

Last Update: April, 03, 2024**Trend Micro Incorporated**[Eva Chen], [Representative Director, President,
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+813-4330-7600**Securities code:** 4704https://www.trendmicro.com/ja_jp/business.html

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The corporate governance of [Trend Micro Incorporated] (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

We regard corporate governance as important for the ongoing improvement of corporate value and for fulfilling our corporate responsibilities to stakeholders, including shareholders, customers, business partners and employees. We consider it an important management issue to respond swiftly to changes in the business environment surrounding the Group, to strengthen management oversight functions centered on Outside Directors and Outside Audit and Supervisory Board Members, to ensure the transparency and soundness of management, and to maintain the credibility of disclosure. We also recognize that compliance is an important issue in ensuring social trust, and are working to achieve this goal.

In addition, in realizing our corporate governance objectives, we believe that the most appropriate form of governance should be adopted after taking into account various management environments, such as our corporate culture, industry, type of business, business scale, and the quality and quantity of human resources that can be acquired. Therefore, we adopt a form of company with an audit and supervisory board.

As of the date of this Corporate Governance Report, our Board of Directors is composed of a relatively small number of Directors, six members. In addition, we have strengthened our supervisory function to ensure the proper management of the Board of Directors by appointing two of them from outside the Company. With regard to the Audit and Supervisory Board, all four Audit and Supervisory Board Members are Outside Audit and Supervisory Board Members so that they can check the status of the Board of Directors’ operations and the status of the Directors’ business execution from an objective standpoint.

With regard to business execution, executive officers and employees (Executives) of the Group, who are appointed so that the Company’s policies determined by the Board of Directors are appropriately reflected in the actual business operations in each customer segment, business areas spanning dozens of countries around the world, and in each business function, take responsibility for the execution of their respective business

operations. For important matters related to the Group's management policies and strategies, the results of regular budget review processes and discussions by executive members are referred to in the decisions of the Board of Directors.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

(Supplementary Principle 4-1② Mid-term Business Plan)

We disclose our earnings forecasts for a single fiscal year in our financial results, but we do not disclose our mid-term business plan in light of the fact that the Internet-related industries to which the Group belongs are experiencing rapid changes in their business environment and technologies, and there are uncertainties regarding the medium-to long-term outlook.

Our long-term vision is to “create a world safe for exchanging digital information.” To this end, we are developing state-of-the-art security technologies as a security specialist, and are promoting our business to continue to provide optimal solutions that protect IT environments of our customers.

(Supplementary Principle 3-1③ Response to TCFD, etc.)

Because we are exclusively engaged in cybersecurity, we estimate that the risks and revenue opportunities associated with climate-change will have little impact on our business activities and earnings, and we do not currently implement disclosures based on TCFD or equivalent frameworks.

However, we measure carbon dioxide emissions at our data centers and offices so that we can respond promptly in the event that TCFD and other methods of disclosing are legally established in the future.

Disclosure Based on each Principle of the Corporate Governance Code

(Principle 1-4 Cross-shareholdings)

As a general rule, we do not implement cross-shareholdings unless it is deemed necessary to maintain and strengthen business relationships, and we do not hold shares of other listed companies as of the end of the most recent fiscal year.

(Principle 1-7 Related Party Transactions)

We have established a Code of Conduct as the basis for the Group's compliance system, and do not engage in activities that conflict with, or have such a pro forma form of, the interests of the Group. We require all officers and employees of the Group to confirm and agree to the Code of Conduct once a year. In addition, transactions between the Company and its Directors are subject to approval by the Board of Directors in accordance with laws and regulations and the rules of the Board of Directors.

Code of Conduct: https://www.trendmicro.com/ja_jp/about/our-code.html

(Supplementary Principle 2-4① Ensuring Diversity in the Promotion to Core Human Resources)

Please refer to the section entitled “Other” <<Our Efforts to Ensure Diversity of Human Resources>> in “3. Status of Initiatives Related to Respect for the Positions of Stakeholders” in III “Status of Implementation of Measures for Shareholders and Other Stakeholders” of this report for more information on our approach, status, etc. to securing diversity in the promotion of core human resources and other related measures.

(Principle 2-6 Asset Owners)

We have introduced a defined contribution pension plan, and as an asset owner, we are not involved in the management of corporate pension funds. However, in view of the fact that management affects the asset formation of employees, we regularly educate employees on asset management.

(Principle 3-1 Full Disclosure)

(i) Corporate goals (Vision)

Since our founding in 1988 with the aim of developing antivirus software, the Group has specialized in information security. Over the past 30 years, we have provided advanced information security products and services in step with technological advances in hybrid cloud security, network defense, end-point security, and cloud security. IT infrastructures are constantly changing, customers' actions are riskier than before, and the threats are certainly evolving. By continuing to innovate as a powerful global team that works together to realize our Vision of "Creating a world safe for exchanging digital information," the Group will constantly strive to stay one step ahead of the threats. We will continue to develop and provide security technologies that are trusted by our customers.

(ii) Basic approach to corporate governance and policies

We regard corporate governance as important for the ongoing improvement of corporate value and for fulfilling our corporate responsibilities to stakeholders, including shareholders, consumers, business partners and employees. We consider it an important management issue to respond swiftly to changes in the business environment surrounding the Group, to strengthen management oversight functions centered on Outside Directors and Outside Audit and Supervisory Board Members, to ensure the transparency and soundness of management, and to maintain the credibility of disclosure. We also recognize that compliance is an important issue in ensuring social trust, and are working to achieve this goal.

(iii) Policies and procedures for the Board of Directors to determine remuneration for Directors and Audit and Supervisory Board Members

We believe that, in order to secure the human resources necessary to maximize our corporate value, we should adopt a remuneration system suited to the type and size of our business in which officer remuneration, etc. function as an appropriate incentive. The remuneration of Directors consists of basic (fixed) remuneration, other cash incentives, including our stock price-linked plan, and stock options, within the scope of the amount and content of remuneration, etc. approved by the General Meeting of Shareholders, taking into account the performance and the remuneration trends in the overseas and Japanese markets, and considering the average salaries of employees.

The amount of remuneration and the proportion of remuneration by individual Internal Directors are consulted with the Nomination and Remuneration Advisory Committee, which is composed mainly of Outside Directors, and the content deliberated by the Committee is determined by the Board of Directors. For Outside Directors and Audit and Supervisory Board Members, basic (fixed) remuneration is the only remuneration, and the determination of remuneration for Audit and Supervisory Board Members is left to the consultation of Audit and Supervisory Board Members.

Details of the remuneration of Directors are provided in the "Disclosure of Policy on Determination of Amount of Remuneration or Method of Calculation."

(iv) Policies and procedures of the Board of Directors for nominating candidates for Directors and Audit and Supervisory Board Members: The policy for nominating candidates for Directors and Audit and Supervisory Board Members is to designate those who satisfy the following requirements: there is no health problem or significant time constraint in performing their duties as Directors or Audit and Supervisory Board Members of the Company; and they have the personality, ethics, and ability to make management decisions appropriate for Directors or Audit and Supervisory Board Members.

Executive officers and employees (Executives) of the Group, who are appointed so that the Company's policies determined by the Board of Directors are appropriately reflected in the actual business operations in each customer segment, business areas spanning dozens of countries around the world, and in each business function, take responsibility for the execution of their respective business operations.. However, when nominating Directors, we assume that such Executives will be given precedence and appointed as Directors. As of March 31, 2024, we had a total of 12 Executives (including three women). With regard to succession planning, we place emphasis on continuity, and we have adopted a groupwide personnel pooling system to foster successors, including the Executive Team, which is an executive body for Director candidates, and various young teams as executive candidates.

When appointing Outside Directors and Outside Audit and Supervisory Board Members, based on the requirements of "Independent Officers" stipulated by the Tokyo Stock Exchange, the Company thoroughly investigates and examines the interests and other relationships with us. As for Outside Directors, the Company appoints personnel with expertise in providing various advice to our global and unique management and personnel with experience in company management. For Outside Audit and Supervisory Board Members, the Company appoints personnel with considerable knowledge in finance and accounting through practical experience and professional qualifications, etc. so that fair and neutral auditing can be realized.

In terms of procedures for nominating Directors and Audit and Supervisory Board Members, we list candidates for new officers by consultation with the Representative Directors based on consideration of the diversity including the skills set, gender, and internationality in composing the Board of Directors, from among those who possess the aforementioned qualifications of Directors and Audit and Supervisory Board Members. For Directors, we consult with the Nomination and Remuneration Advisory Committee for their deliberation. Audit and Supervisory Board Members are subject to approval as a proposal at the General Meeting of Shareholders after thorough deliberation by the Board of Directors after obtaining the consent of the Audit and Supervisory Board.

With respect to the dismissal of Directors and Audit and Supervisory Board Members, in the event that it becomes difficult to perform duties as Directors or Audit and Supervisory Board Members for health reasons, they commit acts that are contrary to public order and morals, they neglect their duties and cause damage to the corporate value, or they no longer meet the standards for appointment, the Company shall consult with the Nomination and Remuneration Advisory Committee for Directors for their deliberation on Directors. With regard to Audit and Supervisory Board Members, the Company shall decide to make a proposal for the General Meeting of Shareholders after thorough discussions at and comprehensive assessment of the Board of Directors based on the opinions of each Audit and Supervisory Board Member.

In the 2021 Nomination and Remuneration Advisory Committee, it was decided that the term of office for outside officers will be 12 years from the time of new election and 16 years for existing outside officers.

(v) Explanation when the Board of Directors nominates officer candidates based on the above (iv)

The reasons for the appointment of individual officers are described in the explanatory text of the proposal for the appointment of officers.

(Supplementary Principle 3-1③ Initiatives for Sustainability and Investment, etc. in Human Capital and Intellectual Property)

<<Sustainability policy, etc.>>

Under its sustainability policy, “As a global leader in cybersecurity, Trend Micro is committed the making the world a better, safer place to live, both digitally and physically. Sustainability is part of our corporate vision and core values, and we strive to integrate it in our daily operations by inspiring employees to help create a better future for all,” the Group is implementing various initiatives related to sustainability with the following three key messages: (i) Contributing to society through business; (ii) Contributing to local communities through social activities; and (iii) Developing good people and culture.

