Trend Micro Notice Relating to Allocation of Stock Options to Directors of the Company and Directors and Employees of its Subsidiaries (Stock Acquisition Rights)

Tokyo, Japan –December 5, 2024 -Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today at a meeting of its Board of Directors determined the details of stock acquisition rights to be issued as stock options.

1. Reason for the issuance of stock acquisition rights (the "**Options**"):

The Company issues Options to directors of the company, and directors and employees of its subsidiaries for the purpose of linking the Company's stock price to the their interest and thereby strengthening their motivation and moral to improve performance of the Trend Micro Group which we believe would lead to the development of business focusing on shareholders' interests and the enhancement of shareholder value.

2. Terms and conditions of the Options:

(1) Number of individuals who will be allotted the stock acquisition rights and number of stock acquisition rights to be issued:

Directors of the Company:	3	persons, a total of 900
Directors of its subsidiaries:	9	persons, a total of 2,100
Employees of its subsidiaries:	10	persons, a total of 1,540

Total: 22 persons, a total of 4,540 options

(2) Class of shares to be issued upon exercise of the Options and number of shares to be issued upon exercise of the Options:

Ordinary shares of the Company 454,000 shares

(The number of the Option Shares shall be 100 shares per one (1) Option)

In the event of stock split or consolidation, the number of the Option Shares shall be adjusted using the following formula; *provided*, however, that such adjustment shall be made only in respect of the number of the Option Shares which are not exercised at that time and any fractions less than one (1) share resulting from such adjustment shall be disregarded.

Number of Option Shares after Adjustment = Number of Option Shares before Adjustment X Ratio of Stock Split or Consolidation

In addition to the above, if it becomes necessary to adjust the number of Option Shares after the date of allotment of the Options then the Company may also make necessary adjustment of the number of the Option Shares to the reasonable extent.

(3) Total number of the Options to be issued:

4,540 options

(4) The amount or the calculation method of payment for the Options:
Payment of money is not necessary, however, the Options shall not be issued on the specifically advantageous conditions.

(5) The amount or the calculation method of assets to be contributed upon exercise of each Option:
The amount to be paid per share upon the exercise of the Options (the "**Exercise Price**") shall be the closing price of ordinary transactions in the Company's ordinary shares on the Tokyo Stock Exchange on the date of grant of the Options (or if there are no transactions on such day, then the closing price on the nearest immediately preceding day for such transactions).

In the event of a stock split or consolidation by the Company, the Exercise Price shall be adjusted in accordance with the following formula, with any fraction of one yen rounded upward to the nearest yen:

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Stock Split or Consolidation}}$$

In the event of issuance of new shares or disposition by the Company of its own shares (excluding issuance or disposition of shares upon exercise of share subscription options or conversion of securities to be converted or convertible into ordinary shares) at a price less than the market price, the Exercise Price shall be adjusted in accordance with the following formula, with any fraction of one yen rounded upward to the nearest yen:

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Previously Issued Shares} + \dfrac{\text{Number of Newly Issued Shares} \times \text{Amount to be Paid per Share}}{\text{Stock Price before New Issuance}}}{\text{Number of Previously Issued Shares} + \text{Number of Newly Issued Shares}}$$

As used in the above formula, the "Number of Previously Issued Shares" means the total number of the issued shares less the shares owned by the Company. If the Company is to dispose of its own shares, the "Number of Newly Issued Shares" shall be rephrased with the "Number of Disposed Shares" and the "Stock Price before New Issuance" shall be rephrased with the "Stock Price before Disposition", respectively.

