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(Securities Code 4704)

March 4, 2014

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 25th ORDINARY GENERAL MEETING OF
SHAREHOLDERS**

Dear Sirs and Madams

Our 25th 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, 2014, (Tuesday) or vote after perusing the “Voting by Electronic Means” (ex. on the Internet) described hereafter (pp.48).

- 1. Date and time:** 10:00 a.m. on March 26, 2014 (Wednesday)
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 25th year (January 1, 2013, to December 31, 2013), 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 25th year (January 1, 2013, to December 31, 2013).

Matters for Resolution

Agenda 1: Appropriation of retained earnings

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, 2013, to December 31, 2013)

1. Business Review

(1) Qualitative Information and Financial Statements

During this term of fiscal year 2013, from January 1 to December 31, the world economy is not necessarily strong except a part of developed countries in recovering at a moderate pace. The world has still remains in an unstable situation mainly due to remaining concerns about European economic stagnation and slowing down economic growth in emerging countries, etc. Japan's economy has continued to show a gradual recovery due to the government's aggressive economic policies and massive monetary easing by the Bank of Japan. It shows improvements of corporate profits among especially large firms, weak yen tone continues in a year-round, the rise in stock markets, and rushing supply before the consumption tax kicks in 2014 is seen in a part of the second half of this year. Besides, private consumption shows strong movements. In addition, it has begun to overcome deflation as a matter of concern. Japan's economy has begun to recover.

For the Information Technology Industry, the worldwide demand for the use of cloud computing including server virtualization and following IT services, has been still growing. Worldwide PC shipments have been continued to decrease as much as showing the biggest point loss ever mainly due to continue ascending tablets demands. On the other hand, domestic IT spending has begun to recover with business sentiments improved by accommodative monetary policy and the benefit of yen's drop in value. Large firms expand their IT investments aggressively to mainly mobile devices and big data etc., and also IT investment in a small-to-midsize firm shows recovery trend. Such a recovery trend of IT investment in domestic enterprises is expected to continue in 2014. In the computer security industry, Advanced Persistent Threat (APT), sophisticated, multi-faceted attacks targeting a particular organization, has sweep the entire world continuously. Also, there are some case of threats which seems to be international cyber terrorism to attack the national infrastructure, the compromised sites which are likely to be visited by targets of interest. Moreover, malware using SNS and fake apps. which attacks exponentially increasing users of smartphones and multi-functional mobile devices such as tablets, etc., were going around the world. In Japan, according to the rapid expansion of the crime categorized as online scams to defraud personally-identifying information and money via internet, its total financial damage increases. For the future, in the wake of Windows XP after Microsoft ends their support, the opportunistic malicious threats are predicted in advance. Thus, in enterprise which is going to continue to use it after its end of support, continuous monitoring office network has become a more critical issue to aware indication of attacks acutely. Also, its consumer users will be required similar measures after its end of support.

Under such environment, our group business conditions are as follows:

Sales in Japan region, enterprise business continued to achieve sustainable growth due to an increase in demand for APTs solution business and starting to show the growth of cloud related business. In addition to enterprise business, consumer business has also showed growth and support sales growth in this area with the introduction of security services for new devices such as smart phones, etc. has started to contribute to revenue in consumer sales. As a result, sales amount in this area achieved the highest real contribution to consolidated net sales for entire year 2013 among the 5 sales regions. Net sales for this period in Japan region amounted to 48,551 million yen (6.0% increase from the same period in the previous year.)

For North America region, enterprise business with the growth of cloud related business has achieved sales increase in both local currency and Japanese yen terms. In addition, significantly-affected by weak yen, enterprise business also has achieved the highest growth rate

among the 5 sales regions. As the result, net sales in this region showed a double digit increase in both enterprise and consumer business of 23,615 million yen (25.2% increases from the same period in the previous year).

