upon your attendance at the meeting, we ask you to kindly submit the enclosed Voting Form to the reception of the Meeting.
- After the close of this General Meeting of Shareholders, a session for reporting recent management is scheduled to be held for approximately one hour at the same place. We ask you to kindly attend this session.
- In the event that the Reference Material and the Business Report, the unconsolidated financial statement and the consolidated financial statements are amended, the amendments will be announced to shareholders on the Company's website (http://www.trendmicro.co.jp/).
- Please be advised that due to unforeseen circumstances, including natural disasters and electric blackouts caused by electricity circumstances, changes may be made to the agenda of this Meeting, or the session for reporting recent management may be cancelled.

(Attachment)

(Translation)

Business Report

(From January 1, 2012, to December 31, 2012)

1.Business Review

(1) Qualitative Information on the Consolidated Business Results

During this term of fiscal year 2012, from January 1 to December 31, despite expectation of a mild recovery, the world economy continued to be with fragility. The world economy remains in an unstable situation mainly due to the persistent European financial crisis. Although the US economy has seen a mild upturn, it remains economically uncertain due to financial problems, and so on. In addition, economic growth in emerging countries has been slowing down. The world economy still continues to go through unstable situation.
On the other hand, although Japan economy is still in a severe situation with concerns of world economic situation, particularly in Europe, and the potential impact of the yen's rise, but it's bottoming out to show slow economic recovery to prevent further deterioration of strong yen and export. With a change of regime as a start, Japan economy was expected recovery but its future outlook still remains uncertain.
In the worldwide Information Technology Industry, cloud computing has been still standing out from IT industry market. Worldwide PC shipment shows significant year-over-year decline for the first time in 11 years. It has been triggered by the decline in enterprise IT spending based on sluggish economic conditions and increased competition from smartphones and multi-functional mobile devices such as tablets, etc. Those are becoming more popular than PCs, in the enterprise and consumer market. On the other hand, cloud computing including server virtualization and IT services and mobile device markets expanded both foreign and domestic demands IT service markets in 2012. Those facts are expected to lead to IT spending next future.
In the computer security industry, Advanced Persistent Threat (APT), sophisticated, multi - faceted attacks targeting a particular organization, has fly entire world continuously. APTs have been still big issue for enterprise security. Also, the threats which will target specific country or region with local language demonstrate an upward trend worldwide. In Japan, a malware program created several crimes foretold with a remote control by third parties other than the authorized PC users. This incident gained nationwide attention due to mistaken arrest. On the other hand, smartphones and multi-functional mobile devices such as tablets, etc. increase users exponentially, and following variable apps also enjoy further growth and diversification. Because of these factors in 2012, malware and fake apps targeting Google's Android OS were going around the world. Such a threat trend has a potential to expand targeted attacks for entire smartphones and multi-functional mobile devices in the days ahead regardless of business or individual. Thus, in enterprise, security for mobile devices and continuous monitoring office network has become more a critical issue to aware indication of attacks acutely.
Under such environment, our group business conditions are as follows:

In some signs of recovery enterprise IT spending, though APTs solution business for enterprise continued to achieve sustainable growth, entire Japan enterprise sales have been close to same level as FY2011 due to without temporary loyalty revenue in previous year. Consumer sales in Japan have been also close to same level as previous year due to change in the contract details related to ISP business. As the result, the net sales for this period in Japan showed a slight decrease in 45,803 million yen (0.6% decrease from the same period in previous year.)
In North America, although the cloud business in this region has shown a growth, traditional business has been weak performed. Moreover, consumer business has been not performed well throughout the whole year due to the rebate for new customer acquisition in early this year. As

the result, sales for this period in North America came to 18,869 million yen (7.7% decreases from the same period in previous year).
Although the net sales of EMEA, both enterprise and consumer sales in local currency have shown positive growth, a weak Euro could adversely affect this region sales. As the result, sales for this period in EMEA came to 16,396 million yen (4.4% decrease from the same period in previous year). In this region, the enterprise business unit has been still dominated sales revenue. The future challenge is to expand the consumer business unit, which is still in its early stages of development.
In the Asia and Pacific region, Australia, which had been leading this region sales with mainly consumer business, shows decline in growth. However, China has continued to be good condition again this year. As the result, this region demonstrated the most growth among the 5 sales regions in Japanese yen. The net sales for this period in APAC showed increase in 10,676 million yen (3.4% increase from the same period in previous year).
In Latin America, though Brazil has maintained close to same level as previous year in local currency, Mexico have not performed well. In addition, a super strong yen could adversely affect this region sales. As the result, sales for this period in Latin America showed a double-digit decrease at 2,093 million yen (12.5% decrease from the same period in previous year.)
As a result, the consolidated net sales for entire year 2012 came to 93,839 million yen (2.6% decrease from the same period in previous year) as a decrease.

Cost of sales and operating expenses totaled 71,432 million yen (2.0% increase from the same period in previous year) mainly due to an increase in people cost and stock option related expenses, etc. As a result, consolidated operating income for this period was 22,407 million yen (15.0% decrease from the same period in previous year).
Due to a increase in Foreign exchange loss, the consolidated ordinary income for this period was 22,661 million yen (21.0% decrease from the same period in previous year), and the consolidated net income for this period was 13,447 million yen (22.5% decrease from the same period in previous year) no gain on redemption of marketable securities in previous year and impairment loss, etc.

(2) Capital Expenditure

The total amount of capital expenditure for the Consolidated Financial term under review was 1,192 million yen, which was invested mainly in development of new technologies and acquisition of instruments necessary to rationalize the basic operation systems including servers, PCs and peripheral devices.

(3) Financing

There are no special instructions.

(4) Issues to Deal With

In the computer security industry which our group belongs to, there have been two competitors with gaining a respectable degree of market share in the U.S. In addition to our direct competitors, Microsoft Corporation, a major operating system software vendor, has entered into the security market. Moreover, recently variable consolidations have indeed continued including M&A or acquisition from other industry and new entries, etc. We anticipate that such a consolidation, new entries, and their presence in the computer security market will make the competition in the market more intense.
In response to such intense competition, we are enhancing our wide range of technologies to better combat the latest web threats, which evolve from day to day, through the acquisition of InterMute Inc. in 2005 for antispyware technologies; Kelkea Inc. in 2005 for IP filtering and reputation services; Provilla, Inc. in 2007 for data leak prevention (DLP); Identum in 2008 for email encryption technology; Third Brigade Inc. in 2009 for Host Intrusion Prevention System (HIPS); Humyo in 2010 for online storage and data synchronization

services ; and Mobile Armor in 2011 for data encryption and mobile device management technology.

Through a series of acquisitions and organically grown technology, Trend Micro has taken the lead over other competitors in creating cloud based security solution. Since 2009, Trend Micro Smart Protection Network is at the core of Trend Micro products and services and is designed to protect customers from web threats through a next generation cloud-client content security infrastructure. Trend Micro Smart Protection Network correlates web, email and file threat data using reputation technologies and is continuously updating in-the-cloud threat databases to detect, analyze and protect customers from the latest threats. By introducing fast, real-time security status "look-up" capabilities in-the-cloud, Trend Micro reduces dependence upon conventional pattern file downloads on the endpoint, as well as the cost and overhead associated with corporate-wide pattern deployments.

We will continue to concentrate management resources on developing original, high-performance solutions that address customer pain points faster than the competitors. At the same time, we will continue to pursue long-term growth with a stable financial foundation, strengthen our commitment to users, as well as develop marketing campaigns that target customer needs and customer buying behavior.

(5) Business Results and Changes in Financial Conditions

Fiscal Year / Item	The 21st Term ended December 2009	The 22nd Term ended December 2010	The 23rd Term ended December 2011	The 24th Term ended December 2012
Net Sales (millions of yen)	96,346	95,391	96,392	93.839
Ordinary Income (millions of yen)	31,714	23,835	28,690	22,661
Net Income (millions of yen)	17,638	12,720	17,341	13,447
Net Income per share (in yen)	132.16	95.27	131.23	102.21
Total Assets (millions of yen)	203,887	206,099	201,765	219,007
Net Assets (millions of yen)	108,643	106,569	107,362	113,492

(6) Status of Important Subsidiaries

Company Name	Capital	Shareholding Ratio	Primary Business
Trend Micro Incorporated (Taiwan)	212,500,000 New Taiwan dollars	100%	Development and sale of security-related products
Trend Micro Incorporated (U.S.A.)	477,250.67 U.S. dollars	100%	Development and sale of security-related products
Trend Micro Australia Pty. Ltd. (Australia)	150,000 Australia dollars	100%	Development and sale of security-related products
Trend Micro (EMEA) Limited (Ireland)	21,372,061.63 euros	100%	Provision of business support for subsidiaries and development and sale of security-related products

(Notes) The consolidated accounts cover all subsidiaries and affiliated companies, which consist of 33 consolidated subsidiaries including the aforementioned four important subsidiaries and two equity method affiliates.

(7) Primary Business of the Group

Development and sale of security-related software for computers and the Internet

(8) Primary Offices of the Group

Head Office:	Shibuya-ku, Tokyo
Branch Offices:	Osaka Office (Yodogawa-ku, Osaka)
	Fukuoka Office (Hakata-ku, Fukuoka)
	Nagoya Office (Naka-ku, Nagoya)
Overseas Subsidiaries:	Trend Micro Incorporated (Taiwan)
	Trend Micro Incorporated. (U.S.A.)
	Trend Micro Australia Pty. Ltd. (Australia)
	Trend Micro (EMEA) Limited (Ireland)

(9) Employees

Name of Divisions	Number of Employees
Sales Division	1,006
Marketing Division	346
Product Support Division	1,345
Research and Development Division	1,622
Administration Division	818
Total	5,137

2. Status of Shares

(1) Total Numbers of Shares authorized to be issued by the Company:
250,000,000 shares

(2) Total Number of Outstanding Shares:
131,560,869 shares (excluding treasury stock of 8,732,135 shares)

(3) Number of Shareholders: 6,702

(4) The Top 10 Shareholders:

Name of Shareholders	Number of Shareholding	Shareholding Ratio(%)
Trueway Company Limited	18,418,000	13.99
The Master Trust Bank of Japan, Ltd.(Trust Account)	9,652,700	7.33
Japan Trustee Services Bank, Ltd. (Trust Account)	6,587,100	5.00
Gainway Enterprise Co., Ltd.	5,684,000	4.32
Nomura Singapore Limited Customer Segregated A/C FJ 1309	5,544,500	4.21
Chang, Ming-Jang	5,208,000	3.95
MLPFS Custody Account	4,593,708	3.49
National Mutual Insurance Federation of Agricultural Cooperatives	3,530,400	2.68
The Chase Manhattan Bank , N.A. London Secs Lending Omnibus Account	3,460,173	2.63
State Street Bank And Trust Company 505225	2,573,306	1.95

(Notes)

1. Numbers of shareholdings shown in the Business Report are stated with reference to those in the shareholder register.
2. The Shareholding Ratio is calculated excluding treasury stock (8,732,135 shares).

3. Matters Concerning Stock Acquisition Rights etc of the Company

(1) Status of Stock Acquisition Rights held by Directors at the End of the Current Term

(i) Number of stock acquisition rights

From Twenty-second: 185

From Twenty-fourth to Twenty-eighth-A: 4,637

(ii) Number and Type of Shares subject to Stock Acquisition Rights

Common stock

From Twenty-second: 92,500 shares

(500 shares per stock acquisition right)

From Twenty-fourth to Twenty-eighth-A: 463,700 shares

(100 shares per stock acquisition right)

(iii) Issue price of stock acquisition rights:

Without consideration

(iv) Total stock acquisition rights held by Directors per each issuance

	Series (Exercise Price)	Exercise Period	Number of stock acquisition rights	Number of holders
Director (Excluding an Outside Director)	Twenty-second (2,580 yen)	November 18, 2013	185	3
	Twenty-fourth (3,170 yen)	November 24, 2014	350	1
	Twenty-fifth (2,346 yen)	June 30, 2015	790	3
	Twenty-sixth (2,582 yen)	November 25, 2015	1,000	2
	Twenty-seventh-A (2,557yen)	July 14, 2016	1,497	3
	Twenty-eighth-A (2,406yen)	December 14, 2016	1,000	3

(Note) An Outside Director and Corporate Auditors of the Company do not hold stock acquisition rights at the end of the current term.

