

Trend Micro Reports First Quarter 2016 Results

TOKYO--([BUSINESS WIRE](#))--[Trend Micro Incorporated](#) (TYO: 4704), a global leader in security software and solutions, announced earnings results for the first quarter 2016, ending March 31, 2016. For the first quarter, Trend Micro posted consolidated net sales of 29,862 million Yen (or US \$258 million, 115.33 JPY = 1 USD). The company posted operating income of 8,216 million Yen (or US \$71 million) and net income of 5,664 million Yen (or US \$49 million) for the quarter.

“Finalizing the TippingPoint acquisition has been an exciting journey this past quarter,” said Eva Chen, CEO, Trend Micro. “This addition, combined with Trend Micro’s existing solutions, equips enterprise customers with the unmatched ability to respond to both known and unknown threats. Trend Micro’s complete security portfolio now protects global companies across the network, data center, cloud and endpoints. We believe this is an unrivaled combination in the industry.”

As of now, the company will not revise expected consolidated results for the full fiscal year ending December 31, 2016 (released on February 18, 2016). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2016 is expected to be 138,800 million Yen (or US \$1,166 million, based on an exchange rate of 119 JPY = 1 USD). Operating income and net income are expected to be 27,300 million Yen (or US \$229 million) and 18,700 million Yen (or US \$157 million), respectively.

Growth rate figures are calculated from Japanese Yen results. Some discrepancy may therefore be noted in US Dollar comparisons owing to fluctuations in currency conversion rates.

Q1 2016 Business Highlights

Trend Micro announced the close of an agreement to acquire TippingPoint, a leading provider of next-generation intrusion prevention systems (IPS) and integrated network security solutions, from Hewlett Packard Enterprise (HPE). [Trend Micro TippingPoint](#) solutions are immediately available to bring customers comprehensive threat intelligence and protection for current and zero-day vulnerabilities and exploits.

Trend Micro announced it has once again affirmed its leadership in the global server security market, according to industry analyst firm IDC. In a market sized at over \$800M in 2014, Trend Micro has grown its revenue share for server security to 30.3 percent, outpacing both the market and competitors. For the sixth year in a row, the company has occupied the top spot for server security globally.

Trend Micro announced placement in the “Leaders” segment of Gartner, Inc.’s Magic Quadrant for Endpoint Protection Platforms based on ‘completeness of vision’ and ‘ability to execute’ for its EPP offering, protecting user [endpoints](#) and [servers](#). The company has been named by Gartner as a leader in enterprise security solutions since 2002. This year, Trend Micro placed farthest to the right in the leader’s quadrant for completeness of vision.

Trend Micro announced its 2016 “What’s Your Story?” contest during this year’s [Safer Internet Day](#). This year’s theme, “What does the Internet mean to you?”, aims to spark conversation and have participants create a message for others to spread online through social media.

Trend Micro announced its Diamond sponsorship at [IBM Interconnect 2016](#), Feb. 21-25 in Las Vegas. An IBM Premier Business Partner, Trend Micro and IBM have worked together for over ten years to develop leading security solutions in a number of areas. At this year’s event, Trend Micro representatives spoke in multiple

sessions to provide insight on hybrid cloud security, as well as breach detection and targeted attack defense.

Business cloud users are estimated to grow from 50 million in 2013 to 695 million by 2022, making data security a top operational concern for organizations transitioning to the cloud. Trend Micro announced the expansion of its Cloud App Security solution to Box, Dropbox and Google Drive. The comprehensive solution enhances the content security built in to SaaS services to defend against targeted attacks and implement compliance initiatives.

Trend Micro announced the sponsorship of the [INTERPOL Digital Security Challenge 2016](#), a four-day event at the INTERPOL Global Complex for Innovation (IGCI) in Singapore. It serves as a forum for cybercrime investigators, digital forensic experts and other stakeholders to interact and compete to solve cybercrime scenarios by collecting evidence and identifying perpetrators. The sponsorship is part of a three-year agreement to support INTERPOL and its member countries with knowledge, resources and strategies to fight global cybercrime.

Q1 2016 Awards and Recognitions

Eva Chen, Trend Micro CEO, was recognized as one of Asia's 50 Power Businesswomen 2016 by *Forbes Asia*.

Trend Micro was recognized as one of the 20 Coolest Endpoint Security Vendors Award 2016 by *CRN*.

Partha Panda was recognized as a 2016 *CRN* Channel Chief.

Trend Micro Deep Security was named a Gold winner of the 2016 Global Excellence Awards in the Cloud Security category by Info Security Products Guide.

Trend Micro was awarded a Five-Star rating in the *CRN* 2016 Partner Programs Guide.

Patents

Trend Micro was awarded the following patents in Q1 2016:

Patent No.	Issue Date	Title
9235696	01/12/2016	User Authentication Using a Portable Mobile Device
9239922	01/19/2016	Document Exploit Detection Using Baseline Comparison
9241004	01/19/2016	Alteration of Web Documents for Protection against Web Injection Attacks
9253068	02/02/2016	Network Application Classification for Network Traffic Management
9253603	02/02/2016	Document Exploit Detection Using Baseline Comparison
9264400	02/16/2016	Software Defined Networking Pipe for Network Traffic Inspection
9275242	03/01/2016	Security System for Cloud-Based Emails
9292107	03/22/2016	Mobile Telephone as Computer Mouse
9292689	03/22/2016	Interactive Malicious Code Detection Over a Computer Network
9300720	03/29/2016	Systems and Methods for Providing User Inputs to Remote Mobile Operating Systems

Notice Regarding Forward-Looking Statements

Certain statements that are made in this release are forward-looking statements. These forward-looking statements are based on management's current assumptions and beliefs in light of the information currently

available to it, but involve known and unknown risks and uncertainties. Many important factors could cause actual results to differ materially from those expressed in forward-looking statements. These factors include:

- Difficulties in addressing new virus and other computer security problems
- Timing of new product introductions and lack of market acceptance for new products
- The level of continuing demand for, and timing of sales of, existing products
- Rapid technological change within the antivirus software industry
- Changes in customer needs for antivirus software
- Existing products and new product introductions by competitors and pricing of those products
- Declining prices for products and services
- The effect of future acquisitions on our financial condition and results of operations
- The effect of adverse economic trends on principal markets
- The effect of foreign exchange fluctuations on our results of operations
- An increase in the incidence of product returns
- The potential lack of attractive investment targets and
- Difficulties in successfully executing our investment strategy

About Trend Micro

Trend Micro Incorporated, a global leader in security software, strives to make the world safe for exchanging digital information. Built on 27 years of experience, our solutions for consumers, businesses and governments provide layered [data security](#) to protect information on mobile devices, endpoints, gateways, servers and the cloud. Trend Micro enables the smart protection of information, with innovative security technology that is simple to deploy and manage, and fits an evolving ecosystem. All of our solutions are powered by cloud-based [global threat intelligence](#), the Trend Micro™ Smart Protection Network™ infrastructure, and are supported by over 1,200 threat experts around the globe. For more information, visit TrendMicro.com.

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Contact:

Trend Micro Incorporated
Thomas Moore, 972-499-6648
thomas_moore@trendmicro.com

or

Investor Relations
Tel: +81-3-5334-4899
ir@trendmicro.co.jp

Public Company Information:

TOKYO:
4704
JP3637300009
NQB:
TMICY