Trend Micro Reports Second Quarter 2016 Results

TOKYO--(BUSINESS WIRE)--Trend Micro Incorporated (TYO: 4704), a global leader in security software and solutions, today announced earnings results for the second quarter 2016, ending June 30, 2016. For the second quarter, Trend Micro posted consolidated net sales of 31,057 million Yen (or US $287 million, 107.93 JPY = 1USD). The company posted operating income of 5,890 million Yen (or US $54 million) and net income of 2,948 million Yen (or US $27 million) for the quarter.

"Trend Micro is committed to protecting customers and consumers against today's greatest security threats and this quarter we've focused our attention on combatting ransomware," said Eva Chen, CEO of Trend Micro. "We understand that these forms of cyberattacks are capable of devastating companies, regardless of size or industry. Our goal is to protect more than just an end point, but rather the entire enterprise system."

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 premise of 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.

Q2 2016 Business Highlights

Recognizing the growth and impact of ransomware, Trend Micro has taken a holistic approach to helping customers defend against ransomware, and is now delivering a Ransomware Readiness Assessment, ransomware solution support hotlines and removal tools that help both consumers and businesses recover their data after being impacted by ransomware.

During the quarter, Deep Security, Trend Micro's flagship server security platform, met the rigorous process required by the Defense Information Systems Agency (DISA) for immediate use on Department of Defense (DoD) networks. This approval was based on the fulfillment of technical requirements for the Security Technical Implantation Guides (STIGs).

On May 21, the company launched Trend Micro Worry-Free Services plug-in for Kaseya VSA, Kaseya's award-winning IT systems management and remote monitoring platform. The Kaseya VSA plug-in is offered free of charge as part of the Trend Micro Remote Manager solution.

Trend Micro announced the winners of the 2016 "What's Your Story?" video contest. The international contest aimed to engage and empower youth through video production to promote positive social media use. Participants in the U.S. and Canada submitted videos that answered the question, "What Does the Internet Mean to You?" One individual and one school were each awarded a grand prize of $10,000. Two individuals and two schools were selected as runner-up winners and each took home a $1,000 prize.

Trend Micro joined forces with NXP® Semiconductors N.V. to cooperate on a virtualized Customer Premises Equipment (vCPE) project on NXP's ARM-based Network Function Virtualization (NFV) platform. The joint effort is powered by Trend Micro's Deep Packet Inspection (DPI) technology, which was showcased at Computex 2016 in

Taipei.

Trend Micro is proud to be featured in a new [AWS Quick Start Reference Deployment](#) for National Institute of Standards and Technology (NIST) compliance developed in conjunction with Amazon Web Services (AWS). This Quick Start is a part of the AWS Enterprise Accelerator for Compliance that assists the federal government and other customers who have a need to meet [NIST SP 800-53(rev4)](#) high impact security control requirements on AWS.

Q2 2016 Awards and Recognitions

Trend Micro Internet Security was awarded the Top Product Award by the AV Test Institute.

Patents

Trend Micro was awarded the following patents in Q2 2016:

Patent No.	Issue Date	Title
9305514	04/04/2016	Detection of Relative Positions of Tablet Computers
9313219	04/12/2016	Detection of Repackaged Mobile Applications
9342697	05/17/2016	Scalable Security Policy Architecture for Data Leakage Prevention
9350616	05/24/2016	Bandwidth Control Using a Past Available Bandwidth Value and a Slope Calculated From Past Available Bandwidth Values
9349002	05/24/2016	Android Application Classification Using Common Functions
9355246	05/31/2016	Tuning Sandbox Behaviors based by Static Characteristics of Malware
9361458	06/07/2016	Locality-Sensitive Hash-Based Detection of Malicious Codes

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 cyber security solutions, helps to make the world safe for exchanging digital information. Our innovative solutions for consumers, businesses, and governments provide

layered security for data centers, cloud environments, networks, and endpoints. All our products work together to seamlessly share threat intelligence and provide a connected threat defense with centralized visibility and control, enabling better, faster protection. With more than 5,000 employees in over 50 countries and the world's most advanced global threat intelligence, Trend Micro enables users to enjoy their digital lives safely. For more information, visit www.trendmicro.com.

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