(v) Essential Conditions for Exercise of Stock Acquisition Rights

(a) A holder of stock acquisition rights may exercise his/her stock acquisition rights only if the holder continues to be in a position as a director, auditor, employee, secondee or adviser of the Company or a subsidiary of the Company (hereinafter in this item referred to as the “previous position”) until the time when the holder wants to exercise his/her stock acquisition rights. If a holder of stock acquisition rights loses the previous position, the holder may exercise his/her stock acquisition rights within 45 days from the date on which the holder loses his/her previous position. When a holder of stock acquisition rights loses his/her previous position due to physical disability or other similar cause, the holder may exercise his/her stock acquisition rights within six months from the date on which the holder loses his/her previous position. If the provisions of this paragraph conflict with any compulsory provisions applicable in the country of residence of the holder, this paragraph shall not apply to the extent that such conflict arises.

(b) When a holder of stock acquisition rights dies, his/her heir may exercise the relevant stock acquisition rights within six months from the date on which the holder died only if the heir completes the procedures for the inheritance of stock acquisition rights as stipulated by the Company. If the provisions of this paragraph conflict with any compulsory provisions applicable in the country of residence of the holder, this paragraph shall not apply to the extent that such conflict arises.

(c) If stock acquisition rights are pledged or any security interest on the stock acquistion rights is established, the holder of the relevant stock acquisition rights may not exercise the same.

(2) Status of Stock Acquisition Rights Granted in the Current Term to Employees of the Company, Directors and employees of subsidiaries of the Company

N/A

(3) Other Important Matters concerning Stock Acquisition Rights

Status of Stock Acquisition Rights held by holders Employees of the Company, Directors and employees of subsidiaries of the Company at the end of the current term

(i) Number of stock acquisition rights

From Twenty-first to Twenty-third: 4,494

From Twenty-fourth to Twenty-eighth-B: 79,438

(ii) Type and Number of Shares subject to Stock Acquisition Rights

Common stock

From Twenty-first to Twenty-third: 2,247,000 shares

(500 shares per stock acquisition right)

From Twenty-fourth to Twenty-eighth-B: 7,943,800 shares

(100 shares per stock acquisition right)

(iii) Issue price of stock acquisition rights:

Without consideration

(iv) Total stock acquisition rights held by holders Employees of the Company, Directors and employees of subsidiaries of the Company per each issuance

	Series (Exercise Price)	Exercise Period	Number of stock acquisition rights
Employees of the Company, Directors and employees of the subsidiaries of the Company	Twenty-first (3,500 yen)	June 30, 2013	417
	Twenty-second (2,580 yen)	November 18, 2013	3,554
	Twenty-third (3,080 yen)	July 1, 2014	523
	Twenty-fourth (3,170 yen)	November 24, 2014	1,254
	Twenty-fifth (2,346 yen)	June 30, 2015	16,204
	Twenty-sixth (2,582 yen)	November 25, 2015	20,585
	Twenty-seventh-B (2,557yen)	July 14, 2016	20,925
	Twenty-eighth-B (2,406yen)	December 14, 2016	20,470

(ｖ) Essential Conditions for Exercise of Stock Acquisition Rights

(a) A holder of stock acquisition rights may exercise his/her stock acquisition rights only if the holder continues to be in a position as a director, auditor, employee, secondee or adviser of the Company or a subsidiary of the Company (hereinafter in this item referred to as the "previous position") until the time when the holder wants to exercise his/her stock acquisition rights. If a holder of stock acquisition rights loses the previous position, the holder may exercise his/her stock acquisition rights within 45 days from the date on which the holder loses his/her previous position. When a holder of stock acquisition rights loses his/her previous position due to physical disability or other similar cause, the holder may exercise his/her stock acquisition rights within six months from the date on which the holder loses his/her previous position. If the provisions of this paragraph conflict with any compulsory provisions applicable in the country of residence of the holder, this paragraph shall not apply to the extent that such conflict arises.

(b) When a holder of stock acquisition rights dies, his/her heir may exercise the relevant stock acquisition rights within six months from the date on which the holder died only if the heir completes the procedures for the inheritance of stock acquisition rights as stipulated by the Company. If the provisions of this paragraph conflict with any compulsory provisions applicable in the country of residence of the holder, this paragraph shall not apply to the extent that such conflict arises.

(c) If stock acquisition rights are pledged or any security interest on the stock acquisition is established, the holder of the relevant stock acquisition rights may not exercise the same.

4. Matters Concerning Directors and Corporate Auditors in the Company

(1) Directors and Corporate Auditors

(As of December 31, 2012)

Name	Title in the Company and the Group	Significant Job Titles at Other Organizations
Chang Ming-Jang	Chairman and Representative Director	
Eva Chen	President and Representative Director/ CEO of Trend Micro Group	
Mahendra Negi	Executive Vice President and Representative Director/ COO & CFO of Trend Micro Group	
Akihiko Omikawa	Executive Vice President and Director, General Manager Japan, LAR, APAC Region, Global Marketing	
Ikujiro Nonaka	Director	Professor Emeritus, Hitotsubashi University Graduate School of International Corporate Strategy
Fumio Hasegawa	Full-time Corporate Auditor	
Yasuo Kameoka	Corporate Auditor	Managing Partner and Representative Partner, Taiko Auditing Firm
Koji Fujita	Corporate Auditor	Attorney at Law, Okuno & Partners

(Notes) 1. Mr. Fumio Hasegawa, Corporate Auditor was elected the Full-time Corporate Auditor as a result of an action by Board of Corporate Auditors and assumed the position on January 1, 2012.

2. Mr. Motohide Tanikawa, Corporate Auditor, resigned his post on January 31, 2012.

3. Mr. Mahendra Negi, Representative Director, and Mr. Akihiko Omikawa, Director, were appointed Executive Vice President respectively, effective March 1, 2012.

4. Mr. Akihiko Omikawa, Director, was appointed General Manager responsible for Japan Region, Global Consumer Business, Sales Promotion in the Asia Regions, effective January 1, 2013.

5. Mr. Ikujiro Nonaka, Director, is an Outside Director under Article 2, item 15 of the Companies Act.

6. All three Corporate Auditors are Outside Auditors under Article 2, item 16 of the Companies Act.

7. Mr. Fumio Hasegawa, Corporate Auditor, has many years of experience in

finance and accounting matters. Mr. Yasuo Kameoka, Corporate Auditor, is a qualified and experienced certified public accountant. Mr. Koji Fujita, Corporate Auditor, is an attorney with experience in corporate rehabilitation and corporate legal affairs. All have appropriate knowledge regarding finance and accounting matters.

8. The Company has designated all Outside Director and Outside Corporate Auditors as independent director/corporate auditors upon whom the Tokyo Stock Exchange imposes the obligation of designation, and who are unlikely to cause conflicts of interest with general shareholders, and it has filed such designation with the said Exchange.

(2) Remuneration, etc. Paid to Directors and Corporate Auditors

Category	Number of persons	Amount of remuneration	Remarks
Director	5	351(Yen in millions)	One Outside Director received 8 million yen.
Corporate Auditor	4	19(Yen in millions)	All four Corporate Auditors are Outside Corporate Auditors.

(Notes)

Remunerations paid to Directors include the amount of 183 million yen of stock options granted to Directors. (This does not apply to Outside Director.)

(3) Matters concerning Outside Director and Outside Auditors

(i) Relationships between the Company and another Company where a Director holds a Significant Position

The Company does not have any special relationships with any of the companies where Outside Director and Outside Corporate Auditors hold a significant position described in "(1) Directors and Corporate Auditors".

(ii) Principal Activities of the Outside Director and Outside Corporate Auditors during the Term under Review

Name	Attendance and Comments at the Meetings of the Board of Directors and the Meetings of the Board of Corporate Auditors
Ikujiro Nonaka (Director)	Attended 10 of 12 meetings of the Board of Directors. He made comments as needed based on his expert knowledge on management theory.
Fumio Hasegawa (Full-time Corporate Auditor)	Attended all 12 meetings of the Board of Directors and all 14 meetings of the Board of Corporate Auditors. He raised questions or expressed opinions when necessary in order to ensure the adequacy and appropriateness in making decisions at the meetings of the Board of Directors and at the meetings of the Board of Corporate Auditors based on his experience in finance and accounting matters over the years.
Yasuo Kameoka (Corporate Auditor)	Attended all 12 meetings of the Board of Directors and all 14 meetings of the Board of Corporate Auditors. He raised questions or expressed opinions when necessary in order to ensure the adequacy and appropriateness of decisions made at the meetings of the Board of Directors and at the meetings of the Board of Corporate Auditors mainly based on his expert knowledge as a certified public accountant.
Koji Fujita (Corporate Auditor)	Attended 10 of 12 meetings of the Board of Directors and all 14 meetings of the Board of Corporate Auditors. He raised questions or expressed opinions when necessary in order to ensure the adequacy and appropriateness of decisions made at the meetings of the Board of Directors and at the meetings of the Board of Corporate Auditors mainly based on his expert knowledge as an attorney.

(iii) Summary of Limited Liability Agreement

As long as Outside Director and Outside Corporate Auditors perform their duties in good faith and without gross negligence with respect to the liabilities set out in Article 423, paragraph 1 of the Companies Act, the Outside Director, the full-time Outside Corporate Auditor and the part-time Outside Corporate Auditors shall, in accordance with the limited liability agreement executed between the Company and Outside Director and between the Company and all Outside Corporate Auditors, be liable for up to 16 million yen, 10 million yen and 4.8 million yen respectively or the minimum liability amount prescribed by law, whichever of these amounts is the higher.

5. Status of Accounting Auditor

(1) Name of the Accounting Auditor of the Company

KPMG AZSA LLC

(2) Remuneration, etc. Paid to Accounting Auditor

(Millions of yen)

(i)	Amount of fees and charges paid to accounting auditors for the term under review	91
(ii)	Total amount of cash and other financial benefits payable by the Company and its subsidiaries	91

(Notes)
1. As the audit fees under the Companies Act and those under the Financial Instruments and Exchange Act are not separated for the purpose of the audit contract executed between the Company and the accounting auditors and are impractical to separate, the amount specified in (i) above is indicated as the total amount of audit fees payable under both laws.
2. Three of the important subsidiaries of the Company are audited by certified public accountants or audit corporations other than the Accounting Auditor of the Company (including qualified persons equivalent thereto in foreign countries) .

(3) The policy regarding decisions on the dismissal or discontinuance of re-election of an accounting auditor

If the Accounting Auditor is deemed to fall under any of the items prescribed in Article 340, paragraph 1 of the Companies Act, the Accounting Auditor will be dismissed by the Board of Corporate Auditors pursuant to the unanimous consent of the Corporate Auditors.

In addition to the above, if it is deemed difficult for the Accounting Auditor to carry out their proper execution of duties, in consideration of the length of their continuous years of service and of other factors, the Board of Directors will submit a proposal for dismissal or discontinuance of re-election of the Accounting Auditor on the Agenda of the Shareholders Meeting upon agreement or request of the Board of Corporate Auditors.