Specific details on initiatives are described in the following website.

Sustainability & CSR:

https://www.trendmicro.com/ja_jp/about/corporate-social-responsibility.html

<<Investment, etc. in human capital and intellectual property>>

As a company specializing in cybersecurity, investing in human capital and intellectual property is important for the Group. In principle, the Group invests in human capital to enable internal development of intellectual property related to the provision of technologies that can appropriately respond to customers’ pain points. To the extent that intellectual property related to the provision of necessary technology cannot be developed quickly internally, we may enter into an agreement to transfer or license such intellectual property or invest in intellectual property through an M&A of the company that owns such intellectual property.

Please refer to the section entitled “Other” <<Approach to Human Resource Management>> in “3. Status of Initiatives Related to Respect for the Positions of Stakeholders” in III “Status of Implementation of Measures for Shareholders and Other Stakeholders” of this report for more information on human resources management. For various statistical data on human capital, please refer to “(iv) Various Statistical Data on Human Capital” at the end of this report.

(Supplementary Principle 4-1① Matters for Resolution and Scope of Delegation of the Board of Directors)

In addition to matters that require decision-making by the Board of Directors in accordance with laws and regulations and the Articles of Incorporation, and matters that are delegated by resolution of the General Meeting of Shareholders, important matters that affect our business operations, such as the formulation of business plans that we consider necessary to be discussed and decided by the Board of Directors and the election and dismissal of executive officers and employees (Executives) who are primarily responsible for the business operations of the Group, are stipulated in the Regulations of the Board of Directors as matters determined by resolution of and decided by the Board of Directors.

Executives of the Group are responsible and authorized to execute their respective duties while ensuring

that the strategies and policies of the Group are appropriately reflected in the actual operations in each customer segment, in each business region and in each business function across countries worldwide.

(Principle 4-9 Independence Standards and Qualification for Independent Outside Directors)

We recognize the importance of securing independence among outside officers, and at this time, we will thoroughly investigate and examine the interests and other relationships with us based on the requirements of independent officers stipulated by the Tokyo Stock Exchange.

(Supplementary Principle 4-10① Establishment of the Nomination Committee and the Remuneration Committee)

In order to strengthen the independence, objectivity and accountability of the functions of the Board of Directors relating to the nomination (including succession planning) and remuneration of senior management and Directors, we have established the Nomination and Remuneration Advisory Committee under the Board of Directors with independent Outside Directors as the main members. For more information, please refer to the “Status of the Establishment of Voluntary Committees,” “Composition of Committees,” “Attributes of the Chairman” and “Supplementary Explanations” included in 1 “Matters Related to Organizational Structure and Organizational Management” [Director-Related Matters] of II entitled “Status of Business Administration Organizations and Other Corporate Governance Structure Related to Management Decision-Making, Execution and Supervision” in this report.

(Supplementary Principle 4-11① Approach to Balance, Diversity, and Size of the Board of Directors as a Whole)

The Board of Directors of the Company is composed of members with diverse backgrounds and ideas, skill sets, gender, and internationality, including women, in addition to being from multiple countries and regions, particularly in Asia, and includes not only our founders but also others in the financial and IT industries and those with management experience outside of the Company.

In terms of size, we would like to have a Board of Directors as small as possible so that the three main functions for companies in general, including customers, shareholders, investors, and employees, can be fulfilled and substantive discussions can be conducted. At this time, the Board of Directors is composed of all six Directors (including two independent Outside Directors).

Please refer to “(ii) Officers skills matrix” at the end of this report for the Skills Matrix for officers, including Directors. The policies and procedures for the appointment of Directors are as described in (iv) Policies and procedures of the Board of Directors for nominating candidates for Directors and Audit and Supervisory Board Members in (Principle 3-1 Full Disclosure).

(Supplementary Principle 4-11② Concurrent Positions of Directors and Audit and Supervisory Board Members as Officers of Other Listed Companies)

At this time, the Company allows concurrent positions to the extent that there are no obstacles to the execution of duties as a Director or Audit and Supervisory Board Member of the Company, on the premise that the Company is not in a competitive relationship with the company where they have a concurrent position and that there is no possibility of a conflict of interest. Currently, one Outside Director is concurrently serving as outside officer of two other listed companies and one Outside Audit and Supervisory Board Member

is concurrently serving as outside officer of another listed company. The status of the main concurrent positions of our officers is disclosed in the Notice of Convocation of the Ordinary General Meeting of Shareholders (Business Report).

(Supplementary Principle 4-11③ Summary of Results of Evaluation of the Effectiveness of the Board of Directors)

We have decided that the Board of Directors shall analyze and evaluate the effectiveness at least once a year and disclose a summary of the results. In the fiscal year ended December 2023, the following measures were taken.

[Evaluation Process]

Questionnaires were prepared for the following items from the viewpoint of evaluating efforts to address issues identified in the previous fiscal year and distributed to all Directors and Audit and Supervisory Board Members;

and their responses and opinions were obtained. (Questionnaire conducted from December 6, 2023 to December 22, 2023)

- Composition and operation of the Board of Directors
- Management strategies and business strategies
- Corporate ethics and risk management
- Performance monitoring and management remuneration
- Dialogue with shareholders

In order to ensure the effectiveness of the Nomination and Remuneration Advisory Committee, in the fiscal year under review, the operation of the Nomination and Remuneration Advisory Committee was evaluated solely for members of the Nomination and Remuneration Advisory Committee.

With regard to the evaluation results based on these responses and opinions, the Board of Directors of the Company analyzed and evaluated the effectiveness of the entire Board of Directors based also on opinions of third-party organizations.

[Summary of Evaluation Results]

We have confirmed that our Board of Directors is properly operated and ensures its effectiveness in fulfilling the roles and responsibilities of the Board of Directors. At the same time, we also confirmed that the Nomination and Remuneration Advisory Committee was being operated appropriately.

Regarding the content of the dialogue with shareholders that was pointed out as an issue at the previous time and the sharing of information on succession plans for senior management, we received a favorable evaluation that we are making steady improvements through initiatives such as the use of off-site meetings.

On the other hand, constructive opinions and requests were presented on these issues for further improvement, and the necessity of continuing to tackle them was confirmed.

(Principle 4-14 Training for Directors and Audit and Supervisory Board Members)

Upon appointment as a Director or Audit and Supervisory Board Member, or after appointment, we provide the necessary training to fulfill their roles and responsibilities according to the skills and experience of individual officers. Outside Directors and Outside Audit and Supervisory Board Members also hold regular

interviews with the general managers of departments in order to deepen their understanding of the Group's business activities.

(Principle 5-1 Policy for Constructive Dialogue with Shareholders)

With regard to dialogue with our shareholders and investors, legal affairs and finance & accounting departments coordinate organically, with the department responsible for IR at the core, and with Representative Director and Executive Vice President Mahendra Negi as the head. With regard to specific contents of dialogue, in addition to individual interviews, etc., quarterly results briefings for investors and analysts, and joint study sessions on our business and the latest Internet security with securities companies are held to deepen understanding of the Company and its business. The Company strives to reflect shareholder and investor messages gained through dialogue in future corporate activities, and these messages are reported to the Board of Directors or CEO as needed. In addition, in conducting dialogue, the Company pays close attention on a daily basis to observing and respecting laws, regulations, and internal regulations related to the regulation of insider trading, and consults with the Chief Information Officer as necessary.

(Principle 5-2 Establishing and Disclosing Business Strategies and Business Plans)

The Board of Directors analyzes and evaluates the current situation before formulating a policy on the importance of allocating management resources with full awareness of capital costs and profitability. Please refer to the section entitled “Other” [Measures for Realizing Management Conscious of Capital Costs and Stock Prices] [With English disclosures] in “2. Status of Activities Related to IR” in III “Status of Implementation of Measures for Shareholders and Other Stakeholders” of this report for more information, including the status on the implementation of dialogue with shareholders.

2. Capital Structure

Foreign Shareholding Ratio	30% or more
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	32,873,000	24.23
Custody Bank of Japan, Ltd. (Trust Account)	14,256,107	10.50
VALUEACT CAPITAL MASTER FUND L.P.	8,384,600	6.18
Chang, Ming-Jang	5,367,000	3.95
BNYM AS AGT/CLTS 10 PERCENT	4,314,240	3.18
JP Morgan Securities Japan Co., Ltd.	3,407,831	2.51
State Street Bank West Client - Treaty 505234	2,958,434	2.18
BNYMSANV RE BNYMSANVDUB RE LEGAL (AND) GENERAL UCITS ETF PLC	2,857,966	2.10
JAPAN SECURITIES FINANCE CO., LTD.	2,488,100	1.83
GOLDMAN,SACHS & CO.REG	2,300,450	1.69

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	-
Name of Parent Company, if applicable	no

Supplementary Explanation

The above status of major shareholders is based on the shareholders' register as of December 31, 2023.

1. A Change Report No. 5 regarding large-volume holdings, which was submitted to the Director-General of the Kanto Local Finance Bureau and made available for public inspection on August 5, 2021, stated that BlackRock Japan Co., Ltd. holds 9,574,000 shares (6.80% shareholding ratio) in the aggregate with its co-holders. However, as we are unable to confirm the actual number of shares held by the company on December 31, 2023, it is not included in the above list of major shareholders.

2. The Change Report No. 68, which was made available for public inspection on December 5, 2023, stated that Nomura Securities Co., Ltd. holds 12,688,000 shares (9.01% shareholding ratio) in the aggregate with its co-holders. However, as we are unable to confirm the actual number of shares held as of December 31, 2023, it is not included in the above list of major shareholders.