For Sales in Europe region, enterprise business has kept almost flat sales. In addition to a great result of the weakening of the Japanese yen, both enterprise and consumer business registered double digit growth. As a result, sales for this period in Europe region was 20,571 million yen (25.5% increase from the same period in the previous year). The future challenge in this region is to expand the consumer business unit, which is still in its early stage of development.

In the Asia Pacific region, mainly Australia and China, which continues to be in good condition in both local currency and Japanese yen terms, has been leading in this region's sales. It has also shown double digit growth in both enterprise and consumer sales, which can be primarily attributed to the depreciation of the Japanese yen. As a result, net sales for this period in Asia Pacific region amounted to 12,925 million yen (21.1% increase from the same period in the previous year).

For Latin America region, both Brazil and Mexico have showed strong sales growth even in local currencies. In addition to significant influence of the weak Japanese yen, net sales in this region were 2,650 million yen (26.6% increase from the same period in the previous year) registered double digit growth and it is the region which has achieved the highest net sales growth among the 5 sales regions.

As a result, consolidated net sales for entire year 2013 amounted to 108,314 million yen (15.4% increase from the same period in the previous year).

Overall, cost of sales and operating expenses was largely affected by the weak Japanese yen. Although marketing costs etc. decreased, mainly people cost related expenses have increased, giving rise to cost of sales and operating expenses of 78,863 million yen (10.4% increase from the same period in previous year) and consolidated operating income for this period was 29,450 million yen (31.4% increase from the same period in the previous year).

Due to a substantial increase in gain on sale of marketable securities, etc. consolidated ordinary income for this period was 32,456 million yen (43.2% increase from the same period in the previous year). The consolidated net income for this period was 19,595 million yen (45.7% increase from the same period in previous year) due to a significant decrease in gain on reversal of stock option, etc.

(2) Capital Expenditure

The total amount of capital expenditure for the Consolidated Financial term was 1,836 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 instances.

(4) Merger with Taiwan Company

Our subsidiary, Trend Micro Incorporated (Taiwan), merged with Taiwan corporation, Broadweb, on November 30, 2013, in order to enhance our Custom Defense Solution Business. The merger enabled the integration of their Deep Packet Inspection technology and the real-time blocking of malicious packets.

(5) 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 ; Mobile Armor in 2011 for data encryption and mobile device management technology; and Broadweb in 2013 for advanced network security solutions.

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.

(6) Business Results and Changes in Financial Conditions

Item \ Fiscal Year	The 22 nd Term ended December 2010	The 23 rd Term ended December 2011	The 24 th Term ended December 2012	The 25 th Term ended December 2013
Net Sales (millions of yen)	95,391	96,392	93,839	108,314
Ordinary Income (millions of yen)	23,835	28,690	22,661	32,456
Net Income (millions of yen)	12,720	17,341	13,447	19,595
Net Income per share (in yen)	95.27	131.23	102.21	147.53
Total Assets (millions of yen)	206,099	201,765	219,007	261,493
Net Assets (millions of yen)	106,569	107,362	113,492	142,539

(7) 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 financial statements cover all subsidiaries and affiliated companies except 5 non-consolidated subsidiaries, which consist of 33 consolidated subsidiaries including the aforementioned four important subsidiaries and one equity method affiliate.

(8) Primary Business of the Group

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

(9) **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)

(10) **Employees**

Name of Divisions	Number of Employees
Sales Division	1,045
Marketing Division	331
Product Support Division	1,327
Research and Development Division	1,696
Administration Division	818
Total	5,217

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:
134,862,280 shares (excluding treasury stock of 5,430,724 shares)
- (3) Number of Shareholders: 5,693
- (4) The Top 10 Shareholders:

Name of Shareholders	Number of Shareholding	Shareholding Ratio(%)
Trueway Company Limited	18,418,000	13.65
The Master Trust Bank of Japan, Ltd.(Trust Account)	11,211,400	8.31
Japan Trustee Services Bank, Ltd. (Trust Account)	6,984,800	5.17
JP Morgan Chase Bank 380055	5,901,781	4.37
Gainway Enterprise Limited	5,601,600	4.15
Chang, Ming-Jang	5,367,000	3.97
CBSG – Bank Julius Baer & Co. Ltd., Singapore Branch	4,379,777	3.24
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	3,745,667	2.77
BNP Paribas Securities (Japan) Limited	3,399,577	2.52
Mellon Bank, N.A. As Agent For Its Client Mellon Omnibus US Pension	2,854,940	2.11

(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 (5,430,724 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-fourth to Thirtieth: 4,889

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

Common stock

From Twenty-fourth to Thirtieth: 488,900 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-fourth (3,170 yen)	November 24, 2014	350	1
	Twenty-fifth (2,346 yen)	June 30, 2015	459	3
	Twenty-sixth (2,582 yen)	November 25, 2015	625	2
	Twenty-seventh-A (2,557yen)	July 14, 2016	1,075	3
	Twenty-eighth-A (2,406yen)	December 14, 2016	850	3
	Twenty-ninth (3,300 yen)	December 31, 2017	820	2
	Thirtieth (3,660 yen)	December 27, 2018	710	2

(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 acquisition 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
[Twenty-ninth Stock Option (Stock Acquisition Rights)]

- (i) Number of stock acquisition rights issued: 3,700
- (ii) Number and Type of subject shares:
Common Stock: 370,000 shares
(100 shares per stock acquisition right)
- (iii) Issue price of stock acquisition rights:
Without consideration
- (iv) Exercise price of stock acquisition rights:
3,300 yen per share
- (v) Exercise Period
From July 10, 2013, to December 31, 2017
- (vi) Total stock acquisition rights held by holders other than Directors of the Company

	Number of stock acquisition rights	Number of holders
Directors and employees of subsidiaries of the Company (Excluding Directors and employees of the Company)	2,880	10

(Note) Employees of the Company do not have Stock Acquisition Rights Granted in the current term.

- (vii) 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 rights is established, the holder of the relevant stock acquisition rights may not exercise the same.

[Thirtieth- Stock Option (Stock Acquisition Rights)]

- (i) Number of stock acquisition rights issued: 3,700
- (ii) Number and Type of subject shares:
Common Stock: 370,000 shares
(100 shares per stock acquisition right)
- (iii) Issue price of stock acquisition rights:
Without consideration
- (iv) Exercise price of stock acquisition rights:
3,660 yen per share
- (v) Exercise Period
From December 28, 2013 to December 27, 2018
- (vi) Total of stock acquisition rights held by holders other than Directors of the Company

	Number of stock acquisition rights	Number of holders
Directors and employees of subsidiaries of the Company (Excluding Directors and employees of the Company)	2,990	11

(Note) Employees of the Company do not have Stock Acquisition Rights Granted in the current term.

- (vii) 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 rights is established, the holder of the relevant stock acquisition rights may not exercise the same.

(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

Twenty-third: 72

From Twenty-fourth to Thirtieth: 48,684

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

Common stock

Twenty-third: 36,000 shares

(500 shares per stock acquisition right)

From Twenty-fourth to Thirtieth: 4,868,400 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-third (3,080 yen)	July 1, 2014	72
	Twenty-fourth (3,170 yen)	November 24, 2014	196
	Twenty-fifth (2,346 yen)	June 30, 2015	6,294
	Twenty-sixth (2,582 yen)	November 25, 2015	10,273
	Twenty-seventh-B (2,557yen)	July 14, 2016	12,177
	Twenty-eighth-B (2,406yen)	December 14, 2016	13,874
	Twenty-ninth (3,300 yen)	December 31, 2017	2,880
	Thirtieth (3,660 yen)	December 27, 2018	2,990

(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, 2013)

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, Global Consumer Business, Sales Promotion in the Asia Regions	
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
Masaru Sempo	Corporate Auditor	