6. Systems and Policies of the Company

Basic policies of the Company's systems to ensure the appropriateness of actions of the Company's Directors

(1) A system to retain and manage information regarding execution of operations by the directors

i) Information on the execution of operations by the directors must be retained appropriately, managed, and be in a highly searchable state, depending on the recording media, based on the Confidential Matter Control Regulations, the Confidential Matter Control Guidelines and other internal regulations, and it must be kept in a state that permits the directors and the Corporate Auditors to access it at any time. The storage period should be that required by law if such legal requirements exist, and if not, for the period required by the Regulations on the Handling of Documents.

ii) The protection and storage of information in the information system shall comply with the Information System Control Regulations.

(2) A system concerning regulations regarding risk and loss management

i) The Company recognizes risk regarding our products and services, and risk regarding the Company's infrastructure, as risks related to the execution of the operations of our company. The Company will establish a system to identify and manage such risks, as well as a system to place persons in charge of managing such risks.

ii) The Company will establish the Compliance Security Committee, chaired by the Representative Director, as an organization to manage and control compliance and the risk control system.

iii) Leaks, theft, loss, damage, and illegal alteration of information would bring enormous loss of trust and damage to our company. Therefore, the Company shall manage such risks based on the Information System Control Regulations, the Confidential Information Control Regulations, the Risk Management Guideline, the Personal Information Protection Regulations, and other regulations.

iv) In the event that an incident occurs, an emergency operations team (SWAT team) shall be established, with the Director for the Japan Region as the risk manager, to take swift action, and it shall establish a system to prevent and minimize the spread of damage, including to clients.

(3) A system to ensure efficient execution of operations by directors

i) As the basis for a system to ensure efficient execution of operations by the directors, a board of directors' meeting shall be held at least once every three months, and at any other appropriate time when considered necessary. As for important matters relating to management policies and management strategies of the Company, their execution shall be determined by reference to the results of discussions at the Executive Meetings held every quarter, as well as in the periodical budget review process.

ii) As for the execution of operations based on decisions of the board of directors, the person in charge, their responsibilities, and the details of execution procedures shall be established by the Administrative Authority Regulations and the Regulations Regarding Executives.

(4) A system to ensure that execution of operations by directors and employees meet relevant regulations and the Articles of Incorporation

i) As a basis for the compliance system, a Code of Conduct, Regulations Regarding Executives, Regulations on Insider Trading, and Personal Information Protection Regulations shall be established.
A Compliance Security Committee has been established, headed by the Representative Director, and it shall maintain and improve the Internal Control System.
Each division shall also establish guidelines and training as necessary.

ii) An Internal Control Manager, responsible for the maintenance and promotion of the Internal Control System, shall be appointed, and members in charge of the Internal Control System practices headed by the Internal Control Manager shall be appointed from time to time.

iii) In the event that any directors finds a serious breach of law or a significant lapse in compliance in the Company, he or she shall immediately report it to the Corporate Auditors, and shall also report it to the board of directors without delay.

iv) Based on the Whistle-blowing Report Procedures, which are regulations establishing internal notification and reporting systems regarding breaches of law and other compliance matters, the Human Resources Division and Internal Audit Department shall be responsible for the operation of said systems. The existence or the non-existence of relevant facts and their contents shall be gathered and reported to the CEO, CFO, and Corporate Auditors every quarter by the Internal Auditor. However, when it is deemed urgent, it shall be reported to them immediately.

v) In the event that any Corporate Auditors determine that there is a problem with the legal compliance system and the execution of the Whistle-blowing Report Procedures of the Company, he or she shall state such opinion, and the establishment of remedial plans may be required.

(5) A system to ensure appropriate operations of the corporate group consisting of the Company and its subsidiaries

i) To ensure proper operation of the group companies, the Code of Conduct and Whistle-blowing Report Procedures shall apply to all group companies in the same way as applied to the Company. In addition, the Company shall request the corporate group to establish an organization to identify and manage risks related to the execution of operations.
As for management control, Affiliated Companies Control Regulations, Finance Control and Signature Authorization Regulations shall be established, thus enabling management control of subsidiaries authorized by and reporting to our company.
Management shall also monitor the discussions of the Executive meetings held every quarter and the periodical budget review process as necessary.
In the event that any directors find a breach of law or any other important compliance issues with group companies, he or she shall immediately report it to the Corporate Auditors and the Board of Directors.

ii) To ensure the reliability of financial reporting by the Company and group companies, the establishment and operation of internal controls relating to financial reporting shall be promoted.

iii) In the event that any of the subsidiaries determines that the management control and management guidance of the Company breaches any law or constitutes problems in compliance, it shall report it to the Internal Auditor.
Immediately upon receiving such a report, the Internal Auditor shall report to the Corporate Auditors and the directors, and he or she may state his or her opinion.
Upon receiving such a report, the Corporate Auditor shall state an opinion to the directors, and the establishment of remedial plans may be required.

iv) The Internal Auditor shall from time to time visit subsidiaries and monitor their operations.

(6) A System concerning employees who assist the Corporate Auditors when required and their independence from the directors

i) In the event that Corporate Auditors require the company to appoint employees (hereafter referred to as "Auditing Staff") to assist with his or her duties, the Company shall consult with the Corporate Auditors and provide Auditing Staff from among the employees of the Company.
In the case where an Auditing Staff is established, personnel transfer, personal evaluation and other matters with respect to the Auditing Staff shall be determined with the wishes of the Corporate Auditors in mind, thus ensuring independence from the directors.

ii) In the event that Corporate Auditors require, he or she may request employees to conduct specific audit tasks, with notice given to the superiors of such employees. In this case, employees who receive such a request shall report to the Corporate Auditors, irrespective of the chain of command of regular employment.

(7) A system for directors and employees to report to corporate auditors, other systems for reporting to corporate auditors, and a system for ensuring effective auditing by corporate auditors

i) The directors shall report the following to the Corporate Auditors:

① Matters resolved at the Executive Meetings;

② Matters that might cause significant damage to the Company;

③ Important matters regarding management;

④ Important matters regarding audit, and the establishment and operation of internal control and risk control;

⑤ Serious breach of law or the Articles of Incorporation;

⑥ Matters regarding changes or introduction of accounting policies; and

⑦ Other important compliance matters.

Furthermore, in the event that an employee finds important matters regarding ②, ⑤ and ⑦ above, he or she may report to the Corporate Auditors directly.

ii) By maintaining proper implementation of the Code of Conduct and the Whistle-blowing Report Procedure, the Company shall ensure a proper reporting system for breaches of law and other issues, in compliance with the Corporate Auditors.

iii) The full-time Corporate Auditor shall attend the board of directors' meetings and important meetings such as the meetings of the Compliance Security Committee and the Executive Meetings in order to grasp the important decision-making processes and the execution of operations. They may also review approval documents and important documents regarding the execution of operations, require the directors and employees to provide explanations if necessary, and state their opinions.

iv) The Representative Directors shall establish a forum to exchange opinions with Corporate Auditors periodically, thus promoting communication.

v) In the event that Corporate Auditors determine that it is necessary in order to carry out his or her duties, he or she may ask for the opinions of professionals such as attorneys and certified public accountants, and their expenses shall be borne by the Company.

(Notes) The amounts stated in this Business Report are rounded downward to the nearest stated unit.

(1) Consolidated Balance Sheet

(As of December 31, 2012) (Yen in millions)

Account	Amount
<Assets>	
Current assets	**159,259**
Cash and bank deposits	54,732
Notes and accounts receivable, trade	20,999
Marketable securities	64,110
Inventories	370
Deferred tax assets	14,775
Others	4,375
Allowance for bad debt	-104
Non-current assets	**59,748**
Property and equipment	**4,437**
Office furniture and equipment	3,364
Others	1,073
Intangibles	**7,870**
Software	5,740
Goodwill	960
Others	1,169
Investments and other non-current assets	**47,440**
Investment securities	35,292
Investments in subsidiaries and affiliates	190
Deferred tax assets	10,739
Others	1,217
Total assets	**219,007**

(Yen in millions)

Account	Amount
<Liabilities>	
Current liabilities	**78,044**
Accounts payable and Notes payable, trade	727
Accounts payable, other	3,758
Accrued expenses	4,844
Accrued income and other taxes	5,678
Allowance for bonuses	840
Allowance for sales return	602
Deferred revenue	59,286
Others	2,306
Long-term liabilities	**27,471**
Deferred revenue	24,464
Allowance for retirement benefits	2,371
Others	634
Total liabilities	**105,515**
<Net assets>	
Shareholders' equity	**115,509**
Common stock	18,386
Additional paid-in capital	21,111
Retained earnings	102,451
Treasury stock, at cost	-26,440
Accumulated other comprehensive income	**-6,238**
Net unrealized gain(loss) on debt and equity securities	572
Foreign currency translation adjustment	-6,810
Stock acquisition right	**4,213**
Minority interest	**7**
Total net assets	**113,492**
Total liabilities and net assets	**219,007**

(2) Consolidated Profit and Loss Statement

(From January 1, 2012 to December 31, 2012) (Yen in millions)

Account	Amount	
Net Sales		**93,839**
Cost of sales		**17,511**
Gross profit		**76,327**
Selling, general and administrative expense		**53,920**
Operating income		**22,407**
Non-operating income		
Interest income	1,273	
Gain on sales of marketable securities	254	
Equity in earnings of affiliated companies	3	
Others	155	1,686
Non-operating expenses		
Interest expenses	4	
Loss on sales of marketable securities	101	
Impairment loss on marketable securities	77	
Foreign exchange loss	856	
Others	393	1,432
Ordinary income		**22,661**
Extraordinary gain:		
Gain on reversal of stock option	4,224	4,224
Extraordinary losses:		
Impairment loss	780	
Loss on sales of marketable securities	1,700	2,481
Net income before taxes		**24,404**
Income taxes current	11,780	
Income taxes deferred	-822	10,957
Net Income before minority interest		13,446
Minority interest in income of consolidated subsidiaries		-0
Net income		**13,447**

(3) Consolidated Statements of Changes in Net Assets

(From January 1, 2012 to December 31, 2012) (Yen in millions)

	Shareholders' equity				
	Common stock	Additional paid in Capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	18,386	21,111	100,318	-26,460	113,355
Movement for this period					
Dividend of surplus			-11,313		-11,313
Net income			13,447		13,447
Sales of treasury stock		0		19	19
Movement for this period excluding shareholders' equity					
Total movement	-	0	2,133	19	2,153
Balance at the end of current period	18,386	21,111	102,451	-26,440	115,509

	Accumulated other comprehensive income		Stock acquisition right	Minority interest	Total net assets
	Net unrealized gain (loss) on debt and equity securities	Foreign currency translation adjustment			
Balance at the beginning of current period	-1,776	-10,987	6,719	51	107,362
Movement for this period					
Dividend of surplus					-11,313
Net income					13,447
Sales of treasury stock					19
Movement for this period excluding shareholders' equity	2,349	4,177	-2,506	-43	3,976
Total movement	2,349	4,177	-2,506	-43	6,129
Balance at the end of current period	572	-6,810	4,213	7	113,492

Notes to the Consolidated Financial Statements

(Notes on Important Points in the Preparation of the Consolidated Financial Statements)

1. Matters Concerning the Scope of Consolidation

(1) Number of Consolidated Subsidiaries: Thirty three (33)

(2) Names of Major Subsidiaries

Company Name	
Trend Micro Incorporated	(Taiwan)
Trend Micro Incorporated	(U.S.A)
Trend Micro Australia Pty. Ltd.	(Australia)
Trend Micro (EMEA) Limited	(Ireland)

(3) The Company has no unconsolidated subsidiaries.

2. Matters Concerning Application of Equity Method

(1) Number of the Affiliate Companies to which the equity method has been applied: Two

(2) Names of the affiliate companies to which the equity method has been applied:
Soft Trend Capital Corporation and Net STAR,Inc.

(3) There is no other affiliate company to which the equity method has not been applied.