In the event that the Company pays dividends as set forth below after Date of Grant of the Options (provided, however, that the record date for such dividends shall be after the date of grant of options), the Share Exercise Price may be adjusted in accordance with the following formula (hereinafter referred to as the "Exercise Price Adjustment Formula due to Special Dividends,etc. per share"), with any fraction less than one yen resulting from the adjustment being rounded up to the nearest one yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} - \text{Special Dividends,etc. per share}$$

"Special Dividends,etc. per share" means the amount of dividends of surplus per share of common stock for the portion of dividends of surplus to be paid by the Company other than ordinary dividends.
"Ordinary dividend" means an amount per share of common stock based on an amount equal to 70% of net income (however, non-recurring profits and losses, including profits and losses from the transfer or acquisition of businesses, may be taken into account, if necessary) attributable to shareholders of the parent company in the consolidated statement of income for the fiscal year that includes the record date for the distribution of surplus, and shall be determined in accordance with the resolution on distribution of surplus provided for in Article 454 or 459 of the Companies Act of Japan.
The adjustment of the Exercise Price due to dividends shall be applied on and after the day following the day on which the resolution for the distribution of surplus set forth in Article 454 or Article 459 of the Companies Act is adopted. If the exercise price after adjustment calculated by the "Exercise Price Adjustment Formula due to Special Dividends,etc. per share " is 0 or a negative number, the exercise price after adjustment shall be 1 yen.

In addition, the Company may adjust the Exercise Price in the event that the Options are succeeded to as a result of a merger or amalgamation between the Company and another company, the Company becomes a wholly-owning company as a result of a share exchange with another company, the Company makes a spin-off or split-out of the Company, or upon any other occasion where adjustment to the number of Option Shares is deemed necessary by the Company.

Unless the Company determines otherwise, notwithstanding anything in this Plan to the contrary, no adjustments shall be effective if the result of the adjustment is a reduction in the aggregate Exercise Price of the Options.

(6) Exercise period of the Options:
From December 21, 2024 to December 20, 2029

(7) Conditions on the exercise of the Options:

(a) If the person having the Options (the "**Optionee**") loses its position as a director, corporate auditor, employee of, staff seconded to or advisor of the Company or its subsidiary (hereinafter in this clause referred to as the "**Prior Position**"), such Optionee may exercise the Options only during a period of forty-five (45) days from the day on which such Optionee loses its Prior Position. In addition, if the Optionee loses its Prior Position for the reason of incapacity due to physical disability, etc., such Optionee may exercise the Options only during a period of six (6) months from the day on which such Optionee loses its Prior Position. However, the Optionee may exercise the Option during a period of two (2) years from the date of termination if the Board of Directors of the Company deems the Optionee has made a positive contribution to the Company; provided. Upon the occurrence of any event that would make it inappropriate to allow the Optionee to exercise the Options in light of the purpose of granting the Options, such as where the Optionee has conducted any material action in breach of the laws and regulations or the company's articles of association or internal rules (including, but not limited to, cases where the Optionee was convicted for an act punishable under the criminal law, became liable for compensation to the company pursuant to Article 423 of the Companies Act of Japan, was dismissed due to poor work performance or behavior that caused disturbance to business,

resigned from the company under instruction by the employer, or was dismissed as part of a disciplinary action) (hereinafter referred to as the "**Material Event**"), the Optionee may not exercise the Options thereafter. Regardless of the above, unless the Optionee is in a position as a director or auditor of the Company, if the Optionee terminates or loses his/her Prior Position for reasons other than Material Event, the Company may determine in its sole discretion how long the Optionee can exercise the Options from the day on which he/she terminates or loses his/her Prior Position.

(b) In the event of death of the Optionee, then the successor(s) of the Optionee may, upon making necessary arrangement for the succession of the Options within six (6) months of the Optionee's death, exercise the succeeded Options only during a period of such six (6) months. However, the successor(s) of the Optionee may exercise the Option during a period of two (2) years from the date of death of the Optionee if the Board of Directors of the Company deems such Optionee has made a positive contribution to the Company; provided, however, that the provision of this clause being in violation of any forcible laws of the country in which the Optionee resides.

(c) The Options may not be exercised if any pledge or other security interest is established or created thereon.

(d)The Options may not be exercised if such exercise would be in violation of any applicable domestic or foreign laws, rules or regulations.

(8) The amount of capital and additional paid-in capital increased upon issuance of shares by exercise of the Options:

The amount of the increase of capital shall be 50% of the maximum increase amount of capital, etc. as calculated according to the Company Accounting Regulations, Article 17, Paragraph 1, with any fraction of less than one (1) yen being rounded up. The remaining amount shall be accounted for as additional paid-in capital.

