

February 15, 2024

Trend Micro, Inc.
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Notice Cash Dividend at the end of the fiscal year in December 2023

At a meeting held on February 15, 2024, the Board of Directors of Trend Micro (“we”) resolved to distribute a year-end cash dividend per share, with a record date dated December 31, 2023. The effecting of the resolution is conditional on the agenda item being approved at the 35th ordinary general meeting of shareholders on March 28, 2024.

In relation to the above, today we hereby inform you of the following:

1. Dividend for the Year ending December 2023 (January 1 to December 31, 2023)

	Year-end dividend for FY 2023	Most recent dividend forecast	Year-end dividend for FY 2022
Record date	December 31, 2023	December 31, 2023	December 31, 2022
Dividend per share	738.00 yen (Regular dividend 56.00 yen) (Special dividend 682.00 yen)	Not reported	151.00 yen (Regular dividend 151.00 yen)
Total amount of dividends	100,117 million yen	-	21,012 million yen
Effective date	March 29, 2024	-	March 29, 2023
Source of dividends	Retained earnings	-	Retained earnings

2. Reason for cash dividend for FY2023

We have been considering on reducing our cash holding to more appropriate levels. We have now concluded that the maximum amount we can currently return to shareholders is approximately 140 billion yen and have therefore decided returning 140 billion yen to shareholder in 2024. Regarding the approach to return this cash of 140 billion yen, we have reached the conclusion that in addition to share buybacks of 40,000 million yen implemented during FY2024, we pay total dividends of 100,117 million yen (738 yen per share) for FY 2023 with a combination of the regular annual dividends (dividend payout ratio of 70%) of 7,596 million yen (56 yen per share) and a One-time Special dividend of 92,520 million yen (682 yen per share).

For the next fiscal year and beyond, we set the basic policy for shareholder returns, as follows.

“As a rule of thumb, we will return all net income generated after making the necessary investments for business growth without retaining any earnings.”

Even after the significant capital return in 2024, cash will continue to increase above our minimum cash needs and will prioritize achieving capital efficiency through capital return and/or M&A. Although our group business operates globally and it is sometimes difficult to make the net income of consolidated subsidiaries immediately the parent company’s amount available for distribution, we will promptly collect the entire net income of our subsidiaries for each fiscal year as dividends from basically all consolidated subsidiaries to the parent company every year, and increase the parent company’s net income to increase the amount available for distribution. And we return in the following year the entire amount available for distribution through a year-end dividend for that year and share buybacks in the following year.

While as the shareholders return for each fiscal year we will continue to target to maintain the existing dividend payout ratio of 70%, there is a possibility that we will not reach it in some fiscal years due to the reasons mentioned above.

Appendix

Record date	Dividend per share (yen)		
	End of the interim period	End of fiscal year	Annual Total
Year of 2023 (December 31, 2023)	0	738 yen (Regular dividend 56 yen) (Special dividend 682 yen)	738 yen (Regular dividend 56 yen) (Special dividend 682 yen)
Year of 2022 (December 31, 2022)	0	151 yen (Regular dividend 151 yen)	151 yen (Regular dividend 151 yen)
Year of 2021 (December 31, 2021)	0	195 yen (Regular dividend 195 yen)	195 yen (Regular dividend 195 yen)