3. Matters Concerning the Accounting Standards

(1) Accounting for evaluation of material assets

(ⅰ) Securities

Available-for-sale with market value:

The securities are stated using the market value method based on the value at the end of the period (valuated differences are recognized in equity directly. Cost of selling is determined by the moving average method.)

Available-for-sale without market value:

Cost basis by moving average method

Investments in investment limited partnerships and equivalent partnerships (ones considered as securities as stipulated under Article 2, paragraph 2 of the Financial Instruments and Exchange Act) are calculated on a net equity partnership basis based on the latest closing statements available depending on the financial reporting date stipulated in the partnership agreement.

(ⅱ) Inventories:

Cost basis by moving average method

Unprofitable inventories are devaluated

(2) Depreciation or Amortization method for fixed assets

Property and equipment (excluding lease assets)

Mainly, depreciation is computed using the declining-balance method in the parent company and is computed by the straight-line method in consolidated subsidiaries. Useful life of the main property and equipment is as follows:

Office furniture and equipment: mainly 2 – 20 years

Intangibles

<Software for sale>

Straight-line method over the estimated useful life (12 months).

<Software for internal use>

Straight-line method over the estimated useful life (mainly 5 years).

<Other intangibles>

Straight-line method over the estimated useful life

Lease assets

Lease assets arising from non-ownership-transfer finance leases

The Company has applied the Straight-line method, which assumes that useful life is equal to the lease period and that estimated residual value is zero. The conventional accounting treatment still applies to non-ownership-transfer finance leases that commenced before the starting date for applying the new revised accounting standard for lease transactions (ASBJ Statement No.13).

(3) Accounting policies for allowances

Allowance for bad debt

In order to provide a reserve against future losses from default of notes and accounts receivable, bad debt provision is provided. The amount is determined using the percentage based on actual doubtful account loss against the total of debts. As for high-risk receivables, expected unrecoverable amount is considered individually.

Allowance for bonuses

Bonuses for employees are provided at an estimate of the amount.

Allowance for sales return

In order to provide a reserve against future losses from sales return subsequent to the fiscal year end, allowance for sales return is provided based on past experience of the sales return rate.

Allowance for retirement benefits

In order to provide a reserve against future employees' retirement benefits, allowance for retirement benefits is provided based on retirement benefit liabilities and pension assets projected at the end of the period.
Actuarial difference is expensed in the following accounting period on a pro rata basis for certain years not exceeding the average remaining services years (1 to 23years) of employees at the time of occurrence of such difference.

(4) Policy for translation of major foreign currency assets and liabilities into Yen

Foreign currency denominated receivables and payables are translated into Japanese yen at period-end rates of exchange and the resulting foreign currency translation adjustments are taken into account in regards to profits and losses.
Assets and liabilities of foreign subsidiaries are translated into Japanese yen at period-end spot exchange rates and all income and expense accounts are translated at the average exchange rate. The resulting translation adjustments are included in foreign currency translation adjustment and minority interest.

(5) Revenue Recognition Policy

Sales recognition policy for PCS
The product license agreement contracted with the end-user contains provisions concerning PCS (customer support and upgrading of products and their pattern files). The Company applies the following revenue recognition method for the share of PCS revenue.
PCS revenue is recognized separately from total revenue and is deferred as deferred revenues under current and non-current liabilities based on the contracted period. Deferred revenue is finally recognized as revenue evenly over the contracted period.

(6) Consumption tax

Accounting subject to consumption tax is stated at the amount net of the related consumption tax.

(7) Amortization of Goodwill

Goodwill is amortized evenly over the appropriate period, not exceeding 20 years.

(8) All the amounts shown in yen in this document have been expressed in the unit of one million (1,000,000) yen, with any amount less than such unit being disregarded

(ADDITIONAL INFORMATION)

Application of Accounting Standard for Accounting Changes and Error Corrections

From the current fiscal year, the Company has been applying the "Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009)" and the "Guidance on Accounting Changes and Error Corrections (ASBJ Guidance No.24, December 4, 2009)" to accounting changes and error corrections made to prior period financial statements after January 1, 2011.

(ACCOUNTING POLICY)

Application of Accounting Standard for Earnings per Share and others

From this first quarter of the current fiscal year, the Company has adopted "Accounting Standard for Earnings per Share" (Accounting Standards Board of Japan (ASBJ) Standard No. 2, June 30, 2010), and "Guidance on Accounting Standard for Earnings per Share" (ASBJ Guidance No. 4, June 30, 2010). For the calculation of diluted net income per share, the method of determining the fair value of stock options that vest after a certain period of employment has been changed. Under the new method, the portion of the fair value of stock options that corresponds to future services to be provided to the Company is included in the amount that is assumed to be received by the Company from the exercise of the stock options.

(ACCOUNTING STANDARDS NOT YET APPLIED)

Employee Benefits

– ASBJ Statement No. 26, May 17, 2012 and ASBJ Guidance No. 25, May 17, 2012

(1) Summary

The main revisions relating to recognition and measurement are as below:

Abolition of the option of deferred recognition for actuarial differences and prior service costs (Those should be recognized immediately as Other comprehensive Income in the Balance Sheet with consideration of tax effect). Change in the method of calculation of retirement benefit expenses.

(2) Effective Date

The Company will apply it from the end of FY2014. However the calculation for Retirement benefit obligations and service costs will be applied from the beginning of FY2015.

(3) Impact of Application of Relevant Accounting Standards etc

The impact on financial statements is being evaluated at the time of preparation of these consolidated financial statements.

(NOTES TO THE CONSOLIDATED BALANCE SHEET)

Accumulated depreciation of property and equipment: 12,466 million yen

(NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT)

Due to increased competition etc in the business, the intangible assets related to online storage will not observed to be recovered over an estimated period of cash flows. That's why the impairment loss shows 780 million yen as the extraordinary loss after the impairment. The recoverable amount is measured by value in use, are evaluated as "zero" which value in use based on those future cash flows is negative.

Impairment loss of Japan, North America, Europe and Asia Pacific are 157 million yen, 98 million yen, 509 million yen and 15 million yen respectively.

(NOTES TO THE CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS)

1. The Type and Number of Equity Shares Outstanding as of the End of the Consolidated Fiscal Term:

Common stock 140,293,004 shares

The Class and number of treasury stock

Class	B/F	Increase	Decrease	C/F
Common Stock	8,738,735 shares	-	6,600 shares	8,732,135 shares

(The reason of the movement)

The reason of decrease is as follows

Disposition of treasury stock upon the exercise of stock acquisition right 6,600 shares

2. Matters Concerning Dividends Paid out of the Surplus during the Consolidated Fiscal Term

The resolution	The annual shareholders meeting held on 27 March, 2012
The type of equity shares	Ordinary shares
The total amount of dividends paid	11,313 million yen
The amount of dividend paid per share	86.00 yen
The record date	31 December 2011
The effective date	28 March 2012

3. The Dividend Whose Record Date falls in the Consolidated Fiscal Term and Whose Effective Date falls in the Next Consolidated Fiscal Term

The Resolution	The annual shareholders meeting to be held on 26 March, 2013
The type of the equity shares	Ordinary shares
The source of dividend payment	Retained earnings
The total amount of dividends paid	8,814 million yen
The amount of dividend paid per share	67.00 yen
The record date	31 December 2012
The effective date	27 March 2013

4. The Type and the Number of Shares to be Issued or Transferred upon Exercise of Stock Acquisition Rights (Excluding Those of Which the Exercise Period Has not Commenced) as of the End of the Consolidated Fiscal Term

   Ordinary shares 8,717,900 shares

   Because of the employees termination, we adjust the economic value of stock option for computation.

(NOTES TO FINANCIAL INSTRUMENTS)

1. Matters concerning financial instruments

(1) Policies for financial instruments

The Group primarily makes it a policy to use its own money to finance the working capital and equipment funds, in which any surplus funds are invested in financial instruments with higher degrees of safety, while derivative transactions are basically excluded.

(2) Details of financial instruments and associated risks

Notes and accounts receivable, trade, are exposed to the credit risks associated with extending credit to customers. Foreign currency denominated trade receivables and payables are exposed to foreign currency exchange fluctuation risks. Marketable securities and investment securities are debt securities, etc., even those of financial institutions with superior creditworthiness, and are exposed to market price fluctuation risks as well as foreign currency exchange fluctuation risks. Payables such as accounts payable, trade, accounts payable, other, accrued expenses and accrued income and other taxes are largely due within one year.

(3) Risk management structure for financial instruments

(i) Credit risk management (risks associated with the default etc., of business counter-parties)

Regarding the trade receivables, the Company and each of its subsidiaries are regularly monitoring the financial position of major business counter-parties, such as clients, by checking the due date and balance for each business transaction, to ensure earliest possible identification and mitigation of the potential bad debt associated with the deterioration of their financial position.

(ii) Market risk management (including risks associated with foreign currency exchange and interest rate fluctuation)

To manage risks involving fluctuations in the market price of marketable securities and investment securities, the Company is regularly monitoring their market prices as well as the financial positions of their issuers (clients and other business connections).

(iii) Liquidity risk management on fund raising (risk of the Company being unable to repay within the due date)

To manage and mitigate liquidity risks, a cash management plan is prepared and updated by the Administration Division when appropriate, while reasonable liquidity on hand is maintained at all time.

(4) Supplementary explanation concerning fair values, etc. of financial instruments

Fair values of financial instruments comprise values based on market prices, and reasonably calculated values if there is no market price. Such calculated values involve certain variable factors and thus may vary depending on the different assumptions.

2. Matters concerning fair values of financial instruments

Consolidated balance sheet amounts, fair values and the differences therein as of December 31, 2012, (fiscal year end) are as follows.

(Yen in millions)

	Consolidated balance sheet amounts	Fair values	Differences
(1) Cash and bank deposits	54,732	54,732	—
(2) Notes and accounts receivable, trade	20,999	20,999	—
(3) Marketable securities and investment securities	99,402	99,402	—
Total assets	175,134	175,134	—
(1) Accounts payable and Notes payable, trade	727	727	—
(2) Accounts payable, other	3,758	3,758	—
(3) Accrued expenses	4,844	4,844	—
(4) Accrued income and other taxes	5,678	5,678	—
Total liabilities	15,007	15,007	—

(Notes) Matters concerning the methods for calculating fair value of financial instruments and the transactions of marketable securities

Assets

(1) Cash and bank deposits, (2) Notes and accounts receivable, trade

These assets are recorded at book values as their fair values approximate book values because of their short-term maturities.

(3) Marketable securities and investment securities

With regard to these assets, fair values of shares are based on the market prices quoted on stock exchanges, while those of bonds are based on the market prices quoted on stock exchanges or obtained from the relevant financial institutions.

Liabilities

(1) Accounts payable and Notes payable, trade, (2) Accounts payable, other, (3) Accrued expenses, (4) Accrued income and other taxes

These liabilities are recorded at book values as their fair values approximate book values because of their short-term maturities.