(9) Matters regarding acquisition of the Options:

(a) In the event of the approval of the contract of merger or amalgamation for the Company to become an extinct company, or the approval by the general meeting of shareholders of the agenda (if the approval of the general meeting of shareholders is not required, then with the approval of the Board of Directors) with respect to the approval of the contract of stock exchange or the share transfer for the Company to become a wholly-owned subsidiary, then the Company may acquire the Options without any consideration on the date as the Board of Directors may from time to time decides.

(b) The Company may acquire all or a part of the Options without any consideration on the date as the Board of Directors may from time to time decide. The Options to be withdrawn shall be the Options which cease to be exercised in accordance with sub-clauses (a) and (b) of clause (7) above.

(10) Restriction on the acquisition of the Options by way of transfer:

Acquisition of the Options by way of transfer requires approval of the Board of Directors.

(11) Treatment of the Option upon Restructuring:

Upon merger (only if the Company is merged), divestiture (*kyushu bunkatsu*), corporate split (*shinsetsu bunkatsu*), share exchange or share transfer (collectively, the "**Restructuring**") by the Company, the Company shall issue the Option of *kabushiki kaisha* described in Article 236, paragraph 1, item 8, (a) through (e) of the Company Law (the "**Restructuring Company**") to holders of the Options outstanding as of the effective date of the Restructuring (the "**Outstanding SAR**") under the following conditions. In such a case, the Outstanding SAR shall be extinguished and the Restructuring Company shall issue new the Options; provided, however, that the issue of the Options of the Restructuring Company under the following conditions shall be provided for in merger agreement, divestiture agreement, corporate split agreement, share exchange agreement or share transfer plan.

(a) Number of the Options of the Restructuring Company to be issued

The number equal to the number of the Options held by the holders of the Outstanding SAR.

(b) Class of shares of the Restructuring Company to be issued upon exercise of the Options

Ordinary shares of the Restructuring Company.

(c) Number of shares of the Restructuring Company to be issued upon exercise of the Options

To be determined pursuant to (2) above in consideration of conditions of the Restructuring.

(d) Amount of assets to be contributed upon exercise of each Option

The amount of assets to be contributed upon exercise of each Option to be issued shall be the product of the payable amount after the restructuring which is calculated by adjusting the Exercise Price specified in (5) above and the number of shares of the Restructuring Company delivered upon exercise of the Options determined pursuant to (c) above in consideration of the conditions of the Restructuring.

(e) Exercise period of the Options

The period from the later of the commencement date of exercise period of the Options specified in (6) above and the effective date of the Restructuring to the expiration date of exercise period of the Options specified in (6) above.

(f) Conditions on the exercise of the Options

To be determined pursuant to (7) above

(g) Matters regarding the amount of capital and additional paid-in capital increased upon issuance of shares by exercise of the Options

To be determined pursuant to (8) above.

(h) Matter regarding acquisition of the Options

To be determined pursuant to (9) above.

(i) Restriction on the acquisition of the Options by way of transfer

Acquisition of the Options by way of transfer requires approval by a resolution of the Board of Directors (if the Restructuring Company is not a company with the board of directors, Directors) of the Restructuring Company.

(12) Date of allotment of the Options:

December 20, 2024

(13) Treatment of the issuance of the Options certificates:

The Options certificates will not be issued.

About Trend Micro

Trend Micro, a global cybersecurity leader, helps make the world safe for exchanging digital information. Fueled by decades of security expertise, global threat research, and continuous innovation, Trend Micro's AI-powered cybersecurity platform protects hundreds of thousands of organizations and millions of individuals across clouds, networks, devices, and endpoints. As a leader in cloud and enterprise cybersecurity, Trend's platform delivers a powerful range of advanced threat defense techniques optimized for environments like AWS, Microsoft, and Google, and central visibility for better, faster detection and response. With 7,000 employees across 70 countries, Trend Micro enables organizations to simplify and secure their connected world. www.trendmicro.com.