3. A Change Report No. 42 regarding large-volume holdings, which was submitted to the Director-General of the Kanto Local Finance Bureau and made available for public inspection on December 21, 2023, stated that Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. hold 9,312,000 shares (6.61% shareholding ratio) in the aggregate. However, as we are unable to confirm the actual number of shares held by these companies on December 31, 2023, they are not included in the above list of major shareholders.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	December
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which May have a Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board*
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*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

Directors

Number of Directors Stipulated in Articles of Incorporation	8
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Representative Director other than Chairperson or President
Number of Directors	6
Election of Outside Directors	Elected
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tetsuo Koga	From another company								△			
Koichiro Tokuoka	Academic											

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Tetsuo Koga	○	This Director is from one of our business partners, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION. However, more than 10 years have already passed since his resignation in 2009, and he is not currently involved in the execution of business operations of this company.	This Director has experience as Representative Director and Executive Vice President of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (resigned in 2009), and currently has abundant experience in the business industry, including serving as an Outside Director at several other listed companies. The Company has determined that he will be able to appropriately perform duties such as making decisions on important matters at the Company' Board of Directors meetings and supervising business execution, and has therefore appointed him as an Outside Director. In addition, this Director does not fall under any of the independence standards set forth in III 5. (3)-2 of TSE's "Guideline for Listing Management, etc.," and it is deemed that there is no risk of conflict of interest with general shareholders; therefore, the Director is designated as an independent officer.
Koichiro Tokuoka	○	-	This Director is a professor at the Graduate School of Tama University and representative director and chairperson of Life Shift, which he founded. Therefore, he was appointed as an Outside Director because he was deemed appropriate to provide advice and recommendations at meetings of the Board of Directors based on his perspective based on his high level of expertise in human resource development and his experience in corporate management. In addition, this Director does not fall under any of the independence standards set forth in III 5. (3)-2 of TSE's

			“Guideline for Listing Management, etc.,” and it is deemed that there is no risk of conflict of interest with general shareholders; therefore, the Director is designated as an independent officer.
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Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Advisory Committee	3	0	1	2	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Advisory Committee	3	0	1	2	0	0	Outside Director

Supplementary Explanation

We have established the “Nomination and Remuneration Advisory Committee” as an advisory body under the Board of Directors with the aim of strengthening the independence, objectivity and accountability of the functions of the Board of Directors relating to the appointment and dismissal of Directors and the nomination of Director candidates, as well as the remuneration of Directors. The Committee consists of at least three members, the majority of whom must be independent Outside Directors.

Outside Audit and Supervisory Board Members also participate as observers.

Since June 2023, the Committee chairperson has been an Outside Director (Koichiro Tokuoka).

[Status of activities of the Nomination and Remuneration Advisory Committee]

In 2023, the Nomination and Remuneration Advisory Committee met four times and the chairperson and members attended the meetings as follows.

Chairperson: Director Koichiro Tokuoka, 100% (3/3)

Member: Representative Director and Executive Vice President Mahendra Negi, 100% (4/4)

Member: Director Tetsuo Koga, 100% (4/4)

Major deliberations and reports are as follows.

Remuneration: Examined the content of remuneration for individual Directors, examined variable factors, and

examined the results of overseas and domestic surveys

Nomination: Confirmed executive members who will be candidates for the next Internal Directors and executive member successor development plans, reviewed skills matrix of experience and knowledge required of officers, and confirmed the status of appointment of officers for the next term

Others: Shared various information, including the latest trends in remuneration and nomination and the content of discussions between institutional investors and the Representative Director and Executive Vice President

Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit and Supervisory Board Members	4

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The internal audit department conducts internal audits of the Company and the Group companies by six persons based on the Internal Audit Charter. In addition to verifying, evaluating and advising the management team on whether the Company's organization, systems and operations are operating properly and efficiently in accordance with management policies, laws and regulations, and various regulations, the department is also involved in maintaining and improving the internal control system by obtaining the advice of external consultants and regularly discussing and exchanging opinions with the internal control manager and the accounting auditor on the operation status and audit results of the Group-wide internal control system, including the Company and its subsidiaries, and by closely cooperating with them.

In addition, the internal audit department works to further improve the effectiveness of audits by providing opportunities for regular exchanges of opinions among the three parties, including the Audit and Supervisory Board Members and the Representative Directors.

Audit and Supervisory Board Members attend meetings of the Board of Directors and other important meetings, inspect important approval documents, receive reports from Directors, employees, etc. on the execution of their duties, request their explanations as appropriate, and, as necessary, visit domestic sales offices and overseas subsidiaries to investigate the status of their operations and property. They also provide opportunities for regular exchanges of opinions with Directors.

Meanwhile, with regard to the cooperation between the Audit and Supervisory Board Members and the Accounting Auditor, the Audit and Supervisory Board Members receive explanations on the plans and reports from the Accounting Auditor at the time of the audit planning and at the time of the audit, and exchange opinions as necessary to improve the effectiveness of audits.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	4
Number of Independent Audit and Supervisory Board Members	4

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Masaru Senpo	From another company													
Fumio Hasegawa	From another company													
Kenichiro Jomen	CPA													
Miwako Funamoto	Lawyer													

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive director of the Company's parent company
- An Audit and Supervisory Board Member of a parent company of the Company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Masaru Senpo	○		This Audit & Supervisory Board Member is appointed as Outside Audit and Supervisory Board Member because he has experience of being involved in management as director in charge of administration departments at

		<p>other companies, and the Company has judged that he is able to conduct fair and neutral audits based on his many years of experience and knowledge in the accounting, administration departments, etc.</p> <p>In addition, this Audit and Supervisory Board Member does not fall under any of the independence standards set forth in III 5. (3)-2 of TSE's "Guideline for Listing Management, etc.," and it is deemed that there is no risk of conflict of interest with general shareholders; therefore, the Audit and Supervisory Board Member is designated as an independent officer.</p>
Fumio Hasegawa	○	<p>This Audit and Supervisory Board Member is appointed as an Outside Audit and Supervisory Board Members because he has been a full-time Audit and Supervisory Board Member of the Company for many years and thus is well-versed in the Company and has a deep understanding of management. In addition, based on his many years of experience and knowledge in the finance and accounting departments and his abundant overseas experience, the Company has judged that he is able to conduct fair and neutral audits. In addition, this Audit and Supervisory Board Member does not fall under any of the independence standards set forth in III 5. (3)-2 of TSE's "Guideline for Listing Management, etc.," and it is deemed that there is no risk of conflict of interest with general shareholders; therefore, the Audit and Supervisory Board Member is designated as an independent officer.</p>
Kenichiro Jomen	○	<p>This Audit and Supervisory Board Member is appointed as Outside Audit and Supervisory Board Member based on the Company's</p>

			<p>judgment that he is able to conduct fair and neutral audits utilizing his deep insights acquired through his knowledge and experience mainly as a certified public accountant, and a high level of points of view based on his expertise.</p> <p>In addition, this Audit and Supervisory Board Member does not fall under any of the independence standards set forth in III 5. (3)-2 of TSE's "Guideline for Listing Management, etc.," and it is deemed that there is no risk of conflict of interest with general shareholders; therefore, the Audit and Supervisory Board Member is designated as an independent officer.</p>
Miwako Funamoto	○		<p>This Audit and Supervisory Board Member is appointed as Outside Audit and Supervisory Board Member based on the Company's judgment that she is able to conduct fair and neutral audits utilizing her deep insights acquired through her knowledge and experience related to corporate legal affairs mainly as an attorney-at-law, and a high level of points of view based on her expertise.</p> <p>In addition, this Audit and Supervisory Board Member does not fall under any of the independence standards set forth in III 5. (3)-2 of TSE's "Guideline for Listing Management, etc.," and it is deemed that there is no risk of conflict of interest with general shareholders; therefore, the Audit and Supervisory Board Member is designated as an independent officer.</p>

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	6
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Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

We have designated all of our outside officers who qualify as independent officers as such.

Incentives

Implementation Status of Measures related to
Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme
Introduction of Stock Options Scheme

Supplementary Explanation for Applicable Items

The Company determines whether to grant stock options in comprehensive consideration of whether the person can continue to work and contribute to the improvement of performance in the future, and the degree of contribution and expectations. All of the Directors and employees of the Company and the Directors and employees of its subsidiaries are determined through the same evaluation process. In addition, as performance-linked incentives, the Company has introduced a cash incentive plan, which partially has characteristics in which whether the payment is made is determined based on the fact that the predetermined targets are achieved and which is calculated and paid based on the stock price at the time of exercise, as well as a plan that provides for the payment of cash bonuses based on the Company's short-term (six-month) performance. For details of performance-linked incentives, please refer to (iii) Remuneration Linked to Stock Price or Performance in "Disclosure of Policy on Determination of Amount of Remuneration or Method of Calculation."

Persons Eligible for Stock Options

Inside Directors / Employees / Subsidiaries' Directors / Subsidiaries' Employees

Supplementary Explanation for Applicable Items

We grant stock options to Directors and employees of the Company and Directors and employees of its subsidiaries with the aim of further enhancing their motivation and morale towards the improvement of performance of the Group, strengthening business development with an emphasis on the interests of shareholders, and increasing shareholder value, by linking our stock price with the interests of Directors and employees of the Company and Directors and employees of its subsidiaries.

Director Remuneration

Status of Disclosure of Individual Director's
Remuneration

Disclosure for Selected Directors

Supplementary Explanation for Applicable Items

In FY2023, the remuneration, etc. for Directors paid by the Company amounted to 503 million yen for the seven eligible persons (of which 16 million yen for three Outside Directors). Remuneration, etc. for Directors includes 135 million yen in remuneration from stock options granted to Directors (excluding Outside

Directors), 133 million yen in remuneration from time-based CPU awards (TBS), and 2 million yen in remuneration from company performance bonuses (CPB). Directors with total consolidated remuneration of 100 million yen or more and the amount of such remuneration will be disclosed in the annual securities report.

*The amount of remuneration, etc. to be paid as stock options is the estimated fair value per share of stock acquisition rights issued for the purpose of granting stock options based on the Black-Scholes pricing model and recorded as an expense for accounting purposes during the fiscal year, and does not represent the property profit per share that would be obtained upon actual exercise of the stock acquisition rights. The amount of remuneration, etc. stated in CPU awards includes a portion of the accounting expense incurred in the rights to performance-based CPU awards that have been granted in the past and are exercisable. For more information on TBS and CPB, please refer to “Disclosure of Policy on Determination of Amount of Remuneration or Method of Calculation.”