- (Notes) 1. Our officers consist of nine (9) members, five (5) Directors and four (4) Corporate Auditors, of these, one (1) is female and eight (8) are males as of December 31, 2013. The female officer is our President and Representative Director.
2. Corporate Auditor, Mr. Masaru Sempo, was newly elected at the 24th Ordinary General Meeting of Shareholders held on March 26, 2013 and assumed the position.
3. Mr. Ikujiro Nonaka, Director, is an Outside Director under Article 2, item 15 of the Companies Act.
4. All four Corporate Auditors are Outside Auditors under Article 2, item 16 of the Companies Act.
5. 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. Mr. Masaru Sempo, Corporate Auditor, has many years of experience in accounting and management matters. All have appropriate knowledge regarding finance and accounting matters.

6. 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	307(Yen in millions)	One Outside Director received 8 million yen.
Corporate Auditor	4	22(Yen in millions)	All four Corporate Auditors are Outside Corporate Auditors.

(Notes)

Remuneration of Directors includes a total of 85 million yen stock options and a total of 76 million yen Cash Phantom Unit Award reflecting our business performance and stock prices based on our Cash Incentive Plan both given as remuneration to Directors (excluding outside Directors).

(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 7 of 9 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 9 meetings of the Board of Directors and all 15 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 9 meetings of the Board of Directors and all 15 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 7 of 9 meetings of the Board of Directors and all 15 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.
Masaru Sempo (Corporate Auditor)	Attended all 6 meetings of the Board of Directors and all 10 meetings of the Board of Corporate Auditors held since he took office as a Corporate Auditor. 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 accounting and management matters over the years.

(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 88
 - (ii) Total amount of cash and other financial benefits payable by the Company and its subsidiaries 88

(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, 2013)

(Yen in millions)

Account	Amount
<Assets>	
Current assets	184,612
Cash and bank deposits	79,632
Notes and accounts receivable, trade	24,546
Marketable securities	60,958
Inventories	408
Deferred tax assets	15,462
Others	3,821
Allowance for bad debt	-217
Non-current assets	76,880
Property and equipment	4,583
Office furniture and equipment	3,271
Others	1,312
Intangibles	9,160
Software	6,975
Goodwill	1,119
Others	1,065
Investments and other non-current assets	63,135
Investment securities	51,095
Investments in subsidiaries and affiliates	38
Deferred tax assets	10,576
Others	1,425
Total assets	261,493

(Yen in millions)

Account	Amount
<Liabilities>	
Current liabilities	87,066
Accounts payable and Notes payable, trade	486
Accounts payable, other	3,789
Accrued expenses	5,015
Accrued income and other taxes	5,279
Allowance for bonuses	1,433
Allowance for sales return	656
Deferred revenue	65,429
Others	4,976
Long-term liabilities	31,887
Deferred revenue	27,429
Allowance for retirement benefits	2,896
Others	1,561
Total liabilities	118,954
<Net assets>	
Shareholders' equity	137,389
Common stock	18,386
Additional paid-in capital	21,796
Retained earnings	113,509
Treasury stock	-16,303
Accumulated other comprehensive income	2,813
Unrealized gain on available for sale securities	1,768
Foreign currency translation adjustment	1,045
Stock acquisition right	2,326
Minority interest	9
Total net assets	142,539
Total liabilities and net assets	261,493

(2) Consolidated Profit and Loss Statement

(From January 1, 2013 to December 31, 2013)

(Yen in millions)