(NOTES ON PER SHARE INFORMATION)

1.	The net assets per share:	830.57yen
2.	The net income for the term per share:	102.21 yen

(NOTES ON MATERIAL SUBSEQUENT EVENTS)

N/A

(OTHER NOTES)

N/A

Balance Sheet

(As of December 31, 2012)

(Yen in millions)

Account	Amount	Account	Amount
<Assets>		**<Liabilities>**	
Current assets	**95,748**	**Current liabilities**	**48,191**
Cash and bank deposits	6,909	Accounts payable, trade	137
Accounts receivable, trade	10,596	Account payables, other	9,924
Marketable securities	62,021	Accrued expenses	364
Finished goods	27	Accrued corporate tax and others	5,545
Raw materials	5	Accrued consumption taxes	449
Supplies	30	Deposits received	35
Prepaid expenses	88	Allowance for sales return	312
Deferred tax assets	13,039	Deferred revenue	31,116
Other receivables	2,637	Others	305
Others	393	**Non-current liabilities**	**19,650**
Allowance for bad debt	-1	Deferred revenue	17,777
Non-current assets	**50,652**	Long-term accounts payable	2
Tangible fixed assets	**788**	Allowance for retirement benefits	1,842
Buildings	840	Others	26
Office furniture and equipment	1,392	**Total liabilities**	**67,841**
Accumulated depreciation	-1,445	**<Net assets>**	
Intangibles fixed assets	**3,869**	**Shareholders' equity**	**73,772**
Software	2,679	**Common stock**	**18,386**
Software in progress	518	**Capital surplus**	**21,111**
Goodwill	103	Additional paid-in capital	21,108
Others	567	Other Capital surplus	3
Investments and other non-current assets	**45,994**	**Retained earnings**	**60,715**
Investments in securities	34,965	Legal reserve	20
Investments in subsidiaries and affiliates	2,231	Accumulated profit	60,694
Security deposits	497	Retained earnings carried forward	60,694

Memberships	4	**Treasury stock**	**-26,440**
Deferred tax assets	8,365	**Valuation and translation adjustment**	**573**
Allowance for loss on investments in subsidiaries and affiliates	-70	Unrealized gain on available for sale securities	573
		Stock acquisition rights	**4,213**
		Total net assets	**78,559**
Total assets	**146,401**	**Total liabilities and net assets**	**146,401**

Profit and Loss Statement

(From January 1, 2012 to December 31, 2012)

(Yen in millions)

Account	Amount	
Sales Revenue		
Sales	45,803	
Royalty	4,936	**50,739**
Cost of sales		**9,575**
Gross profit		**41,164**
Selling, general and administrative expense		**22,426**
Operating income		**18,737**
Non-operating income		
Interest income	10	
Interest on marketable securities	512	
Dividend	0	
Gain on sales of marketable securities	254	
Global system income	5	
Others	107	890
Non-operating expense		
Loss on sales of marketable securities	101	
Foreign exchange loss	504	
Global system expense	30	
Others	302	938
Ordinary income		**18,690**
Extraordinary gain:		
Gain on reversal of stock option	3,781	3,781
Extraordinary loss:		
Impairment Loss	157	
Loss on sales of marketable securities	1,700	1,858
Net income before taxes		**20,613**
Income tax current	9,573	
Income tax deferred	-991	8,581
Net income		**12,031**

Statements of Changes in Net Assets

(From January 1, 2012 to December 31, 2012)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus		Accumulated earnings	
		Additional paid-in capital	Other Capital surplus	Legal reserve	Accumulated profit
					Retained earnings carried forward
Balance at the beginning of current period	18,386	21,108	3	20	59,976
Movement for this period					
Dividend of surplus					-11,313
Net income					12,031
Sales of treasury stock			-0		
Movement for this period excluding shareholders' equity					
Total movement	-	-	-0	-	717
Balance at the end of current period	18,386	21,108	3	20	60,694

	Shareholders' equity		Valuation and translation adjustment	Stock acquisition right	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain on available for sale securities		
Balance at the beginning of current period	-26,460	73,034	-1,775	6,719	77,979
Movement for this period					
Dividend of surplus		-11,313			-11,313
Net income		12,031			12,031
Sales of treasury stock	19	19			19
Movement for this period excluding shareholders' equity			2,349	-2,506	-156
Total movement	19	737	2,349	-2,506	580
Balance at the end of current period	-26,440	73,772	573	4,213	78,559

Notes to Unconsolidated Financial Statements

(SIGNIFICANT ACCOUNTING POLICIES)

1. Accounting for evaluation of assets

(1) Securities

(i) Investments in subsidiaries and affiliates -------- Cost basis by moving average method

(ii) Other securities

Available-for-sale with market value:

The securities are stated using the market value method based on the value at the end of the period. (Valuated differences are recognized in equity directly. Cost of selling is determined by the moving average method.)

Available-for-sale without a market value:

Cost basis by moving average method

Investments in investment limited partnerships and equivalent partnerships (ones considered as securities as stipulated under Article 2, paragraph 2 of the Financial Instruments and Exchange Act) are calculated on a net equity partnership basis based on the latest closing statements available depending on the financial reporting date stipulated in the partnership agreement.

(2) Inventories

Product・Raw materials・Supplies --------- Cost basis by moving average method

Unprofitable inventories are devaluated

2. Depreciation and amortization method for fixed assets

Tangible fixed assets (excluding lease assets) --------- Declining-balance method

Buildings (excluding facilities and leasehold improvement) acquired on or after April 1, 1998, are depreciated using the straight-line method.

Useful life of the main property and equipment is as follows:

Buildings:	3 – 24years
Office furniture and equipment:	mainly 3 – 20 years

Intangible fixed assets

<Software for sale>

Straight-line method over the estimated useful life (12 months).

<Software for internal use>

Straight-line method over the estimated useful life (mainly 5 years).

<Other intangible fixed assets>

Straight-line method over the estimated useful life

Lease assets

Lease assets arising from non-ownership-transfer finance leases

The Company has applied a straight-line method, which assumes that a useful life is equal to the lease period and that an estimated residual value is zero. The conventional accounting treatment still applies to non-ownership-transfer finance leases that commenced before the starting date for applying a new revised accounting standard for the lease transactions (ASBJ Statement No.13).

3. Accounting policies for allowances

Allowance for bad debt	In order to provide reserves against future losses from default of notes and accounts receivable, a bad debt provision is provided. The amount is determined using a percentage based on the actual doubtful account loss against the total of debts. As for high-risk receivables, the expected unrecoverable amount is considered individually.
Allowance for loss on investments in subsidiaries and affiliates	In order to provide reserves against future loss from investments in subsidiaries, estimated loss from investments in subsidiaries is provided based on an examination of the relevant subsidiary's financial condition and expected recoverability.
Allowance for sales returns	In order to provide reserves against future losses from sales return subsequent to the fiscal year end, allowance for sales returns is provided based on past experience with the sales return rate.
Allowance for retirement benefits:	In order to provide reserves against future losses arising from the retirement of employees, allowance for retirement benefits recognized to have been incurred at the end of the period is provided based on retirement benefit liabilities projected at the end of the period. Actuarial difference is recognized in the following fiscal year.

4. Revenue Recognition Policy

Sales recognition policy for PCS

The product license agreement contracted with the end-user contains provisions concerning PCS (customer support and upgrading of products and its pattern files). The Company applies the following revenue recognition method for the share of PCS. PCS revenue is recognized separately from total revenue and is deferred as deferred revenues under current and non-current liabilities based on the contracted period. Deferred revenue is finally recognized as revenue evenly over the contracted period.

5. Consumption tax

Accounting subject to consumption tax is stated at the net amount of the related consumption tax.

6. Amortization of Goodwill

Goodwill is amortized evenly over the appropriate period, not exceeding 20 years.

7. All the amounts shown in yen in this document have been expressed in the unit of one million (1,000,000) yen with any amount less than such unit being disregarded.

(ADDITIONAL INFORMATION)

Application of Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement NO.24 of December 4, 2009)

The Company applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24 of December 4, 2009) and Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24 of December 4, 2009) to accounting changes and corrections of past errors as of the beginning of this fiscal year.

(CHANGES IN ACCOUNTING POLICY)

Application of “Accounting Standard for Earnings Per Share and others”

The Company has started to apply “Accounting Standard for Earnings per Share” (ASBJ Statement No. 2, June 30, 2010) and “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No. 4, June 30, 2010) as of this fiscal year. The Company has changed its method of calculating diluted net income per share. Under the new method, for share option rights which vest after a specified period of service, the fair value amount of the share options for service expected to be provided in the future is included in the proceeds assumed to be received when options are exercised.

(NOTES TO THE BALANCE SHEET)

The Monetary Claims Against and Obligations Owed to Subsidiaries and Affiliates:

	(Yen in millions)
Short-term monetary assets	4,227
Short-term monetary liabilities	6,416

(NOTES TO THE INCOME STATEMENT)

1. The Amounts of Transactions with Subsidiaries and Affiliates

The Amounts of Operational Transactions

	(Yen in millions)
Sales	4,947
Outside service fee	160

The Amounts of Non-operational Transactions

	(Yen in millions)
Global system income	5
Global system expenses	30

2. Impairment loss

Due to increased competition etc in the business, the intangible assets related to online storage will not observed to be recovered over an estimated period of cash flows. That's why the impairment loss shows 157 million yen as the extraordinary loss after the impairment. The recoverable amount is measured by value in use, are evaluated as "zero" which value in use based on those future cash flows is negative.

(NOTES TO THE STATEMENT OF CHANGES IN NET ASSETS)

The Class and number of treasury stock:

Class	B/F	Increase	Decrease	C/F
Common Stock	8,738,735 shares	-	6,600 shares	8,732,135 shares

(The reason of the movement)

The reason of decrease is as follows

Disposition of treasury stock upon the exercise of stock acquisition right 6,600 shares

(NOTES TO THE TAX EFFECT ACCOUNTING)

Major items causing deferred tax assets:

Deferred tax assets

	(Yen in millions)
Nondeductible deferred revenue	18,580
Nondeductible amortization of intangibles fixed assets	843
Nondeductible accrued liability	758
Nondeductible allowance for retirement benefits	662
Others	1,078
Deferred tax assets sub total	21,923
Valuation allowance	-165
Total deferred tax assets	21,757

Deferred tax liabilities

	(Yen in millions)
Valuated difference on available-for-sale	351
Total deferred tax liabilities	351
Net amount of deferred tax asset	21,405

(NOTES ON FIXED ASSETS USED BY THE COMPANY UNDER LEASE AGREEMENTS)

In addition to non-current assets on the balance sheets, business equipment such as copying machines is used by the Company under finance lease agreements without transfer of ownership.

(NOTES ON TRANSACTIONS WITH THE RELATED PARTIES)

Subsidiaries and affiliates

N/A

(NOTES ON PER SHARE INFORMATION)

1. The net assets per share: 565.11 yen
2. The net income for the term per share: 91.45 yen

(NOTES ON MATERIAL SUBSEQUENT EVENTS)

N/A

(OTHER NOTES)

N/A

Certified copy of the audit report made by the Audit Corporation

Independent Auditor's Report

February 12, 2013

The Board of Directors
Trend Micro Incorporated

KPMG AZSA LLC

Kensuke Sodekawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Keiji Ikeda (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated profit and loss satatement, the consolidated statement of changes in net assets and the related notes of Trend Micro Incorporated as at December 31, 2012 and for the year from January 1, 2012 to December 31, 2012 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Trend Micro Incorporated and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Certified copy of the audit report made by the Audit Corporation

Independent Auditor's Report

February 12, 2013

The Board of Directors
Trend Micro Incorporated

KPMG AZSA LLC

Kensuke Sodekawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Keiji Ikeda (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the profit and loss statement, the statement of changes in net assets and the related notes, and the supplementary schedules of Trend Micro Incorporated as at December 31, 2012 and for the year from January 1, 2012 to December 31, 2012 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations ofTrend Micro Incorporated for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Certified copy of the audit report by the Board of Corporate Auditors

AUDIT REPORT

In order to audit the business activities of the Directors undertaken during the 24th fiscal year from January 1, 2012, to December 31, 2012, we, the Board of Corporate Auditors, prepared this Audit Report based on the Audit Report prepared by each Corporate Auditor and hereby report as follows:

1. Method of Audit by Corporate Auditors and the Board of Corporate Auditors and Details

In addition to specifying the auditing guidelines and assigned business, etc. and receiving reports on the audit and its results from each Corporate Auditor, we have received reports from the Directors and the accounting auditor on their performance of duties and requested explanations when necessary.