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Policy on Remuneration for Directors

The policy for determining compensation for the Company's directors is consulted by the Nomination and Remuneration Advisory Committee, and the Board of Directors makes decisions based on the deliberations of the committee. Details are as follows.

(1) Policy and Procedures for Directors' Remuneration

The remuneration for Directors is designed in accordance with the business role of each Director in order to motivate them to contribute to the improvement of the Company's performance over the medium and long term. In particular, for executive directors, the majority of their remuneration is not fixed but variable, linked to stock prices or business performance, to clarify their responsibility for increasing shareholder value and improving business performance. The amount of remuneration, etc., is determined by the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee, within the amount and content of remuneration, etc., approved by the General Meeting of Shareholders, taking into consideration business performance and the market rates of remuneration in the overseas and Japanese markets, as well as the average salaries of employees. The remuneration of corporate auditors is limited to basic remuneration (fixed) within the scope of remuneration, etc., approved by the General Meeting of Shareholders, and the granting of individual remuneration is left to the discretion of the corporate auditors.

(2) Component and ratio of directors' remuneration

Directors' remuneration is granted in accordance with the details approved at the General Meeting of Shareholders, and is structured as shown in the table.

For executive directors (Representative Director and President, Representative Director and Vice President, and Executive Vice President), (i) basic remuneration, (ii) stock options, and (iii) CPU awards are designed in accordance with the business roles of individual directors, with the principle of a 1:1:1 ratio in monetary terms at the time of grant. In addition to the above, (iv) Company Performance Bonus ("CPB"), which is a short-term incentive salary based on the company's performance, has been added for the purpose of increasing the transparency of the performance-linked elements that had been taken into account as a

breakdown of the basic remuneration for internal directors (executive directors and chairman). This will make it clear that internal directors are responsible for the improvement and direction of the company's performance.

In consideration of the duties of the Chairman of the Board of Directors and outside directors, who are responsible for supervisory functions, the Chairman of the Board of Directors will be granted (i) base salary and (iv) CPB, while outside directors will be granted only (i) base salary.

(3) Remuneration linked to stock price or business performance

The Company grants (ii) stock options, (iii) CPU awards, and (iv) CPB to internal directors as compensation linked to stock price or performance (only CPB is granted to the Chairman of the Board of Directors). The reasons for granting these awards (reasons for selecting the indices) are as follows.

(ii) Stock options

This is a normal type of stock option. By linking our stock price to the profits received as remuneration, we aim to further increase the motivation and morale of executive directors to improve business performance, strengthen business development with an emphasis on the interests of shareholders, and enhance shareholder value.

(iii) CPU Awards

CPU awards are grants of rights to receive cash payments in an amount calculated based on the average market value of our stock over a certain period of time. In addition to the incentive for executive directors to increase the share price through improved business performance, the downside risk of a decline in the share price is also shared with shareholders. These aimed to increase transparency in sharing results with shareholders.

(iv) CPB

This is a cash bonus based on short-term (6 months) company performance.

The year-over-year growth rates (pre-GAAP margin, annual recurring revenue for subscription products and perpetual license renewal) have been selected as performance indicators. The objective was to increase transparency in sharing results with shareholders, while at the same time making it clear that internal directors are responsible for company-wide performance improvement and direction. We are now aware that growth in operating income on a pre-GAAP basis (sales before deferred revenue) is an important management indicator, and we disclose our operating income on a pre-GAAP basis to our shareholders and investors in our earnings announcements. Our costs are designed to achieve this pre-GAAP growth. We believe it is appropriate to select the pre-GAAP margin, which is the amount of pre-GAAP operating income minus the specified costs, as our performance target because it includes some costs such as depreciation of intangible assets related to acquisitions that are not directly linked to operating activities. We also believe that the selection of annual recurring revenue for subscription products and perpetual license renewal is appropriate and consistent with our strategy.

(4) Policy and Method for determining remuneration, etc. for individual directors

The amount of individual remuneration for directors is determined at BoD meeting within the scope of the amount and details of remuneration, etc. approved at the General Meeting of Shareholders, by consulting the Nomination and Remuneration Advisory Committee in consideration of business performance, remuneration rates in the overseas and Japanese markets, and the average salary of employees.

Specifically, the amount of compensation has been granted to each executive director is equivalent to 1.5 million US dollars at the time of granting, and the amount of compensation has been granted to the senior global executives are similar to that of the relevant executive directors.

The reason for this is the idea that the senior executives are candidates to succeed the Company's directors and perform the same duties as the directors and manage the Company as a team, and that they all share in both the enjoyment of the results and the responsibility for the outcome of the Company's operations.

The amount of individual remuneration for the Chairman of the Board of Directors and outside directors is discussed with the Nomination and Remuneration Advisory Committee, and the Board of Directors decides on the details discussed by the committee. The Board of Directors has determined that the content of remuneration, etc. for each individual director is appropriate in light of the fact that the Nomination and Remuneration Advisory Committee conducted a multifaceted review of the original proposal, including consistency with the decision-making policy, and in light of the Group's operating structure.

(5) Timing of remuneration to executives

The timing of granting remuneration, etc. to directors and corporate auditors is as follows.

- (i) Basic remuneration: The amount determined by the Board of Directors is granted in equal installments over 12 months.
- (ii) Stock options and (iii) CPU awards: To be granted in accordance with the terms and conditions separately stipulated in the contract between the director and the Company based on the details determined by the Board of Directors.
- (iv) CPB: If the target is achieved after the half-yearly settlement of accounts, the first half will be granted in August and the second half will be granted in February of the following year.

Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

With regard to the communication of information to Outside Directors, departments in charge use e-mail and other means to request attendance at meetings of the Board of Directors and other such meetings, to send meeting materials in advance, and to explain the content thereof.

Basically, the communication of information to Outside Audit and Supervisory Board Members is the same as that to Outside Directors. In addition, full-time Audit and Supervisory Board Members provide detailed explanations at the Audit and Supervisory Board meetings held prior to the Board of Directors meetings. In addition to the aforementioned, for full-time Outside Audit and Supervisory Board Members, the Legal Department handles matters related to compliance, corporate governance, and other matters, while the Accounting Department and the Financial Accounting Department handle accounting matters, and each department handles other matters as needed to prepare and explain necessary documents.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
-	-	-	-	-	-

Number of Persons Holding Advisory Positions (<i>Sodanyaku, Komon</i> , etc.) After Retiring as Representative Director and President, etc.	0
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At present, there have been no top management members who assumed the position as consultant or advisor after the retirement.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

We adopt the form of a company with Audit and Supervisory Board Members. To facilitate the efficient management and expedite decision-making of the Board of Directors, we have six members, a relatively small number of Directors, one of whom is a woman and five of whom are men. The female officer is our Representative Director and President. In addition, two Outside Directors have been appointed in order to further invigorate and increase objectivity in decision-making of the Board of Directors. Furthermore, the Board of Directors delegates authority and responsibility for business execution to Executives (12 of whom three are women) composed of executive officers and employees of the Group as much as possible. In addition to improving efficiency, the Board of Directors is dedicated to decision-making and supervision, which are fundamental to the execution of business throughout the Group.

The Audit and Supervisory Board consists of four Outside Audit and Supervisory Board Members (of whom one is a woman), all of whom are independent. The Audit and Supervisory Board conducts fair and neutral audits in the audit of business execution.

As mentioned above, with regard to business execution, the Group's Executives, who are appointed so that the Company's policies determined by the Board of Directors are appropriately reflected in the actual business operations in each customer segment, business areas spanning dozens of countries around the world, and in each business function, are responsible for the execution of their respective business operations. For important matters related to the Group's management policies and strategies, the results of regular budget review processes and discussions by executive members are referred to in the decisions of the Board of Directors.

In 2023, the Board of Directors met 10 times and the respective Directors attended the following meetings.

Chang Ming Jang, Chairperson of the Board: 100% (10/10)

Eva Chen, Representative Director and President: 90% (9/10)

Mahendra Negi, Representative Director and Executive Vice President: 100% (10/10)

Akihiko Omikawa, Director and Executive Vice President: 90% (9/10)

Tetsuo Koga, Director: 100% (10/10)

Koichiro Tokuoka, Director: 100% (8/8)

With regard to audits of business execution, all Audit and Supervisory Board Members are appointed as Outside Audit and Supervisory Board Members in order to ensure a fair and neutral auditing system, and certain matters are formally decided at the Board of Directors after prior discussions with Audit and Supervisory Board Members, and regular meetings are held to conduct accounting audits in close cooperation with the Accounting Auditor, KPMG AZSA LLC (continuing audit period: 18 years). As a supervisory function for the entire Group, a team led by the internal control manager, who is responsible for promoting the development of the internal control system, has been organized to make efforts to ensure that the internal

control system functions effectively. The internal audit department has a system of six auditors who conduct audits on matters related to compliance for the entire Group, and reports to CFO and Audit and Supervisory Board Members as appropriate. Furthermore, as the operation of such regulations as the Code of Conduct, which is the code of conduct applicable to all officers and employees of the Group, we receive quarterly reports from the internal audit department on whether or not there are any noncompliance with the Code.

In order to enable Directors and Audit and Supervisory Board Members to fulfill their expected roles fully in the performance of their duties, pursuant to Article 426, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation provide that the liability of Directors (including former Directors) and Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) under Article 423, Paragraph 1 of the Companies Act may be exempted by resolution of the Board of Directors to the extent permitted by laws and regulations. In addition, the Company has concluded a liability limitation agreement with all two Outside Directors and four Outside Audit and Supervisory Board Members with regard to liability under Article 423, Paragraph 1 of the Companies Act. This agreement provides that Outside Directors are responsible for their duties in good faith and without material negligence in the performance of their duties, up to a maximum amount of 16 million yen, while full-time Outside Audit and Supervisory Board Members, 10 million yen, and part-time Outside Audit and Supervisory Board Members, 4.8 million yen, or the minimum liability limit set forth in the law, whichever is higher, pursuant to the provisions of the Articles of Incorporation.