Account	Amount	
Net Sales		108,314
Cost of sales		19,378
Gross profit		88,935
Selling, general and administrative expense		59,485
Operating income		29,450
Non-operating income		
Interest income	1,438	
Gain on sales of marketable securities	2,066	
Others	272	3,777
Non-operating expenses		
Interest expenses	6	
Equity in loss of affiliated companies	1	
Foreign exchange loss	289	
Others	475	772
Ordinary income		32,456
Extraordinary gain:		
Gain on reversal of stock option	106	
Gain on sale of affiliated company securities	403	510
Extraordinary losses:		
Office moving expense	232	
Loss on liquidation of subsidiary	728	960
Net income before taxes		32,006
Income taxes current	12,994	
Income taxes deferred	-584	12,410
Net Income before minority interest		19,595
Minority interest in income of consolidated subsidiaries		0
Net income		19,595

(3) Consolidated Statements of Changes in Net Assets

(From January 1, 2013 to December 31, 2013)

(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	102,451	-26,440	115,509
Movement for this period					
Dividend of surplus			-8,814		-8,814
Net income			19,595		19,595
Sales of treasury stock		684		11,986	12,670
Purchase of treasury stock				-1,848	-1,848
Increase due to deconsolidation			277		277
Movement for this period excluding shareholders' equity					
Total movement	-	684	11,058	10,137	21,880
Balance at the end of current period	18,386	21,796	113,509	-16,303	137,389

	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	572	-6,810	4,213	7	113,492
Movement for this period					
Dividend of surplus					-8,814
Net income					19,595
Sales of treasury stock					12,670
Purchase of treasury stock					-1,848
Increase due to deconsolidation					277
Movement for this period excluding shareholders' equity	1,195	7,855	-1,886	2	7,166
Total movement	1,195	7,855	-1,886	2	29,047
Balance at the end of current period	1,768	1,045	2,326	9	142,539

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) Names of Unconsolidated Subsidiaries.

- Broadweb Corporation (Brunei)
- Itech Technology Limited (Brunei)
- Broadweb Corporation (Seychelles)
- Broadweb Corporation (China)
- Itech Technology Limited (China)

The reason for scope out of consolidation

These five subsidiaries' total assets, net sales, net income and retained earnings are not material for the consolidated financial statements.

2. Matters Concerning Application of Equity Method

- (1) Number of the Affiliate Companies to which the equity method has been applied: One
- (2) Names of the affiliate companies to which the equity method has been applied:
Soft Trend Capital Corporation
- (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

(CHANGE OF ACCOUNTING POLICY)

Change in accounting policy which are difficult to distinguish from changes in accounting estimate

From this fiscal year, due to the amendment in tax law, the Company has adopted new depreciation method for tangible fixed assets acquired from January 1, 2013 and thereafter. The effect of this change is immaterial.

(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: 14,409 million yen

(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	8,732,135shares	688,189 shares	3,989,600 shares	5,430,724 shares

(The reason of the movement)

The reason of increase is as follows

Market purchase of treasury stock 688,100 shares

Purchase of the stock less than 1 unit 89 shares

The reason of decrease is as follows

Disposition of treasury stock upon the exercise of stock acquisition right
3,989,600 shares

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

The resolution

The annual shareholders meeting
held on 26 March, 2013

The type of equity shares

Ordinary shares

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

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, 2014
The type of the equity shares	Ordinary shares
The source of dividend payment	Retained earnings
The total amount of dividends paid	16,857 million yen
The amount of dividend paid per share	125.00 yen
The record date	31 December, 2013
The effective date	27 March, 2014

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	4,151,900 shares
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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, 2013, (fiscal year end) are as follows.

(Yen in millions)

	Consolidated balance sheet amounts	Fair values	Differences
(1) Cash and bank deposits	79,632	79,632	—
(2) Notes and accounts receivable, trade	24,546	24,546	—
(3) Marketable securities and investment securities	112,053	112,053	—
Total assets	216,233	216,233	—
(1) Accounts payable and Notes payable, trade	486	486	—
(2) Accounts payable, other	3,789	3,789	—
(3) Accrued expenses	5,015	5,015	—
(4) Accrued income and other taxes	5,279	5,279	—
Total liabilities	14,570	14,570	—

(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:	1,039.60 yen
2. The net income for the term per share:	147.53 yen