In accordance with the auditing guidelines and assigned business, etc. specified by the Board of Corporate Auditors, each Corporate Auditor has communicated with the Directors, the internal control division and other employees and made efforts to collect information and improve the auditing environment. Each Corporate Auditor has attended meetings of the Board of Directors and other important meetings and has been informed by the Directors and other employees in respect of the status of performance of their duties and requested explanations when necessary. Furthermore, each Corporate Auditor has examined important documents in respect of the authorization of corporate actions, etc., and inspected the operations and the assets at the Head Office and other principal business offices. Also, we regularly received reports from the Directors and other employees, requested explanation from them whenever necessary, and expressed our opinions on the resolution of the Board of Directors concerning the establishment of a system to ensure that performance by the Directors of their duties described in Business Report complies with applicable laws and regulations and the Articles of Incorporation or other systems necessary to ensure validity of operations of *Kabushiki Kaisha* as provided for in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act and the status of the system (internal control system) established based on such resolution. As to subsidiaries, in addition to communicating with the Directors in charge, we have received reports from subsidiaries on their businesses and visited a subsidiary when necessary to examine its businesses and assets. Based on the above-mentioned method, we have examined the Business Report and its supplementary schedules for the said fiscal year.

Furthermore, in addition to monitoring and verifying that the Accounting Auditor maintains its independence and conducts the audit properly, we have received reports from the Accounting Auditor on the performance of its duties and requested explanations when necessary. We have received notice from the Accounting Auditor concerning that the "system to ensure that duties are properly performed" (matters stipulated in each item of Article 131 of the Corporate Accounting Ordinance) is established in accordance with the "Quality Management Standards concerning the Audit" (October 28, 2005, Business Accounting Council) and requested explanations when necessary. Based on the above method, we have examined the unconsolidated financial statement (balance sheet, profit and loss statement, statements of changes in net assets and notes to the unconsolidated financial statements) and their supplementary schedules, and the consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statements of changes in net assets and notes to the consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Audit Result of the Business Report, etc.

(i) We found that the business report and its supplementary schedules fairly reflect the Company's business situation in conformity with and pursuant to the applicable laws and the Articles of Incorporation of the Company.

(ii) No misconduct concerning the performance of Directors' duties or material facts that are in breach of applicable laws and the Articles of Incorporation of the Company have been detected.

(iii) The content of the resolution of the Board of Directors concerning the internal control system is fair and proper. There is nothing noteworthy with respect to details of the Business Report and the performance by the Directors of their duties concerning the internal control system.

(2) Audit Result of the Unconsolidated Financial Statement and Supplementary Schedules
We found that the method and result of the audit by KPMG AZSA LLC, which was appointed as the Company's Accounting Auditor, was executed in an appropriate manner.

(3) Audit Result of the Consolidated Financial statements
We found that the method and result of the audit by KPMG AZSA LLC, which was appointed as the Company's Accounting Auditor, was executed in an appropriate manner.

February 13, 2013

Trend Micro Incorporated
Board of Corporate Auditors

Full-time Corporate Auditor
Fumio Hasegawa (Seal)

Corporate Auditor
Yasuo Kameoka (Seal)

Corporate Auditor
Koji Fujita (Seal)

(Note: All three Corporate Auditors are Outside Auditors as defined under Article 2, item 16 and Article 335, paragraph 3 of the Companies Act.)

(Translation)

REFERENCE MATERIAL FOR THE GENERAL MEETING OF SHAREHOLDERS

Agenda and Reference Information

Agenda 1: Appropriation of retained earnings

While making efforts to strengthen our financial position and secure retained earnings in order to adjust ourselves to a volatile business environment and maintain our competitiveness, we would continue to pay dividends on a consolidated net profit basis. As for the basic dividend policy, we would like to pay year-end dividends at a target consolidated payout ratio of 65% based on the amount of the accounting consolidated net profit.

Based on the above policy, we would like to pay year-end dividends as follows:

Matters concerning year-end dividends

(1) Type of dividend assets: cash

(2) Matters concerning allocation of dividends to shareholders and the total amount of dividends:

67 yen per common share of the Company Total amount: 8,814,578,223 yen

(3) Effective date for dividend of surplus:

March 27, 2013

Agenda 2: Election of five Directors

At the close of this General Meeting of Shareholders, the term of office of all five Directors will expire, Therefore, we propose the election of five Directors.

The candidates for Directors are listed below.

Candidate number	Name (Date of Birth)	Career Summary and Significant Job Titles at Other Companies	
1	Chang Ming-Jang (November 5, 1954) Number of Shares Held 5,208,000 shares	December 1995	Representative Director
		March 1997	President and Representative Director
		November 1999	President and Representative Director in charge of new business
		March 2000	President and Representative Director
		January 2005	Chairman and Representative Director (Present post)
2	Eva Chen (February 23, 1059) Number of Shares Held 1,689,000 shares	December 1995	Corporate Auditor
		August 1997	Director, generally responsible for Technology Development Division
		March 2002	Director Group CTO
		January 2005	President and Representative Director Group CEO (present post)
3	Mahendra Negi (March 9, 1960)	September 1995	Joined Merrill Lynch Japan Securities Co., Ltd.
		June 2000	Representative Director of ipTrend Incorporated

	Number of Shares Held 53,000 shares	February 2001 March 2001 March 2002 January 2006 March 2012	Administrative Manager Director, in charge of Financial Accounting Division Representative Director Group CFO Representative Director Group COO and CFO Executive Vice President and Representative Director/ COO & CFO of Trend Micro Group (present post)
4	Akihiko Omikawa (February 24, 1959) Number of Shares Held 2,000 shares	April 1982 December 1992 May 2000 February 2003 May 2003 April 2007 March 2008 February 2010 March 2012 January 2013	Joined Japan Digital Equipment Corporation (now Hewlett-Packard Japan, Ltd.) Joined Microsoft Corporation Executive Officer, Business Internet Director Joined Trend Micro Incorporated General Manager, Japan Region and Sales & Marketing Senior Vice President General Manager, Japan Region Executive Vice President General Manager, Japan Region and Global Service Business Unit Director, General Manager for Japan Region, Global Service Business, Global Consumer & Small Business Director, General Manager Japan, LAR, APAC Region, Global Marketing Executive Vice President and Director, General Manager Japan, LAR, APAC Region, Global Marketing Executive Vice President and Director, General Manager Japan, APAC Region, Global Consumer Business (present post)
5	Ikujiro Nonaka (May 10, 1935)	April 1958 April 1977 January 1979 April 1982 April 1997	Joined Fuji Electric Corporation Professor, Department of Business Administration, Nanzan University Professor, National Defense Academy of Japan Professor, Institute of Business Research, Hitotsubashi University Dean, the Graduate School of Knowledge Science, Japan Advanced Institute of Science and Technology

		May 1997	Xerox Distinguished Faculty Scholar, IMIO, University of California, Berkeley (present post)
		April 2000	Professor, Hitotsubachi University Graduate School of International Corporate Strategy
		April 2006	Professor Emeritus, Hitotsubashi University Graduate School of International Corporate Strategy (present post)
		January 2007	First Distinguished Drucker Scholar in Residence at the Drucher School and Institute, Claremont Graduate University (present post)
		June 2007	Outside Director of MITSUI&CO., LTD (present post)
		May 2008	Outside Director of Seven & I Holdings Co., Ltd. (present post)
		July 2009	Chairman, Economic Research Center of FUJITSU RESEARCH INSTITUTE (present post)
		March 2011	Outside Director of the Company (present post)
		April 2012	Professor Extraordinary Waseda University (present post)

(Note)

1. There are no special interests between the Company and each candidate for Direcotr.
2. Mr. Ikujiro Nonaka is a candidate for outside director under Article 2, paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act.
3. The Company has disignated Mr. Ikujiro Nonaka as an independent director upon whom the Tokyo Stock Exchange imposes the obligation of designation, and who is unlikely to cause conflicts of interest with general shareholders, and it has filed such designation with the said Exchange.
4. Reasons for electing a candidates for an Outside Director, independence as an Outside Director and limited liability agreements with an Outside Director

(1) Reasons for electing candidates for Outside Director and their independence

① Mr. Ikujiro Nonaka has not previously been involved with company management directly in any form other than having been an Outside Director. However, he is at the forefront of knowledge management research and therefore has profound expertise in corporate management. Through his deep insights based on his expertise and working experience as an Outside Director of other companies, it is expected that he will offer fitting advice and proposals through discussions at meetings of the Board of Directors. As such, we believe that he will properly perform his duties including decisions of important matters and supervision of operational execution related to managerial matters as an Outside Director. His term of office as outside director of the Company will be two years at the close of this General Meeting of Shareholders.

② The candidate for Outside Director, Mr. Ikujiro Nonaka, has not been an executing person of specified related entities of the Company at the present moment and for the last 5 years.

③ The candidate for Outside Director, Mr. Ikujiro Nonaka, will not receive nor has received for the last two years a large amount of money or other properties from the Company or the specified related entities of the Company.

④ The candidate to become an Outside Director, Mr. Ikujiro Nonaka, is not the spouse of, nor is he within three degrees related to, the executing person of the Company or its specified related entities.

(2) Limited liability agreements with the candidate for Outside Director

Mr. Ikujiro Nonaka has entered into an agreement with the Company which limits his liability against the Company to a certain extent pursuant to the Articles of Incorporation. The outline of the agreement is as follows. With respect to the liability provided for in Article 423, paragraph 1 of the Companies Act, he shall have liability to the extent of the greater of 16 million yen or the minimum liability amount provided in Article 427, paragraph 1 of the Companies Act if he performs his duties in good faith without gross negligence. In case that the election of him is approved, such agreement remains effective.

Agenda 3: Election of 4 Corporate Auditors

Terms of office of all 3 Corporate Auditors shall expire at the conclusion of this general meeting of shareholders.

Therefore, we would kindly ask the election of 4 Corporate Auditors including 1 additional member to further strengthen the functions of Corporate Auditors.

This proposal has been approved by the Board of Corporate Auditors.

The candidates for Corporate Auditors are set forth below.

Candidate No.	Name (Date of Birth)	Career Summary and Representation of Other Companies	
1	Fumio Hasegawa (February 15, 1940) Number of Holding Shares 500 shares	May 1994	Manager of Management Accounting Division and Deputy General Manager of Accounting Department of Showa Shell Sekiyu K.K.
		December 1996	Senior Managing Director of Tokyo Shellpack K.K.
		March 2000	Full-time Corporate Auditor of the Company
		June 2012	Corporate Auditor of the Company
		January 2013	Full-time Corporate Auditor of the Company (present post)
2	Yasuo Kameoka (November 12, 1955) Number of Holding Shares 0 shares	April 1982	Registered as Certified Public Accountant
		April 1999	Established Taiko Audit Corporation and Senior Partner thereof
		March 2001	Corporate Auditor of the Company (present post)
		July 2004	Chief Director and Senior Partner of Taiko Audit Corporation (present post)
3	Koji Fujita (June 9, 1962) Number of Holding Shares 0 shares	April 1989	Registered as Attorney at Law with Tokyo Bar Association and Joined Okuno Law Firm (present Okuno & Partners) (to date)
		April 2000	Corporate Auditor of Touei Housing Corporation (present post)
		March 2002	Corporate Auditor of the Company(present post)
4 (New)	Masaru Sempo (December 10, 1952)	April 1977	Joined Shell Sekiyu K.K.
		April 2003	Derector, Seconded to Nakagawa Sekiyu K.K.