Furthermore, the Company has concluded a liability insurance contract for officers, etc. as set forth in Article 430-3, Paragraph 1 of the Companies Act, and is to compensate for legal damages and litigation costs using such insurance in the event any claim for damages is made against the insured during the period of insurance as a result of an act conducted by the insured based on its status. Provided, however, that any damages arising out of acts committed while recognizing that the insured has illegally benefited or expedited, committed criminal or fraudulent acts, or violated laws, regulations, rules, or control laws will not be covered by the foregoing insurance contract. The insured under such liability insurance contract for officers, etc. is Directors and Audit and Supervisory Board Members of the Company and its subsidiaries, as well as managing employees of the Company and its subsidiaries, and the Company bears the full premium for all insured persons.

3. Reasons for Adoption of Current Corporate Governance System

We believe that the aforementioned system ensures the appropriateness and promptness of decision-making in light of our business performance, scale, and other factors, and also enables us to perform appropriate auditing and supervisory functions. In addition, an Outside Director has been appointed in order to further invigorate and increase objectivity in decision-making of the Board of Directors.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	Notices of convocation are sent around three weeks prior to the date of the Ordinary General Meetings of Shareholders. Disclosure prior to the issuance of the notices of convocation is scheduled to take place four weeks prior to the date of the Ordinary General Meetings of Shareholders. 35th Ordinary General Meeting of Shareholders (held on March 28, 2024): Notice of convocation disclosed on February 29, 2024 on TDnet and our website prior to the issuance; notice of convocation issued on March 6, 2024
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	We have set the date of the General Meeting of Shareholders to avoid the peak day as much as possible so that more shareholders can visit the meeting.
Electronic Exercise of Voting Rights	The exercise of voting rights by electronic means is made possible by accessing our designated voting site from a personal computer or mobile phone.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	We participate in an electronic voting platform for institutional investors.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	Notices of convocation in English are provided on the Company's website, TSE TDnet, etc.
Other	We conduct live distribution and pre-reception of questions.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	-	
Regular Investor Briefings held for Individual Investors	-	Not Held
Regular Investor Briefings held for	Following the announcement of quarterly financial results, the	Held

Analysts and Institutional Investors	Company holds financial results briefings for analysts and provides explanations on financial statements from CFO and, as needed, future strategic and other matters from CEO or COO and the Director in charge of sales in the Japanese region. In December 2023, we held an IRday event and mainly explained our strategies.	
Regular Investor Briefings held for Overseas Investors	Briefings for institutional investors with the same content as financial results briefings for analysts held in Japan are held about once every six months. In addition, in 2023, we participated in about 12 IR conferences sponsored by securities companies and actively participated in individual meetings. The briefing person is mainly CFO, but CEO also participates in them as needed.	Held
Online Disclosure of IR Information	In addition to the timely disclosure documents such as the financial results briefing, the Company discloses financial materials used by CFO at financial results briefings for analysts.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Two full-time IR personnel are assigned within the Financial Accounting Department.	
Other	<p>With regard to our cost of capital, we strive to understand not only the figures calculated based on generally accepted calculation methods, but also the actual cost of capital demanded by external parties. For this purpose, we conduct a questionnaire survey of securities analysts and institutional investors at the financial results briefing held each quarter. Based on the results of the survey and the figures applied in analyst reports issued by securities firms, we currently estimate that the cost of capital demanded of us is around 7% to 8%.</p> <p>On the other hand, return on equity (ROE) for FY2023, our most recent fiscal year, was 4.9%. This is a significant deterioration from the previous five-year average of 15.5% (maximum 18.9%, minimum 13.4%), which had consistently exceeded the cost of capital until FY2022, the previous fiscal year. The main reasons for the decline in ROE in FY2023 were the large tax burden associated with the payment of dividends from subsidiaries to the parent company in order to implement the large shareholder return described below, and the extraordinary loss from restructuring costs to improve profitability going forward, which</p>	

put pressure on profits. Both of these are one-time factors.

We expect ROE in FY2024 to improve significantly over the previous year, and we also expect a large improvement over the FY2023 results due to the 100.1 billion yen year-end dividend for FY2023, including a special dividend, and a 40.0 billion yen share buyback to streamline shareholders' equity by using cash reserves to buy back shares, to again exceed the cost of capital. Although ROE deteriorated, P/B ratio was 4.83 times, well above 1x based on the closing price of the Company's stock at the end of FY2023, and PER (price to earnings ratio) was 96.21 times. P/B ratio has been consistently above 1x, not only in the most recent fiscal year. Based on the above, we recognize that the Company is adequately valued from the P/B ratio point of view, and have not set any special improvement measures or targets to significantly improve the P/B ratio from the current level. Despite this recognition of the current situation, we are conscious of further improving the efficiency of shareholders' equity.

First, we intend to return profits to shareholders through a year-end dividend for the fiscal year ending December 31, 2023 (target: 100 billion yen), which will consist of ordinary and special dividends, and a share buyback during the fiscal year ending December 31, 2024 (target: 40 billion yen). This policy is expected to reduce the level of cash held by the Group and significantly improve the efficiency of shareholders' equity.

Second, our basic policy for shareholder returns for the fiscal year ending December 31, 2024 (payment in 2025) and beyond is to fully return net income generated from investments necessary for business growth through year-end dividends and share repurchases in the following fiscal year, without retaining any retained earnings. Since cash will continue to increase above the minimum required amount even after the substantial shareholder return in 2024, we will prioritize improving capital efficiency through shareholder returns and M&A.

<Disclosure of shareholder communications>

We are actively meeting with securities analysts, shareholders, and institutional investors, mainly through our Investor Relations Department, which conducted a total of 457 meetings with shareholders and institutional investors in 2023.

By sell-side and buy-side: 24% sell-side, 76% buy-side

By domestic/overseas investors: 32% Japan, 68% overseas

In addition, the CFO participated in 6 large-scale conferences hosted by

securities firms for overseas investors during the year, for a total of 65 slot meetings. Considering these numbers, we believe we are in full dialogue with our investors.

In addition, for existing shareholders, the CFO and the Corporate Governance Department, among others, have requested opportunities for dialogue with shareholders who are believed to hold a large number of our company's shares based on the large shareholding reports submitted to us, and we have held such dialogue once every six months.

The topics of such communications cover a wide range of topics, but recently they have mainly focused on our governance structure, our approach to ESG issues, and our preferred methods of returning profits to shareholders. One of the issues that we have considered and adopted as appropriate and reasonable through these dialogues is a change in our shareholder return policy. Our basic shareholder return policy had been to pay a year-end dividend, but through this dialogue, we have decided to focus on share buybacks instead of dividends as a method of returning profits to shareholders in order to make our cash holdings more appropriate.

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
<p>Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders</p>	<p>The Code of Conduct, a code of conduct applicable to the officers and employees of the Company and all of its subsidiaries, provides for Fair Disclosure to ensure that there are no inequities in the receipt of information. It also provides that we will not engage in improper transactions with vendors that take advantage of our favorable position.</p> <p>In addition, all officers and employees are encouraged to thoroughly understand the management philosophy and business policies at company meetings, etc. held at the beginning of each fiscal year, and to be aware of customer orientation.</p>
<p>Implementation of Environmental Preservation Activities and CSR Activities, etc.</p>	<p>Aiming to realize the Group’s VISION of “A world safe for exchanging digital information,” we provide “Security Training” to help people understand the threats they face on the Internet and protect themselves. In particular, we provide “Internet Safety for Kids and Families,” a security-related educational program, to children and their parents so that children can live in safe digital lifestyles in the future.</p> <p>To date, more than 1,200 Trend Micro employees and volunteers worldwide have provided Security Training to more than 2.9 million children and parents.</p> <p>In addition, the Group as a whole regularly recruits volunteers to participate in an NGO in the Philippines which promotes slum liberation and provides life-support; and carries out a project to build homes for those in the underdeveloped communities in the Philippines. More than 850 employees participated in the project, building 300 houses in more than 20 different communities, supporting 1,920 households and over 3,320 children. Furthermore, in the event of a large-scale natural disaster or other event in a region involving our Group’s bases, we have implemented a donation program in which donations are solicited from the Group’s employees and donated by the Group and the founders in the same amount as employees. Between 2008 and 2023, more than 24,000 employees raised 7.6 million dollars to help support 228 non-profit charitable organizations around the world and 50 natural disaster-stricken areas around the world.</p> <p>Detailed information on sustainability and CSR activities of the</p>

Group can be found on the following website.

https://www.trendmicro.com/ja_jp/about/corporate-social-responsibility.html

Trend Micro Incorporated. (hereinafter, “the Company”) has launched the “Smile Project” to provide long-term support to people in the areas affected by the Great East Japan Earthquake that struck on March 11, 2011, and to help them smile together with our employees. We have conduct activities in accordance with the reconstruction conditions in the disaster-stricken areas, as well as Internet-based schools and other activities from the viewpoint of ICT support. We continue to provide support activities at present. Voluntary employees visit disaster-stricken areas throughout Japan to conduct activities. From 2011 to the end of 2023, a total of more than 750 employees participated in a total of 60 activities to support disaster-stricken areas. In recent years, we have expanded our activities to include support for children’s foster care facilities, support for sports, and support for cultural activities.

For more information on the Smile Project, please visit the following website.

<https://go.trendmicro.com/jp/business/about/smile/>

In terms of environmental measures, more than 80% of the Company’s employees have shifted to remote work in the event of the COVID-19 pandemic, and in 2020, CO2 emissions at our business sites were reduced by approximately 15% from the previous fiscal year. In 2021 and beyond, we will continue remote work and strive to reduce carbon dioxide emissions at our business sites. The Group also uses external cloud data centers to provide SaaS services to its customers. By working with our data center partners, which emphasize environmental sustainability, we are working to reduce carbon dioxide emissions and energy consumption. In this way, we are making efforts to realize a low-carbon future.