(NOTES ON MATERIAL SUBSEQUENT EVENTS)

N/A

(OTHER NOTES)

N/A

Balance Sheet

(As of December 31, 2013)

(Yen in millions)

Account	Amount	Account	Amount
<Assets>		<Liabilities>	
Current assets	98,443	Current liabilities	50,092
Cash and bank deposits	10,730	Accounts payable, trade	157
Accounts receivable, trade	10,046	Account payables, other	11,116
Marketable securities	59,554	Accrued expenses	130
Finished goods	123	Accrued income and other taxes	4,751
Raw materials	12	Accrued consumption taxes	343
Supplies	50	Deposits received	97
Prepaid expenses	90	Allowance for bonuses	61
Deferred tax assets	13,271	Allowance for sales return	449
Other receivables	4,157	Deferred revenue	32,187
Others	410	Others	798
Allowance for bad debt	-1	Non-current liabilities	20,794
Non-current assets	66,574	Deferred revenue	18,590
Tangible fixed assets	659	Long-term accounts payable	2
Buildings	847	Allowance for retirement benefits	2,100
Office furniture and equipment	1,348	Others	100
Accumulated depreciation	-1,536	Total liabilities	70,886
Intangibles fixed assets	4,202	<Net assets>	
Software	2,458	Shareholders' equity	90,040
Software in progress	1,051	Common stock	18,386
Goodwill	252	Capital surplus	21,796
Others	439	Additional paid-in capital	21,108
Investments and other non-current assets	61,712	Other Capital surplus	687
Investments in securities	51,095	Retained earnings	66,160
Investments in subsidiaries and affiliates	2,199	Legal reserve	20
Security deposits	497	Accumulated profit	66,139

Memberships	4	Retained earnings carried forward	66,139
Deferred tax assets	7,990	Treasury stock	-16,303
Allowance for loss on investments in subsidiaries and affiliates	-75	Valuation and translation adjustment	1,764
		Unrealized gain on available for sale securities	1,764
		Stock acquisition right	2,326
		Total net assets	94,131
Total assets	165,018	Total liabilities and net assets	165,018

Profit and Loss Statement

(From January 1, 2013 to December 31, 2013)

(Yen in millions)

Account	Amount	
Sales Revenue		
Sales	48,551	
Royalty	4,049	52,600
Cost of sales		9,872
Gross profit		42,728
Selling, general and administrative expense		22,122
Operating income		20,605
Non-operating income		
Interest income	41	
Interest on marketable securities	642	
Dividend	0	
Gain on sales of marketable securities	2,066	
Others	132	2,883
Non-operating expense		
Foreign exchange loss	720	
Others	223	943
Ordinary income		22,544
Extraordinary gain:		
Gain on reversal of stock option	92	
Gain on sale of affiliated company securities	527	619
Net income before taxes		23,163
Income tax current	9,484	
Income tax deferred	-581	8,903
Net income		14,260

Statements of Changes in Net Assets

(From January 1, 2013 to December 31, 2013)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus		Retained 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	60,694
Movement for this period					
Dividend of surplus					-8,814
Net income					14,260
Sales of treasury stock			684		
Purchase of treasury stock					
Movement for this period excluding shareholders' equity					
Total movement	-	-	684	-	5,445
Balance at the end of current period	18,386	21,108	687	20	66,139

	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	-26,440	73,772	573	4,213	78,559
Movement for this period					
Dividend of surplus		-8,814			-8,814
Net income		14,260			14,260
Sales of treasury stock	11,986	12,670			12,670
Purchase of treasury stock	-1,848	-1,848			-1,848
Movement for this period excluding shareholders' equity			1,191	-1,886	-695
Total movement	10,137	16,267	1,191	-1,886	15,571
Balance at the end of current period	-16,303	90,040	1,764	2,326	94,131

Notes to Financial Statements

(NOTES ON IMPORTANT POINTS IN THE PREPARATION OF THE FINANCIAL STATEMENTS)

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

Finished goods • 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:	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 bonuses	Bonuses for employees are provided at an estimate of the amount.
Allowance for sales return	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.