	Number of Holding Shares 0 shares	Arpil 2006	Senior Assistant to General Manager, Dealer Management Consulation Dept. of Showa Shell Sekiyu K.K.
		April 2008	Administration Manager of Operation Manager, Seconded to SC Energy Co., Ltd.
		April 2012	Senior Assistant to General Manager, Planning Sec. Kinki Branch Office, Showa Shell Sekiyu K.K. (present post)

(Note)

1. There are no special interests between the Company and each candidate.
2. All candidates are for Outside Corporate Autditors under Article 2, paragraph 3, item 8 of the Ordinance for Enforcement of the Companies Act
3. The Company has disignated Mr. Fumio Hasegawa, Mr. Yasuo Kameoka and Mr. Koji Fujita as independent corporate auditor upon whom the Tokyo Stock Exchange imposes the obligation of designation, and who are unlikely to cause conflicts of interest with general shareholders, and it has filed such designation with the said Exchange. In case that the election of Mr. Masaru Sempo is approved, he will be the independent corporate auditor.
4. Reasons for electing candidates for Outside Corporate Auditors, independence as Outside Corporate Auditors and limited liability agreements with Outside Corporate Auditors

(1) Reasons for electing candidates for Outside Corporate Auditors and their independence

① Mr. Fumio Hasegawa raised questions or expressed opinions in order to ensure the adequacy and appropriateness in making decisions at the meetings of the Board of Directors and at the meetings of the Board of Corporate Auditors based on his experiences and knowledge of accounting matters over the years. We believe that he will continue to properly perform his duties as outside corporate auditor. His term of office as Outside Corporate Auditor of the Company will be thirteen years at the close of this General Meeting of Shareholders.

② Mr. Yasuo Kameoka does not have any experience directly involved in management other than being outside corporate auditor, but he raised questions or expressed opinions in order to ensure the adequacy and appropriateness in making decisions at the meetings of the Board of Directors and at the meetings of the Board of Corporate Auditors based on his knowledge and experiences as certified public accountant. We believe that he will continue to properly perform his duties as Outside Corporate Auditor. His term of office as Outside Corporate Auditor of the Company will be twelve years at the close of this General Meeting of Shareholders.

③ Mr. Koji Fujita does not have any experience directly involved in management other than being outside director or Outside Corporate Auditor, but he raised questions or expressed opinions in order to ensure the adequacy and appropriateness in making decisions at the meetings of the Board of Directors and at the meetings of the Board of Corporate Auditors based on his knowledge and experiences as attorney. We believe that he will continue to properly perform his duties as Outside Corporate Auditor. His term of office as Outside Corporate Auditor of the Company will be eleven years at the close of this General Meeting of Shareholders.

④ Mr. Masaru Sempo has the experience involved in management as a Director of Management Dept. and can raise questions or express opinions in order to ensure the adequacy and appropriateness in making decisions at the meetings of the Board of Directors and at the meetings of the Board of Corporate Auditors based on his experiences and knowledge of accounting matters over the years. We believe that he will perform properly his duties as Outside Corporate Auditor.

⑤ All candidates for Outside Corporate Auditors have not been executing persons of specified related entities of the Company at the present moment and for the past 5 years.

⑥ No candidates for Outside Corporate Auditors will receive, nor have they received for the last two years, a large amount of money or other properties from the Company or the specified related entities of the Company.

⑦ No candidates for Outside Corporate Auditors are the spouse of, nor are they within three degrees related to, the executing person of the Company or its specified related entities.

(2) Limited liability agreements with candidates for Outside Corporate Auditor

All candidates for Outside Corporate Auditors have entered into an agreement with the Company which limits their liability against the Company to a certain extent pursuant to the Articles of Incorporation. The outline of the agreement is as follows. With respect to the liability provided for in Article 423, paragraph 1 of the Companies Act, an Outside Corporate Auditor shall have liability to the extent of the greater of 10 million yen for Mr. Fumio Hasegawa, the full-time Corporate Auditor and 4.8 million yen for other candidates or the minimum liability amount as provided for in Article 425, paragraph 1 of the Companies Act if he performs his duties in good faith without gross negligence. In case that the election of them is approved, such agreement remains effective. In case that the election of Mr. Masaru Sempo is approved, the Company will enter into a limited liability agreement with him under the Articles of Incorporation. The outline of the agreement will be the same as Limited liability agreement which the part-time Outside Corporate Auditor has entered with the Company.

Agenda 4: Revision of remuneration, etc. of directors

It was resolved at the 23rd ordinary general meeting of shareholders held on March 27, 2012 that the amount of the annual remuneration, etc. of the directors of the Company including remuneration, etc. in the form of stock options and remuneration, etc. as a retention remuneration would be 800 million yen or less (of which the outside director receives 10 million yen or less per year), and the rules have been applicable up to the present. However, this time, in order to increase the transparency of the performance-linked element, which has conventionally been considered as a part of the base (monetary) remuneration, the Company determined to partially revise the structure of remuneration, etc. of the directors of the Company and would like to ask the shareholders to approve that the Company newly introduce a Cash Incentive Plan to grant the directors (excluding the outside director) the Cash Phantom Unit Award (the "CPU Award") (see Note) as set out below up to a maximum number equivalent to 60,000 ordinary shares of the Company for each fiscal year as a performance-linked incentive in addition to the fixed amount monetary remuneration.

Note: The CPU Award that the Company would like to introduce as new remuneration, etc. of the directors is to grant Participants the right to receive a cash payment of an amount calculated based on the amount equal to the average Fair Market Value of the ordinary shares of the Company for a certain period of time preceding the exercise date and is comprised of two types of awards: (i) the Performance-Based CPU Award which can be exercised subject to the Company meeting certain Performance Objectives and (ii) the Time-Based CPU Award which can be exercised for each certain period of time after the date of grant.

If the amount of cash payable by the Company as a result of exercise of each CPU Award and the amount of other remuneration, etc. of directors (remuneration, etc. other than the CPU Award) that were actually paid or granted in the fiscal year in which the CPU Award was granted exceeds 800 million yen in total, which is the amount already resolved, the Company intends not to pay the excess even if the CPU Award is granted within the upper limit of each CPU Award in each fiscal year. We would like to ask the shareholders to entrust to the board of directors of the Company, to the extent as set out below, the determination of the actual distribution of the CPU Award and details of the terms and conditions therefor.

The Company believes that the specific method of calculation of remuneration, etc. of the directors (excluding the outside director) and the details thereof are reasonable because they make it possible to grant an incentive to each director according to his or her functions by appropriately varying the breakdown of the Performance-Based CPU Award which can be exercised subject to the Company meeting certain Performance Objectives and the Time-Based CPU Award which can be exercised for each certain period of time after the date of grant and also because they would have been determined considering the linkage to the performance and stock price of the Company.

There are currently five directors (including one outside director), and if Agenda No. 2 is approved as originally proposed, the number shall remain at five, including one outside director.

The structure of remuneration, etc. of the directors (excluding the outside director) of the Company, if the CPU Award is approved to be introduced, will be as follows.

(1) Base (monetary) remuneration

(2) Stock acquisition rights as stock options intended to be an incentive for the enhancement of corporate value by linking the Company's stock price to the directors' interests

(3) Remuneration based on a retention plan seeking to retain and prevent an exodus of valuable persons by granting monetary remuneration if a certain condition is satisfied such as that a Change of Control occurs

(4) Remuneration by a grant of the CPU Award

The above (1), (2), and (3) will be granted within the limit of the fixed amount monetary remuneration of 800 million yen or less per year, while the above (4) will be granted separately from the fixed amount monetary remuneration. However, in practice, if the amount of the CPU Award and the amount of other remuneration, etc. of directors (remuneration, etc. other than such CPU Award) that were actually paid or granted in the fiscal year in which the CPU Award was granted exceeds 800 million yen in total, the Company intends not to pay the excess. Therefore, the remuneration, etc. of directors will in practice be granted within this limit of 800 million yen or less per year.

The remuneration, etc. of the outside director is only the base (monetary) remuneration to be granted within the limit of 10 million yen or less per year.

1. Reason for the introduction of the Cash Incentive Plan to the directors (other than the outside director)

The Company has conventionally issued to the directors and employees of the Company and the Subsidiaries of the Company stock acquisition rights as stock options for the purposes of linking the Company's stock price to the interests of directors and employees of the Company and the Subsidiaries of the Company and thereby further strengthening their motivation and morale to improve performance of the Company Group which we believe would lead to the development of business focusing on shareholders' interests and the enhancement of shareholder value.

This time, considering the dilution of shares resulting from the issuance of new shares by the exercise of stock options, and for the purpose of sharing with shareholders not only a stock appreciation incentive linked to improved results but also the downside risk in a situation of stock depreciation which is difficult to take on using conventional stock options, as well as for the purpose of increasing the transparency of the performance-linked element which has conventionally been considered as a part of the base remuneration, the Company determined to grant the CPU Award to the directors (excluding the outside director) of the Company.

2. Summary of the Cash Incentive Plan

Performance-Based CPU Awards:

(1) Details of rights

Subject to the Company attaining the predetermined Performance Objective (Note 1), the right to receive any payment of cash equal to the amount (rounded down to the nearest yen) obtained by (x) multiplying the amount equal to the average Fair Market Value (Note 2) of one share of common stock of the Company during the three calendar months preceding the month in which the exercise date is contained by the number of CPU Awards granted to the Participant, (y) adjusting the Payment Percentage (Note 3) based on the Attainment Percentage of the Performance Objective, and (z) withholding the tax required under the laws or ordinances relevant to the participation in the Plan. In addition, the maximum number of the Performance-Based CPU Awards, together with the number of the Time-Based CPU Awards to be described below, at the time of grant shall be the number equivalent to 60,000 shares of common stock of the Company for each fiscal year.

Note 1: The Performance Objective means (i) with respect to the First Half Period (i.e., the period from January 1 – June 30 each year), the CPU Award will be granted if the percentage calculated by dividing the Pre-GAAP Margin (defined as operating income excluding certain costs of services and product development expenses, selling, general and administrative expenses, depreciation, acquisition and integration charges, amortization of intangibles, and other charges, as determined by the Company in its sole discretion) of the First Half Period of the fiscal year in which the date of grant falls by the Pre-GAAP Margin of the First Half Period of the year before the year in which the date of grant falls is equal to or greater than 100% and (ii) with respect to the Second Half Period (i.e., the period from July 1 – December 31 each year), the CPU Award will be granted if the percentage calculated by dividing the Pre-GAAP Margin of the Second Half Period of the fiscal year in which the date of grant falls by the Pre-GAAP Margin of the Second Half Period of the year before the year in which the date of grant falls is equal to or greater than 100%.

Note 2: Fair Market Value means (i) if the common stock of the Company is publicly traded on the Tokyo Stock Exchange, the closing price of the common stock of the Company established through regular transactions reported by the Tokyo Stock Exchange or (ii) if the common stock of the Company is no longer traded on the Tokyo Stock Exchange, then as determined by the Company in good faith.

Note 3: The calculation of the Payment Percentage based on the Performance Objective Attainment Percentage will be carried out as follows.

Performance Objective Attainment Percentage	Payment Percentage
Attainment Percentage < 100	0
100 ≤ Attainment Percentage ≤ 120	Attainment Percentage = Payment Percentage
Attainment Percentage > 120	120 + (1.5 * (Attainment Percentage – 120))

However, even if the Performance Objective Attainment Percentage for either the First Half Period or the Second Half Period (but not both of such performance period) is less than 100%, the Participant's right to receive Payment with respect to the period for which the Performance Objective Attainment Percentage was less than 100% may be reinstated if the percentage calculated by dividing the Pre-GAAP Margin for the Full Year Period by the Pre-GAAP Margin for the previous fiscal year is greater than or equal to 100%. In this case, the Payment Percentage based on the Performance Objective Attainment Percentage is calculated as set out below:

(A) calculate the Payment Percentage based on the Performance Objective Attainment Percentage for the Full Year Period based on the aggregate number of CPU Awards issued for the First Half Period and the Second Half Period;

(B) deduct the Payment Percentage for the semi-annual year for which the Performance Objective Attainment Percentage was equal to or greater than 100% (i.e., already paid or determined to be paid) from the Payment Percentage for the Full Year Period calculated under (A) above and calculate the Payment Percentage for the semi-annual period for which the Performance Objective

Attainment Percentage was less than 100% (i.e., that should be reinstated).

