



Trend Micro Announces Stock Repurchase Program and Grant of Stock Options

TOKYO, Japan, February 25, 2003 -- Trend Micro (TSE: 4704; Nasdaq: TMIC), a leader in network antivirus and Internet content security software and services, today resolved at a meeting of its Board of Directors to propose an agenda asking the approval for a stock repurchase program pursuant to Article 210 of the Japanese Commercial Code, and the issuance of the stock acquisition right (the "Options") as stock options without any consideration to directors, employees and advisors of the Company and its subsidiaries and to employees scheduled to be employed under the Articles 280-20 and 280-21 of the Japanese Commercial Code for the purpose of strengthening incentive or morale for the improvement of performance of the Trend Micro Group as well as increasing shareholder value by intensifying business development which focuses on the interests of shareholders.

1. Stock Repurchase Program

(1) Purpose of repurchase:

To allow the Company to implement flexible management of capital

(2) Details of repurchase:

(a) Type of shares to be repurchased:

Common Shares of the Company

(b) Total number of shares to be repurchased:

Maximum of 2,500,000 shares (1.9% of total outstanding shares)

(c) Total repurchase cost:

Maximum of ¥5,000,000,000

2. Grant of Stock Options

(1) Class of shares to be issued upon the exercise of the Options:

Common shares of the Company

(2) Number of shares to be issued upon the exercise of the Options:

Up to 4,000,000 shares in aggregate

In the event of stock split or consolidation, the number of shares to be issued upon the exercise of the Options (the "Option Shares") shall be adjusted using the following formula and any fractions less than one (1) share resulting from such adjustment shall be disregarded.

$$\begin{array}{ccc} \text{Number of Shares after} & & \text{Number of Shares before} \\ \text{Adjustment} & = & \text{Adjustment} \\ & & \times \text{ Split/Consolidation} \\ & & \text{Ratio} \end{array}$$

In addition, if the adjustment of number of shares becomes necessary in the event of merger or split-off of the Company, etc, then the Company may also adjust the number of the Option Shares.

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

Up to 8,000 in aggregate (The number of the Option Shares is 500 shares per one (1) Option; provided, however, that the adjustment in clause (2) above has been made, it shall also be adjusted accordingly.)

(4) Issue price of each Option:

No consideration

(5) Paid-in-price upon the exercise of each Option:

The paid-in-price upon the exercise of the Options (the " Exercise Price ") shall be the closing price of the common shares of the Company established through regular transactions reported by the Tokyo Stock Exchange on the date when the Options will be issued or the immediately preceding date of such date if there is no trading on such date; provided, however, that if such Exercise Price is less than the average price (any fractions less than one (1) yen shall be rounded up) of the daily closing prices of the shares of the Company (including quotations) established through regular transactions and reported by the Tokyo Stock Exchange for a period of thirty (30) trading days (excluding any day on which a closing price is not reported) commencing on the forty fifth (45th) day prior to the immediately following date when the Option will be issued, then the Exercise Price shall be such average price.

In the event of stock split or consolidation, the Exercise Price shall be adjusted using the following formula and any fractions less than one (1) yen resulting from such adjustment shall be rounded up.

In the event of issuance of new shares or disposition of treasury stock at a price less than the market price (excluding the exercise of the Options, the subscription rights pursuant to the provision of Article 280-19 of the Commercial Code prior to the amendment on April 1, 2002 and the subscription rights in connection with the bonds with subscription rights pursuant to the provision of Article 341-8 thereof), then the Exercise Price shall be adjusted using the following formula and any fraction less than one (1) yen resulting from such adjustment shall be rounded up.

In the formula above, "Number of Shares issued and outstanding" shall mean the number calculated by the number of shares issued less the number of treasury stock held by the Company and in the event of the

disposition of treasury stock, "Number of Shares newly issued" shall be read as "Number of Treasury Stock disposed" and "Share Price before new issue" shall be read as "Share Price before disposition".

In addition, if the adjustment of number of shares becomes necessary in the event of merger or split-off of the Company, etc, then the Company may also adjust the Exercise Price.

(6) Exercise period of the Options:

From April 1, 2004 through March 31, 2009

(7) Conditions on the exercise of the Options:

- (a) Only the person having the Options (the " Optionee ") who is a director, corporate auditor, employee or advisor of the Company or its subsidiary may exercise the Options unless the Board of Directors of the Company approves it has valid reason.
- (b) In the event of death of the Optionee, then the successor(s) of the Optionee may succeed the Options so long as such successor makes necessary arrangement within six (6) month of the Optionee's death; provided, however, that no successor may exercise the succeeded Options unless such successor exercises such succeeded Options within six (6) month of the Optionee's death.
- (c) If there is any provision restricting the exercise of the Options for the period set forth in (6) above in the "Share Acquisition Right Grant Agreement" to be entered into between the Company and any person subject to the allocation according to the resolution of this general meeting of shareholders and the Board of Directors, then the Optionees shall exercise the Options in accordance with such provisions.
- (d) Any other condition shall be provided for in the "Share Acquisition Right Grant Agreement". The Company may, upon grant of the Options, enter into the "Share Acquisition Right Grant Agreement" with the conditions (a) through (c) more restricting the Optionees.

(8) Events and conditions of cancellation of the Options:

- (a) In the event of the approval of the contract of merger or amalgamation resulting the Company in the defunct company, or the approval by the general meeting of shareholders of the agenda with respect to the approval of the contract of stock exchange or the share transfer resulting the Company in 100% controlled company, then the Company may cancel the Options without any consideration.
- (b) In the event that the Optionee does not satisfy the conditions in sub-clause (a), (b), (c) or (d) of clause (7) above and such Optionee forfeits the Options, then the Company may cancel such Options without any consideration; provided, however, that in this case, the Company may make necessary arrangement for the cancellation in the block after the end of the exercise period.

(9) Transfer restriction of the Options:

No Option may be transferred or assigned without approval of the Board of Directors.

(10) The resolution of the Board of Directors to issue the Options shall provide any other details of issue of the Options.

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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