(CHANGES IN ACCOUNTING POLICY)

Change in accounting policy which are difficult to distinguish from changes in accounting estimate

From this fiscal year, due to the amendment in tax law, the Company has adopted new depreciation method for tangible fixed assets acquired from January 1, 2013 and thereafter. The effect of this change is immaterial.

(NOTES TO THE BALANCE SHEET)

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

	(Yen in millions)
Short-term monetary assets	5,057
Short-term monetary liabilities	7,620

(NOTES TO THE PROFIT AND LOSS)

The Amounts of Transactions with Subsidiaries and Affiliates

	(Yen in millions)
The Amounts of Operational Transactions	
Sales	4,049
Outside service fee	224

(NOTES TO THE STATEMENTS OF CHANGES IN NET ASSETS)

The Class and number of treasury stock:

Class	B/F	Increase	Decrease	C/F
Common Stock	8,732,135 shares	688,189 shares	3,989,600 shares	5,430,724 shares

(The reason of the movement)

The reason of increase is as follows

Market purchase of treasury stock	688,100 shares
Purchase of the stock less than 1 unit	89 shares

The reason of decrease is as follows

Disposition of treasury stock upon the exercise of stock acquisition right	3,989,600 shares
--	------------------

(NOTES TO THE TAX EFFECT ACCOUNTING)

Major items causing deferred tax assets:

Deferred tax assets

	(Yen in millions)
Nondeductible deferred revenue	19,156
Nondeductible amortization of intangibles fixed assets	745

Nondeductible accrued liability	666
Nondeductible allowance for retirement benefits	754
Others	1,181
<hr/>	
Deferred tax assets sub total	22,504
Valuation allowance	-165
<hr/>	
Total deferred tax assets	22,338
Deferred tax liabilities	
	(Yen in millions)
Unrealized gain on available for sale securities	-1,076
<hr/>	
Total deferred tax liabilities	-1,076
<hr/>	
Net amount of deferred tax asset	21,262

(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

The note is omitted due to the immateriality of the transactions.

(NOTES ON PER SHARE INFORMATION)

- | | |
|---|------------|
| 1. The net assets per share: | 680.73 yen |
| 2. The net income for the term per share: | 107.36 yen |

(NOTES ON MATERIAL SUBSEQUENT EVENTS)

N/A

(OTHER NOTES)

N/A

Independent Auditor's Report

February 14, 2014

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 statement, the consolidated statement of changes in net assets and the related notes of Trend Micro Incorporated as at December 31, 2013 and for the year from January 1, 2013 to December 31, 2013 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.

Independent Auditor's Report

February 14, 2014

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, 2013 and for the year from January 1, 2013 to December 31, 2013 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 of Trend 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 25th fiscal year from January 1, 2013, to December 31, 2013, 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 “Accounting Standard” and the “Quality Management Standards concerning the Audit” announced by 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 17, 2014

Trend Micro Incorporated
Board of Corporate Auditors

Full-time Corporate Auditor
Fumio Hasegawa (Seal)

Corporate Auditor
Yasuo Kameoka (Seal)

Corporate Auditor
Koji Fujita (Seal)

Corporate Auditor
Masaru Sempo (Seal)

(Note: All Four 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.

Current year-end dividend is to be paid at 125 yen per stock that includes 95 yen per stock as ordinary dividend and 30 yen per stock as a bonus dividend to celebrate our 25th year in business. The total dividend is based on the above basic policy of profit allocation and as an expression of our gratitude to all our shareholders for their support.

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:
125 yen per common share of the Company Total amount: 16,857,785,000 yen
- (3) Effective date for dividend of surplus:
March 27, 2014

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.evotep.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.evotep.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.)