Note 4: The Company may make necessary adjustment of the number of CPU Awards subject to the Plan upon any occasion where adjustment is necessary by the Company, such as in the case where the Company carries out stock split (including the case where the Company carries out gratis allotment of its common stock free of charge) or reverse stock split.

(2) Date of grant

January 1 every year

Granting under the 2013 Cash Incentive Plan will be granted retroactively from January 1, 2013

(3) Exercisable period

Within five (5) years from the day immediately after the date of grant

(4) Conditions on the exercise of rights

(i) Whether or not the Performance Objectives have been attained will be determined by dividing 50% of the CPU Awards granted to the Participant to the First Half Period and the remaining 50% to the Second Half Period and as set out in Note 1 of (1) above. For each period, the CPU Award can be exercised as follows: (i) 50% on the Date of Determination (Note); (ii) 25% on the 6 month anniversary of the Date of Determination; and (iii) the remaining 25% on the 12 month anniversary of the Date of Determination.

Note: The Date of Determination means the date the Company determines whether or not the Performance Objectives with respect to the relevant CPU Award have been attained. The Date of Determination for the First Half Period shall be the first October 1 following the end of the First Half Period of the fiscal year in which the date of grant falls, and the Date of Determination for the Second Half Period shall be the first April 1 following the end of the Second Half Period of the fiscal year in which the date of grant falls.

(ii) If the Participant loses its position as a director, corporate auditor, employee of, or advisor of the Company or its subsidiary (including by reason of his or her death or any physical impairment), any CPU Award that is not exercisable at that time may not be exercised. However, this shall not apply if the Company allows in its sole discretion the exercise by the Participant of such non-exercisable CPU Award and if the cause of such loss of the position was not due to (i) the Participant committing or participating in acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude or acts punishable under the criminal law, (ii) the Participant is in intentional, material violation of any law, regulation or the Company's articles of association or internal rules (including, but not limited to, cases where the Participant is liable for compensation to the Company pursuant to Article 423 of the Companies Act of Japan), or (iii) the Participant significantly failing to perform, refuse to perform, or neglect in the performance of, his or her duties, functions, or responsibilities, or (iv) the Participant's behavior causing disturbance to the Company's business.

(iii) The Company, at its sole discretion, may give approval to the exercise by a Participant of any CPU Award that is exercisable at that time, if a Change of Control (Note 1) occurs in the Company.

Note 1: "Change of Control" means, with respect the Company, the first to occur of any of the following. Other details are as provided for in the "CPU Award Agreement".

(a) any person holding shares or stock (as applicable) of the Company acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition by such person), directly or indirectly, the ordinary shares or stock (as applicable) of the Company representing more than 30% of the combined voting power of the Company's then-outstanding ordinary shares or stock (as applicable) entitled to vote generally in the election of directors;

(b) the Company is a party to a merger or consolidation which results in the holders of the voting ordinary shares or stock (as applicable) of the Company outstanding immediately prior thereto failing to, directly or indirectly, retain immediately after such merger or consolidation the ordinary shares or stock (as applicable) equivalent to the voting power of more than 50% of the total combined voting power of the ordinary shares or stock (as applicable) entitled to vote generally in the election of directors of the Company or the surviving entity;

(c) the sale or disposition of all or substantially all of the Company's assets or consummation of any transaction having similar effect (other than a sale or disposition to one or more subsidiaries of the Company); or

(d) a change in the composition of the board of directors of the Company within any consecutive twelve-month period as a result of which fewer than a majority of the directors are Incumbent Directors (Note 2).

Note 2: "Incumbent Director" means a director who either (i) is a member of the board of directors of the Company as of the date the board of directors approve the granting and the detailed conditions of the Cash Incentive Plan granted for that fiscal year, or (ii) is elected, or nominated for election, to the board of directors of the Company with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination. Other details are as provided for in the "CPU Award Agreement".

(iv) Other details regarding the conditions on the exercise of rights are to be determined at the board of directors meetings of the Company.

Time-Based CPU Awards:

(1) Details of rights

The right to receive any payment of cash equal to the amount (rounded down to the nearest yen) obtained by multiplying the amount equal to the average Fair Market Value (Note 1) of one share of common stock of the Company during the three calendar months preceding the month in which the exercise date is contained by the number of CPU Awards granted to the Participant and withholding the tax required under the laws or ordinances relevant to the participation in the Plan. In addition, the maximum number of the Time-Based CPU Awards, together with the number of the Performance-Based CPU Awards described above, at the time of grant shall be the number equivalent to 60,000 shares of common stock of the Company for each fiscal year.

Note 1: Fair Market Value means (i) if the common stock of the Company is publicly traded on the Tokyo Stock Exchange, the closing price of the common stock of the Company established through regular transactions reported by the Tokyo Stock Exchange or (ii) if the common stock of the Company is no longer traded on the Tokyo Stock Exchange, then as determined by the Company in good faith.

Note 2: The Company may make necessary adjustment of the number of CPU Awards subject to the Plan upon any occasion where adjustment is necessary by the Company, such as in the case where the Company carries out stock split (including the case where the Company carries out gratis allotment of its common stock free of charge) or reverse stock split.

(2) Date of grant

January 1 every year

Granting under the 2013 Cash Incentive Plan will be granted retroactively from January 1, 2013

(3) Exercisable period

Within five (5) years from the day immediately after the date of grant

(4) Conditions on the exercise of rights

(i) Of the CPU Awards granted to the Participant, each CPU Award can be exercised as follows: (i) 25% on the December 31 of the calendar year that includes the date of grant; (ii) 25% on December 31 of the first calendar year following the calendar year that includes the date of grant; (iii) 25% on December 31 of the second calendar year following the calendar year that includes the date of grant; and (iv) 25% on December 31 of the third calendar year following the calendar year that includes the date of grant.

(ii) If the Participant loses its position as a director, corporate auditor, employee of, or advisor of the Company or its subsidiary (including by reason of his or her death or any physical impairment), any CPU Award that is not exercisable at that time may not be exercised. However, this shall not apply if the Company allows in its sole discretion the exercise by the Participant of such non-exercisable CPU Award and if the cause of such loss of the position was not due to (i) the Participant committing or participating in acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude or acts punishable under the criminal law, (ii) the Participant is in intentional, material violation of any law, regulation or the Company's articles of association or internal rules (including, but not limited to, cases where the Participant is liable for compensation to the Company pursuant to Article 423 of the Companies Act of Japan), or (iii) the Participant significantly failing to perform, refuse to perform, or neglect in the performance of, his or her duties, functions, or responsibilities, or (iv) the Participant's behavior causing disturbance to the Company's business.

(iii) The Company, at its sole discretion, may give approval to the exercise by a Participant of any CPU Award that is exercisable at that time, if a Change of Control (Note 1) occurs in the Company.

Note 1: "Change of Control" means, with respect the Company, the first to occur of any of the following. Other details are as provided for in the "CPU Award Agreement".

(a) any person holding shares or stock (as applicable) of the Company acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition by such person), directly or indirectly, the ordinary shares or stock (as applicable) of the Company representing more than 30% of the combined voting power of the Company's then-outstanding ordinary shares or stock (as applicable) entitled to vote generally in the election of directors;

(b) the Company is a party to a merger or consolidation which results in the holders of the voting ordinary shares or stock (as applicable) of the Company outstanding immediately prior thereto failing to, directly or indirectly, retain immediately after such merger or consolidation the ordinary shares or stock (as applicable) equivalent to the voting power of more than 50% of the total combined voting power of the ordinary shares or stock (as applicable) entitled to vote generally in the election of directors of the Company or the surviving entity;

(c) the sale or disposition of all or substantially all of the Company's assets or consummation of any transaction having similar effect (other than a sale or disposition to one or more subsidiaries of the Company); or

(d) a change in the composition of the board of directors of the Company within any consecutive twelve-month period as a result of which fewer than a majority of the directors are Incumbent Directors (Note 2).

Note 2: "Incumbent Director" means a director who either (i) is a member of the board of directors of the Company as of the date the board of directors approve the granting and the detailed conditions of the Cash Incentive Plan granted for that fiscal year, or (ii) is elected, or nominated for election, to the board of directors of the Company with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination. Other details are as provided for in the "CPU Award Agreement".

(iv) Other details regarding the conditions on the exercise of rights are to be determined at the board of directors meetings of the Company.

Reference:

The amount equal to the average Fair Market Price using the end of January 2013 as the record date is 2,345 yen, and the aggregate amount of the CPU Award will be 140,700,000 yen after multiplying such 2,345 yen by the amount equal to the maximum number of CPU Awards that can be granted during each fiscal year, which is the number equivalent to 60,000 shares of the common stock of the Company. Please note that this CPU Award scheme is a scheme that becomes exercisable for each period and thus no Participant will receive the aggregate amount in a lump sum on a date of grant or during the fiscal year in which the date of grant falls. In addition, as set out above, in practice, if the amount of the CPU Award and the amount of other remuneration, etc. of directors (remuneration, etc. other than such CPU Award) that were actually paid or granted in the fiscal year in which the CPU Award was granted exceeds 800 million yen in total, the Company intends not to pay the excess.

Voting by Electronic Means (ex. On the Internet)

If you vote by electronic means (such as on the Internet), please review the following matters.
If you attend the General Meeting of Shareholders, it is not necessary to vote by mail (on a voting form) or by electronic means (such as on the Internet).

1. Voting website
   (i) You can only vote on the Internet by accessing the voting website (http://www.evote.jp/) from a PC, Smartphone or mobile phone (i-mode, EZweb and Yahoo! Keitai)*. (The website is unavailable from 2 a.m. to 5 a.m. every day.)
   *"i-mode," "EZweb" and "Yahoo!" are the trademarks or the registered trademarks of NTT DoCoMo Inc., KDDI Corporation and Yahoo! Inc. U.S.A., respectively.
   (ii) Voting from PC or Smartphone site may not be available depending on your Internet environment, such as use of a firewall for Internet access, installation of anti-virus software or use of a proxy server.
   (iii) Please use either the i-mode, EZweb or Yahoo! Keitai services when voting by mobile phone. To ensure security, you may not use products that do not support encrypted transmission (SSL transmission) or mobile phone information transmission.
   (iv) We will accept votes submitted on the Internet until 5:30p.m. on March 25, 2013, but we would appreciate your promptness in voting. Please contact the help desk if you have any questions.

2. How to vote on the Internet
   (i) Please follow the instructions on the voting website (http://www.evote.jp/) to enter "for" or "against" using the login ID and temporary password stated in the voting form.
   (ii) To prevent unauthorised access (impersonation) and tampering of votes by any third party, please note that you will be required to change the temporary password on the voting website.
   (iii) We will inform you of your new login ID and temporary password for each General Meeting of Shareholders.

3. Handling of Voting Multiple Times
   (i) If you vote both by mail and on the Internet, the vote on the Internet will be deemed to be valid.
   (ii) If you vote more than once on the Internet, the last vote will be deemed to be valid. If you vote from both PC or Smartphone site and mobile phone site, the last vote will be deemed to be valid.

4. Expenses incurred by accessing the voting website
   Please note that you will bear expenses such as Internet access fees and telephone charges incurred by accessing the voting website. Please also note that you will bear expenses for the use of the mobile phone such as packet communication fees and other charges.

5. Proxy Electronic Voting Platform
   Registered Shareholders including standing proxies, such as master trust banks, who have applied to the ICJ Proxy e-Voting Platform Service (the Platform Service) offered by a joint venture established by the TSE, are entitled to utilize the Platform service in addition to the electronic means for exercising voting rights of Shareholders at the Shareholders Meeting as specified in the preceding articles.

For enquiries concerning the System:
Contact the help desk of Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division
・Toll-free telephone number: 0120-173-027 (9 a.m. to 9 p.m.)