



Trend Micro Notice of the Grant of Stock Option

(Granting Subscription Rights under Article 280-19 of the Commercial Code of Japan)

TOKYO, Japan, February 28, 2001 -- Trend Micro Inc. (Nasdaq: TMIC)(Tokyo Stock Exchange: 4704), a leading provider of network antivirus and Internet content security solutions, today announced the board of directors of the Company resolved, at its meeting held on February 23, 2001, on granting stock option, by granting subscription rights to the Company's shares of common stock, to certain directors and employees of the Company and its subsidiaries (the "Specified Affiliated Companies") qualifying for the special related business as defined in Paragraph 1 of Article 9 of the Corporate Rehabilitation Law of Japan as follows.

1. Reason for Introducing the Stock Option Plan

The Company will implement the stock option plan in order to strengthen incentives for and the morale of certain directors and employees of the Company and its subsidiaries.

2. Summary of the Stock Option Plan

1. Persons to whom subscription rights are granted:

Two directors and 164 employees of the Company, who will be in office of the Company or on the Company's payroll at the closing of the Company's 12th ordinary general meeting of shareholders to be held on March 27, 2001; and directors and 331 employees of the Specified Affiliated Companies, who will be in office of such subsidiaries or on their payroll at the closing of the Company's 12th ordinary general meeting of shareholders to be held on March 27, 2001.

2. Class and type of shares to be issued upon exercise of the subscription right:

Par value shares of common stock of the Company (par value per share: ¥50)

3. Number of shares to be issued upon exercise of the subscription right:

- (i) up to 11,000 shares in the aggregate to be issued to the two directors of the Company (Each such director will receive from 3,000 to 8,000 shares.)
- (ii) up to 182,000 shares in the aggregate to the 164 employees of the Company (Each such employee will receive from 500 to 3,000 shares.)
- (iii) up to 531,500 shares in the aggregate to the directors and 331 employees of the Specified Affiliated Companies (Each such director or employee will receive from 500 to 10,000 shares.)
- (iv) If, as a result of a stock split or any other similar event, the Company issues its new shares of common stock at any issue price less than the market price prevailing before the relevant event, the number of shares to be issued upon exercise of the subscription right shall be adjusted by the following formula, and any fraction less than one share shall be disregarded.

$$\text{Number of Shares after Adjustment} = \frac{\text{Number of Shares before Adjustment} \times \text{Issue price of shares before adjustment}}{\text{Issue price of shares after adjustment}}$$

4. Issue price per share of shares to be issued upon exercise of the subscription right (the "Exercise Price"):

The exercise price shall be the closing price per share of the shares of common stock of the Company as reported by the Tokyo Stock Exchange on the day on which the subscription right is granted.

If the Company issues its new shares of common stock for consideration less than the current market price, the number of shares to be issued upon exercise of the subscription right shall be adjusted by the following formula, and any fraction less than one share shall be counted as a full yen.

$$\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Shares already issued} + \frac{\text{Number of Shares newly issued} \times \text{Amount paid per share}}{\text{Share price per share before the stock split/issuance of new shares}}}{\text{Number of Shares already issued} + \text{Number of Shares increase as a result of the stock split/issuance of new shares}}$$

If the Company makes a stock split or consolidation of shares, the exercise price shall be adjusted in proportion to the ratio of the stock split or consolidation of shares, and any fraction less than one yen resulting from such adjustment shall be counted as a full yen.

5. Exercise period of the subscription right:

From April 1, 2002 to March 31, 2009 (both days inclusive)

6. Conditions of exercise of the subscription right

- (i) If any person eligible for the stock option ceases to be a director or an employee of the Company or any of the Specified Affiliated Companies, such person may exercise the subscription right granted to him or her within 30 days after he or she ceases to be so.
- (ii) Notwithstanding the foregoing, if any person eligible for the stock option ceases to be a director or an employee of the Company or any of the Specified Affiliated Companies as

a result of his or her assuming the new office as a director or corporate auditor or becoming a new employee of the Company or its subsidiaries including those that are not the Specified Affiliated Companies, such person shall continue to exercise the subscription right.

- (iii) No subscription right may be transferred, pledged or otherwise disposed.
- (iv) If any person to whom the subscription right is granted dies, the heir of such person may exercise the subscription right within 6 months after the death of such person.
- (v) With respect to exercise of the subscription right, the total amount of the issue price of shares issued upon exercise of the subscription right shall not exceed ¥10,000,000 per calendar year.
- (vi) For any other detail, a person to whom the subscription right shall be granted is subject to the agreement regarding the grant of the subscription right to be executed between such person and the Company pursuant to resolutions of the ordinary meeting of shareholders of the Company scheduled for March 27, 2001 and the meeting of its board of directors scheduled immediately thereafter.

Note: The above-mentioned grant of subscription rights is subject to approval of amendments to the Company's articles of incorporation and such grant to be given at the ordinary meeting of shareholders scheduled for March 27, 2001.

About Trend Micro

Trend Micro Incorporated (TSE: 4704), a global cloud security leader, creates a world safe for exchanging digital information with its Internet content security and threat management solutions for businesses and consumers. A pioneer in server security with over 20 years' experience, we deliver top-ranked client, server and cloud-based security that fits our customers' and partners' needs, stops new threats faster, and protects data in physical, virtualized and cloud environments. Powered by the [Trend Micro™ Smart Protection Network™](#) cloud security infrastructure, our industry-leading cloud-computing security technology, products and services stop threats where they emerge, on the Internet, and are supported by 1,000+ threat intelligence experts around the globe.

Additional information about Trend Micro Incorporated and the products and services are available at [Trend Micro.com](#) This Trend Micro news release and other announcements are available at <http://trendmicro.mediaroom.com/> and as part of an RSS feed at www.trendmicro.com/rss Or follow our news on Twitter at [@TrendMicro](#).

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