CO2 emissions, etc. can be checked at the following website.

https://www.trendmicro.com/ja_jp/about/corporate-social-responsibility.html#attempt-tmanchor

Formulation of Policies, etc. on Provision of

We endeavor to communicate our corporate philosophy and the

Information to Stakeholders	<p>status of business activities to our shareholders by thoroughly implementing disclosure of corporate information in a timely manner and conducting daily IR activities; and to our employees by holding regular company meetings and other direct dialogues. We also strive to provide customers and the general public with the latest information on security through our website and various other media, and hold seminars to raise awareness.</p>
Other	<p>Diversity + Equity + Inclusion + Collaboration = Success</p> <p>The Group believes that the diversity of our employees makes us stronger and reflects the global customers and communities to whom we provide services, and we are working to build a fair and inclusive environment that reflects a diverse perspective. The Group welcomes, respects and promotes diversity of attributes such as experience, race, ethnicity, nationality, gender, gender identity, gender orientation, level of ability, age, religion, socioeconomic position and political philosophy. Moreover, as part of the Group's diversity initiatives, we have established a committee for diversity, equity, and inclusion to ensure a fair workplace.</p> <p>Even at the time of recruitment, we do not seek to present nationality, and recruit the people most appropriate for the role, regardless of nationality or gender. With regard to the appointment of managers, we not only recruit employees within the company, but also appoint the most appropriate personnel in the most appropriate manner for their roles. We have introduced and implemented the following specific working systems: holiday and leave systems that allow flexible working arrangements regardless of gender, such as childcare and nursing care; shortened working hours; flextime systems; and teleworking systems. In addition, from the perspective of human resource development, we seek the "career autonomy" of all employees (the self-development of careers by individual employees) and continuously provide support for them.</p> <p>Furthermore, we believe that supporting a diverse range of human resources will help to close the gap between cybersecurity personnel in the world. For example, we offer programs such as one-year training and paid internships for young employees hired as new graduates, etc. who are not experienced or knowledgeable in IT sector but who wish to be technicians.</p>

Our overseas Group companies also provide support for women's activities and educate young people, particularly in the field of cybersecurity, including support for IT events for women.

Our Diversity, Equity, and Inclusion website provides details on the Group's other diversity initiatives:

https://www.trendmicro.com/ja_jp/about/diversity-inclusion.html

For various statistical data on human capital, please refer to "(iv) Various Statistical Data on Human Capital" at the end of this report.

As one of our future goals to contribute to the achievement of our SDGs goals, we have set the target of increasing the ratio of men and women in our permanent employees to 65:35 by 2030. We will further expand the opportunities for recruitment of women as we hire new graduates and mid-career recruits, as a result of which the ratio of women in managerial positions to be raised to more than 20%. We are aiming to hire 50% women as new graduates. With regard to the aforementioned goals, we have conducted activities such as the establishment of a new 1-DAY internship for female students (sales personnel and engineers) by female employees, and the posting of a video of a roundtable discussion on the theme of "family and work" on the website. In FY2023, we hired 21 new graduates, of whom eight were female. We intend to continue our efforts in public relations activities by creating opportunities for women to play an active role and through our recruitment activities.

<Status of our remote work implementation>

All employees are eligible for remote work, and as for the frequency of visits to work, the highest rate of 35.3% came to the company on a weekly basis (questionnaire conducted in December 2023). In addition, as a subsidy for the improvement of the work environment at home and the cost of utilities and other expenses, an off-site work (remote work) allowance of 13,500 yen per month is provided to all employees.

<Approach to human resource management>

The Group adopts an approach to human resource management to maximize the potential of each person, which is represented by an equation $P = p - i$ (Performance = potential - interference) in which

the performance of a person is calculated by subtracting the factors that interfere with the potential of that person. We believe that the maximization the performance of an individual leads to the maximization of the performance of the company.

The Company believes that it is important for employee engagement to be able to achieve maximum performance, and since 2015, it has been conducting regular annual questionnaire surveys (compliance surveys) for all employees to regularly check for any problems and make improvements. Please refer to “(v) Changes in the Compliance Surveys Over Time” for information on such changes.

In addition, through the original workshop TLC (Trend Learning Circle), we aim to be an organization that generates innovative ideas that are not fearful of change by having employees possess shared values and cultures and training them to positively accept the opinions of others.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

<<Our Efforts to Ensure Diversity of Human Resources>> 1. Basic Policy

(1) System for the storage and management of information relating to the execution of duties by the Directors of the Company

1) Information pertaining to the execution of duties by the Directors of the Company shall be stored and managed appropriately and reliably in a highly searchable manner according to the storage media thereof in accordance with the Regulations Governing the Management of Confidential Matters and the Detailed Regulations Governing the Management and Operation of Confidential Matters, as well as other internal regulations, and shall be maintained in a state in which the Directors and Audit and Supervisory Board Members of the Company can inspect them at all times.

The storage period shall be the period specified in the Document Handling Regulations.

2) Information related to information systems shall be protected and stored in accordance with the provisions of the Information Security Policy.

(2) Rules and other systems for managing the risk of loss for the Company

1) We recognize risks related to products and services as well as risks related to internal infrastructure as risks related to the execution of our business, and establish a system for identifying and managing those risks and for persons responsible for managing individual risks.

2) We establish the Compliance and Security Committee, chaired by the Representative Director, to oversee our compliance and risk management systems.

3) We appoint a Global Chief Information Security Officer (CISO) to oversee information security governance

for the Company and the Group companies as a whole.

4) Leakage, theft, loss, destruction, and unauthorized alteration of information cause the Company to suffer serious damage and loss of confidence. Accordingly, we manage these risks based on the provisions of the Information Security Policy, the Regulations Governing the Management of Confidential Matters, the Crisis Management Guidelines, the Personal Information Protection Manual, etc.

5) In the event of an unexpected incident, we will establish an Emergency Response Office (SWAT) with the Director of the Company in charge of the Japan region as the person responsible for crisis management. This will enable us to respond swiftly and prevent the expansion of damage, including to our clients, and establish a system to minimize this.

(3) System to ensure that the execution of duties by Directors of the Company is conducted efficiently

1) The Board of Directors meets regularly once every three months as a basis for a system to ensure that the execution of duties by the Directors of the Company is conducted efficiently. In addition, the Board of Directors meets as needed. For important matters related to the Company's management policies and strategies, the results of discussions at Executive meetings and the periodic budget review process are referred to in making decisions on the execution of these matters.

2) With respect to the execution of business based on decisions made by the Board of Directors of the Company, the Regulations Governing Administrative Authority and the Regulations of Executives, among others, shall stipulate the respective responsible persons, their responsibilities, and the execution procedures.

(4) System to ensure that the execution of duties by Directors and employees of the Company and its subsidiaries complies with laws, regulations, and the Articles of Incorporation

1) We will establish a Code of Conduct, Regulations Controlling Transactions by Internal Parties, etc. as the basis for the Group's compliance system. The Code of Conduct shall be subject to annual Acknowledgment for all of officers and employees of the Group.

In addition, each department in charge shall formulate various guidelines and conduct training as necessary.

2) We establish the Compliance and Security Committee, chaired by the Representative Director, and promote the maintenance and improvement of the internal control system.

3) The Group appoints an internal control manager as the person in charge of promoting the internal control system and appoints working members headed by the internal control manager, as appropriate, and acts accordingly.

4) Directors of the Company and its subsidiaries shall immediately report to Audit and Supervisory Board Members of the Company and report to the Board of Directors without delay in the event that they discover any material violation of laws and regulations or other material facts related to compliance in the Group.

5) Based on the Whistle-blowing Report Procedure, which is the regulations that stipulate the internal reporting system for violations of laws and regulations and other compliance-related matters, the Human Resources Department and the Internal Audit Department shall act as the departments responsible for the operation. The General Manager of the Internal Audit Department (Internal Auditor) shall compile the existence and content of the relevant facts and report to CFO and the Audit and Supervisory Board Members

on a quarterly basis, and to CEO as needed.

Provided, however, that matters deemed urgent shall be reported on a case-by-case basis.

6) Audit and Supervisory Board Members of the Company may express their views and seek to formulate remedial measures if they believe there are issues with the Group's compliance system and the operation of the Whistle-blowing Report Procedure.

(5) System to ensure the appropriateness of operations in the corporate group consisting of the Company and its subsidiaries

1) In order to ensure the appropriateness of business operations at the Group companies, we shall apply the Code of Conduct and Whistle-blowing Report Procedure to all Group companies, including the Company. In addition, in accordance with the Regulations regarding Management of Associated Companies, we shall seek to identify risks related to the execution of business and establish a management system suited to the size, business content, etc. of each subsidiary, and shall periodically check the details of these.

With regard to business administration, the Company shall establish Regulations of Executives, Regulations regarding Management of Associated Companies, and Regulations Governing Finance Control and Approval and Signature Authority, and shall conduct subsidiary management through a system of approval and reporting to the Company. The Company shall monitor business administration through discussions at Executive meetings and the periodic budget review process.

Directors of the Company and its subsidiaries shall immediately report to Audit and Supervisory Board Members and the Board of Directors of the Company in the event that they discover any violations of laws and regulations or other material facts related to compliance, or any other facts that may cause risk management concerns, including information security, in the Group companies.

2) We will operate an internal control system for financial reporting to ensure the reliability of financial reporting at the Company and the Group companies.

3) In the event that a subsidiary recognizes that the business management and guidance from the Company violate laws and regulations or contains other compliance-related problems, Directors of the subsidiary shall report to the Board of Directors and Audit and Supervisory Board Members of the Company.

Audit and Supervisory Board Members of the Company who have received such reports may express their opinions to the Board of Directors and request that they formulate improvement measures.

4) The General Manager of the Internal Audit Department (Internal Auditor) shall, as appropriate, visit subsidiaries to monitor the overall status of business execution.

5) Audit and Supervisory Board Members of the Company shall visit subsidiaries as necessary to investigate the status of their operations and property.

(6) Matters relating to employees who are requested by Audit and Supervisory Board Members of the Company to assist in their duties, matters relating to the independence of such employees from Directors, and matters relating to ensuring the effectiveness of instructions to such employees

1) In the event that Audit and Supervisory Board Members of the Company request employees who shall assist the duties of the Audit and Supervisory Board Members (hereinafter referred to as "Audit and Supervisory Board Members Staff"), appropriate personnel shall be assigned for the necessary number and

required qualifications after consultation with the Audit and Supervisory Board Members.

2) In the event that the Audit and Supervisory Board Members Staff is to be assigned, personnel transfers, personnel evaluations, etc. of the Audit and Supervisory Board Members Staff shall be determined after respecting the opinions of the Audit and Supervisory Board Members to ensure independence from Directors.

3) If an Audit and Supervisory Board Member deems it necessary, the Audit and Supervisory Board Member may, upon notice to the immediate manager, instruct the employee to perform audit services, etc. on specific matters. In this case, the employee who has received such instruction shall report to the Audit and Supervisory Board Member without complying with the chain of command of the ordinary business.

4) Directors and employees of the Company and its subsidiaries shall cooperate in the development of an auditing environment to ensure that the duties of the Audit and Supervisory Board Members Staff are carried out smoothly.

(7) System for reporting to Audit and Supervisory Board Members of the Company by Directors and employees of the Company and its subsidiaries or by those who received reports from them, and system for ensuring that persons making reporting are not subject to adverse treatment by reason of such reporting

1) Directors of the Company shall report the following matters to Audit and Supervisory Board Members of the Company.

1) Items resolved at Executive meetings

2) Matters that may cause significant damage to the Company

3) Important matters in the management situation

4) Important matters related to risk management, including the status of audits and maintenance and operation of internal controls, and information security

5) Material violation of laws, regulations, and the Articles of Incorporation

6) Changes in and introduction of the accounting policies

7) Other important compliance issues

In addition, employees of the Company and its subsidiaries may report any material facts regarding 2), 4), 5) and 7) directly to Audit and Supervisory Board Members of the Company.

2) We will maintain the proper operation of the Code of Conduct and the Whistle-blowing Report Procedure applicable to all of the Company's Group companies to ensure an appropriate system for reporting violations of laws, regulations, and other compliance issues to Audit and Supervisory Board Members of the Company.

3) The Whistle-blowing Report Procedure stipulates that all reports should be handled with care and that we should make every effort to keep the person who made the report confidential, and that the person who made the report should not be treated disadvantageously.

(8) Matters related to the procedures for advance payment or reimbursement of expenses arising from the execution of the duties of Audit and Supervisory Board Members of the Company and other matters related to the policy for the treatment of expenses or liabilities arising from the execution of such duties

1) In the event Audit and Supervisory Board Members deem it necessary to perform their duties, they may seek the opinions of outside experts, such as attorneys-at-law and certified public accountants, and may request advance payment or reimbursement of expenses necessary for the execution of duties of the Audit and

Supervisory Board Members, including expenses for such request.

(9) Other systems to ensure that audits by Audit and Supervisory Board Members of the Company are conducted effectively

1) Representative Directors of the Company shall set up opportunities to regularly exchange opinions with Audit and Supervisory Board Members of the Company in order to communicate with them. In addition, in order to deepen the understanding of Audit and Supervisory Board Members of the Company on the nature of our business, we shall set up opportunities to hear from our employees about the operations in charge, as necessary.

2) The Internal Audit Department, which is in charge of internal audits, shall hold regular discussions and exchange opinions with Audit and Supervisory Board Members of the Company on the results of internal audits to exchange information and work closely with them.

3) Directors of the Company ensure that Audit and Supervisory Board Members of the Company have the opportunities to attend important meetings, such as the Compliance and Security Committee and Executive meetings, to monitor the Board of Directors and other important decision-making processes and the status of business execution.

4) Audit and Supervisory Board Members of the Company shall be able to inspect requests for managerial approval and other important documents related to the execution of business, seek explanations from Directors and employees as necessary, and express their opinions.

5) We strive to invite attorneys-at-law, certified public accountants, tax accountants and other outside experts to appoint Outside Audit and Supervisory Board Members.

2. Status of the Internal Control System

(1) We have established a Code of Conduct as the basis for the Group's compliance system, and conduct annual Acknowledgment for all of officers and employees of the Group.

(2) The Compliance and Security Committee meets once a quarter, while the Risk Management Office, which oversees compliance and risk management, acts as the secretariat. In addition, in order to maintain and improve compliance awareness, we have established an annual schedule for in-house training for our officers and employees and conduct regular training.

(3) Audit and Supervisory Board Members, the internal audit department, the internal control department, and the Accounting Auditor regularly discuss and exchange opinions on the operation status and audit results of the internal control system for the entire Group, including the Company and its subsidiaries, and work closely to improve the operation status of the internal control system.

(4) In addition to attending important meetings, including meetings of the Board of Directors, and reviewing important documents, such as requests for managerial approval, the Audit and Supervisory Board Members deepen their understanding of the Company's business and ensure the effectiveness of audits through such means as quarterly review meetings by the Representative Directors, the General Manager of the Audit Department and the Audit and Supervisory Board Members, regular exchanges of opinions between the Representative Directors and the Audit and Supervisory Board Members, reports from Directors and employees, and interviews with employees regarding their duties.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

1. Basic Policy

In the event of unjust demands or obstructions by anti-social forces or organizations, the Legal Department of the Company shall act as the supervising department to manage information in an integrated manner. In addition, under close partnerships, the relevant departments shall coordinate and cooperate with the police, attorneys-at-law, and other external specialized agencies to systematically respond to such demands or obstructions and shall not provide any benefit. Moreover, for any reason whatsoever, the Company will absolutely not engage in backroom transactions or fund provision in response to unjust demands by anti-social forces, and in the event of emergency, will not hesitate to take both civil and criminal legal countermeasures.

In addition to clarifying said basic policy in the Code of Conduct of the Group, the code shall stipulate that, based on this policy, all Directors, officers, and employees of the Group companies are required to take a firm stance toward anti-social forces and organizations that threaten the order and safety of civil society, to not have any relations with them, to firmly reject their demands, and to immediately report any unjust demand or obstruction to the Legal Department.

2. Status of Establishment of Internal Systems to Eliminate Anti-Social Forces

As the department in charge, the Legal Department of the Company confirms, in cooperation with relevant departments, that business partners with which the Company has repeatedly and continuously had business do not qualify as anti-social forces. In addition, the department has taken measures such as to establish contractual provisions for the elimination of anti-social forces with respect to new business partners and make individual judgments in accordance with the nature of the transactions. In addition, we have prepared the Basic Regulations for Eliminating Anti-Social Forces and response manuals based on the Basic Rules.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Items

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2. Other Matters Concerning the Corporate Governance System

<<Summary of Timely Disclosure System>>

We are fully aware that the timely and appropriate disclosure of corporate information to investors is the bedrock of a sound securities market. We constantly strive to conduct our business with integrity by, for example, ensuring prompt, accurate, and fair disclosure of corporate information from the investors' perspective. We also stipulate corporate disclosure in the Code of Conduct, which applies to all officers and employees, and periodically publicize and raise awareness of corporate information. Specifically, we have established the following systems.

When information that is considered important within the Company is generated, each department must

immediately report the information to the person in charge of information management. We have a system to collect information promptly and comprehensively.

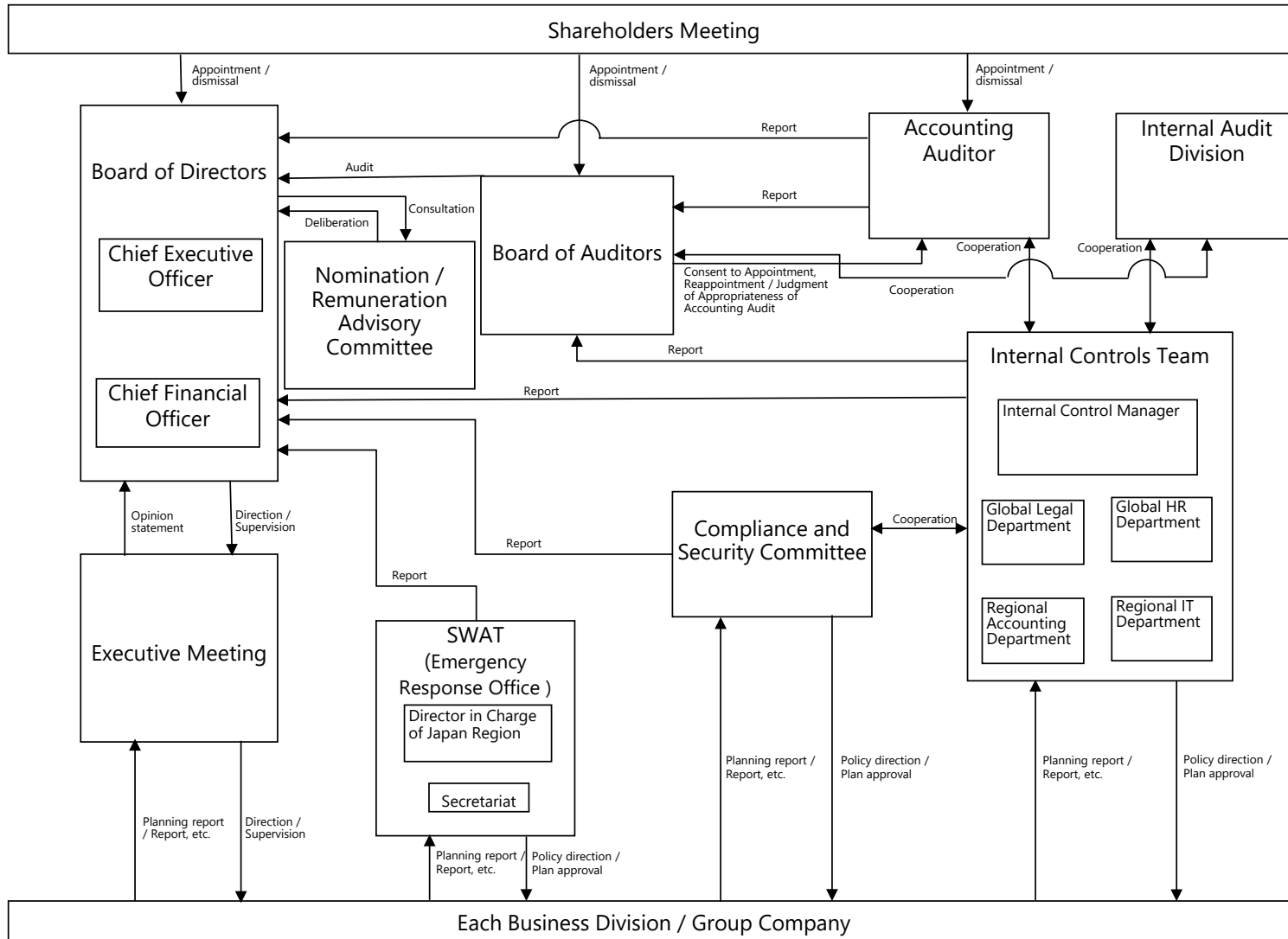
The Director in charge of disclosure, who is a Representative Director, and the Legal Department, which is the department responsible for information management, shall determine whether or not such information collected from each department falls within the scope of decisions, occurrences, account settlement information, etc. set forth in the Listing Regulations and other relevant laws, regulations, and rules, and shall be disclosed by the Financial Accounting Department, which is the department responsible for disclosure, with the approval of the Director in charge of disclosure and the department responsible for information management as soon as the decision is made by the Board of Directors or the generation/occurrence of such information. The disclosure of information will be conducted in accordance with our "Information Disclosure Guidelines," which stipulate the procedures for such disclosure.

In addition, regardless of the necessity of timely disclosure in accordance with the Listing Regulations and other relevant laws, regulations, and rules, the Company will disclose such information appropriately if it determines that it is a matter to be disclosed after analyzing and examining such information, mainly by the Director in charge of disclosure and the department responsible for information management.

The following are (i) Corporate Governance Structure Diagram, (ii) Skills Matrix of Officers, (iii) Officers' Remuneration Class Table, (iv) Various Statistical Data on Human Capital, and (v) Changes in the Compliance Surveys Over Time.

END

(i) Corporate Governance Structure Diagram



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The following list shows up to two areas of particular expectation for each of Directors and Corporate Auditors.

Please note that this list does not represent all the experience that each candidate has.

	Name	Current position and responsibilities in the Company	Gender	Internal / Outside Independent*	Areas of special interest and expertise expected						
					Business Management	Technology and R&D	Sales and Marketing	Financial Accounting	Law	Academic experts (specialized fields)	Human Resource Development
Director	Chang Ming-Jang	Chairman and Representative Director	M	Internal	○	○					
	Eva Chen	President and Representative Director /CEO of Trend Micro Group	F	Internal	○	○					
	Mahendra Negi	Executive Vice President and Representative Director / CFO of Trend Micro Group / Member of the Nomination and Remuneration Advisory Committee	M	Internal				○			○
	Akihiko Omikawa	Executive Vice President and Director / General Manager Japan	M	Internal	○		○				
	Tetsuo Koga	Director / Member of the Nomination and Remuneration Advisory Committee	M	Outside Independent	○		○				
	Koichiro Tokuoka	Director / Chairman of the Nomination and Remuneration Advisory Committee	M	Outside Independent						○	○

Auditor	Masaru Senpo	Full-time Corporate Auditor	M	Outside Independent				○		
	Fumio Hasegawa	Corporate Auditor	M	Outside Independent				○		
	Kenichiro Jomen	Corporate Auditor	M	Outside Independent				○		
	Miwako Funamoto	Corporate Auditor	F	Outside Independent					○	

*Independent: means that the company has filed a notification with the Tokyo Stock Exchange as an independent director.

	Type	Grant	Officers to be granted	Variable factors	Incentive	Limit
(i)	Base remuneration	Cash	Directors and Auditors	–	Base remuneration	–
(ii)	Stock Option	Stock acquisition right (Note2)	Executive Directors	Stock price	<ul style="list-style-type: none"> • Performance-based (long-term) • Stock price incentive 	280,000 shares/year
(iii)	Cash Phantom Unit Awards (CPU Awards)Time Base CPU Awards (TBS) (Note1)	Cash	Executive Directors	Stock price	<ul style="list-style-type: none"> • Performance-based (long-term) • Stock price incentive 	75,000 shares equivalent/year
(iv)	Company Performance Bonus (CPB)	Cash	Executive Directors and Chairman	<ul style="list-style-type: none"> • Pre-GAAP margin • Annual recurring revenue of subscription products and perpetual license renewal 	Performance-based (short-term)	–
Total amount						Directors: Within 1 billion yen /year (Of which, up to 20 million yen per year for outside directors) Auditors: Up to 60 million yen per year

Note1 Grants the right to receive cash calculated based on the average market value of the Company's common stock over a certain period of time. Time-based type that can be exercised periodically after grant

Note2 A fair valuation (Black-Scholes model) is used for remuneration conversion

(iv) Various Statistical Data on Human Capital

as of 2023/12/31

Female Ratio

	Percentage of female full-time employees (non-consolidated target)		Percentage of women at or over manager (non-consolidated target 20%)	
	2023	2022	2023	2022
Japan	27%	26.7%	17.4%	18%
Group	29%	29%	27%	26.7%

Reference FY2022 Basic Survey on Equal Employment by the Ministry of Health, Labour and Welfare Percentage of women

	IT industry average□	Average of all industries
full-time employees	21.0%	26.9%
over manager	11.5%	12.7%

<https://www.mhlw.go.jp/toukei/list/dl/71-r04/02.pdf>

Ratio of retirements

	2023	2022	2021	2020
Japan	6%	8%	4%	-
Group	12%	19%	12%	12%

Reference Domestic Statistics Employment Survey) Entry and Leave by Industry Ministry of Health, Labour and Welfare

	IT industry average□	Average of all industries
2022	11.9%	15.0%
2021	9.1%	13.9%
2020	9.2%	14.2%

<https://www.mhlw.go.jp/toukei/list/9-23-1c.html>

The following statistics are for Trend Micro Inc. (Japan only) only.

Ratio of foreign employees

	2023	2022
over manager	2.3%	3%

Ratio of mid-career hires

	2023	2022
over manager	88.3%	85%

Ratio of childcare leave by gender of regular employees

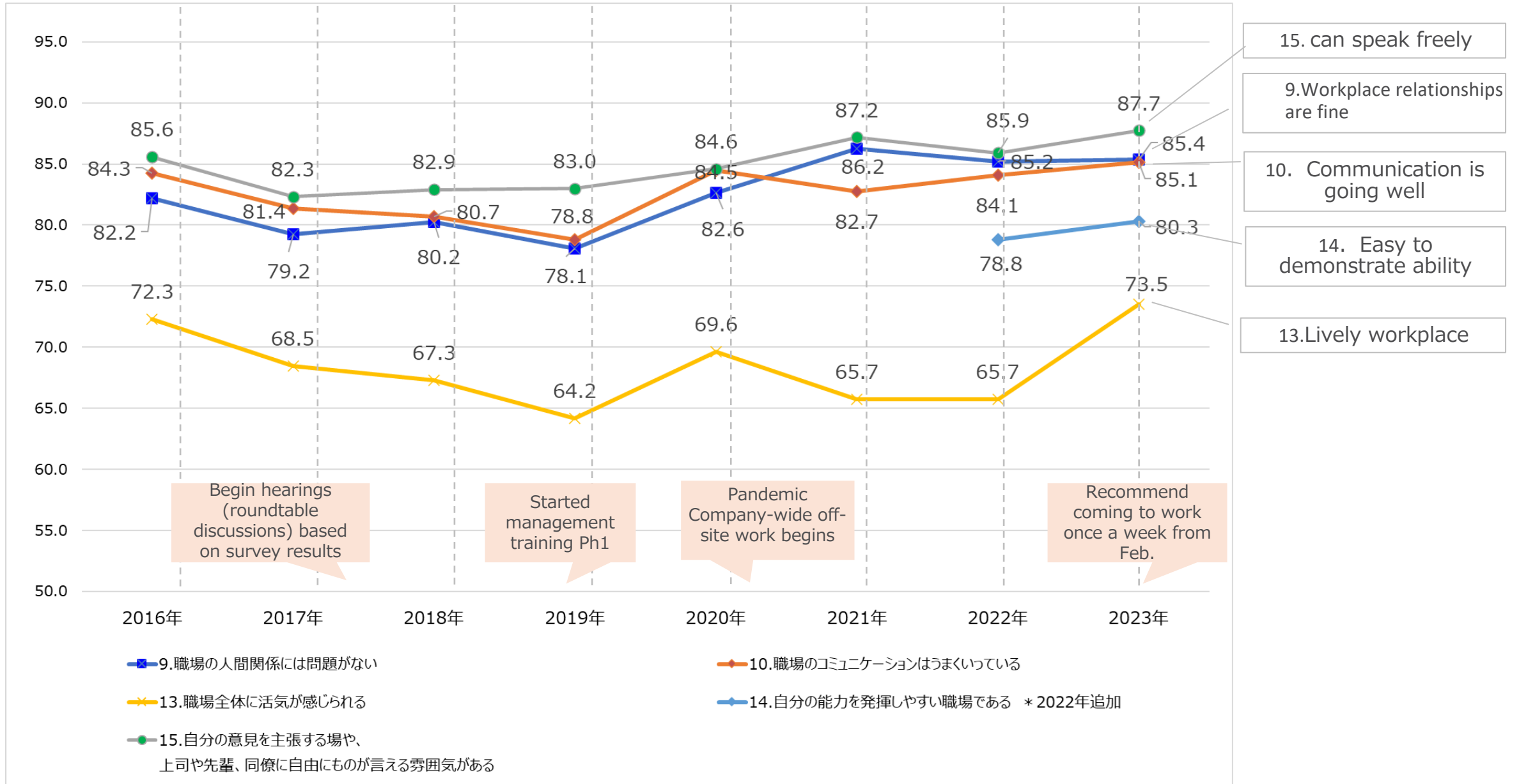
	2023	2022
Male	41.2%	23.1%
Female	100%	100%

Ratio of full-time employees taking paid holidays

	2023	2022
acquisition rate	76.30%	74.8%

(v) Changes in the Compliance Surveys Over Time

Items related to the workplace as a whole



Items related to supervisors

