Trend Micro Reports First Quarter 2018 Results

Partnerships and solutions drive customer protection as environment changes

TOKYO--(BUSINESS WIRE)--Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global leader in cybersecurity solutions, today announced earnings results for the first quarter 2018, ending March 31, 2018. For the first quarter, Trend Micro posted consolidated net sales of 37,993 million Yen (or US $351 million, 108.14 JPY = 1 USD). The company posted operating income of 9,303 million Yen (or US $86 million) and net income of 6,585 million Yen (or US $60 million) for the quarter.

As of now, the company will not revise expected consolidated results for the full fiscal year ending December 31, 2018 (released on February 15, 2018). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2018 is expected to be 164,800 million Yen (or US $1,484 million, based on an exchange rate of 111 JPY = 1 USD). Operating income and net income are expected to be 40,700 million Yen (or US $366 million) and 28,400 million Yen (or US $255 million), respectively.

“We remain committed to responding rapidly to the evolving IT infrastructure and providing our customers a complete view into the threat landscape along with a layered security approach to protect against these threats,” said Eva Chen, chief executive officer for Trend Micro. “We are pleased that our newest solutions continue to receive industry recognition, but we know we must continually innovate in light of the increasingly connected world. Beyond securing endpoints, networks and the hybrid cloud, we anticipate a huge rise in the Internet of Things (IoT) and a convergence of information technology (IT) and operational technology (OT), driving new requirements for security. In addition to researching emerging threats in these areas, we are partnering with leading global device makers to best secure our customers now and in the future.”

Q1 2018 Business Highlights

Anticipating the next big wave:

Connected devices of all kinds are better protected from cybercriminal abuse if security solutions are built in – not bolted on. To meet that need, in the first quarter of 2018 Trend Micro added partnerships with Panasonic and VIVOTEK to its ecosystem:

- Panasonic Corporation and Trend Micro announced a partnership to jointly develop a cybersecurity solution to detect and prevent cyberattacks against autonomous and connected cars.
- VIVOTEK and Trend Micro partnered to provide the first network surveillance solution with embedded security. Trend Micro IoT Security for Surveillance Cameras provides VIVOTEK’s newest network cameras with detection and prevention of suspicious activity.

In addition to partnerships with leading connected device makers, Trend Micro recently launched an independent venture fund through its partnership with Trend Forward Capital, focused on accelerating the success of entrepreneurs working to unlock a smart connected and secure world. New investments in Q1 2018 include Lief and Humon, which are IoT focused, as well as Instabug, which offers a software development kit for application developers. These complement its first investments, which include Veem, Muse and Mojio.

Training and research to secure the connected world

Trend Micro Research is constantly hunting for new threats and anticipating how changing technologies will impact the security landscape. The convergence of IT and OT systems proves to be a top area targeted by a growing number of threats. Trend Micro’s 2017 Roundup Report notes that attackers are targeting the changing IT environment, including connected devices that open a new attack surface.

To meet the security demands of the evolving technology infrastructure, businesses need more security-conscious employees to help fight the ongoing battle against cybercrime. Trend Micro has four global training centers that educate and equip hundreds of young professionals to be cybersecurity practitioners in any industry or business.

Additionally, to empower better digital citizens in the future, Trend Micro’sInternet Safety for Kids & Families program launched its annual contest to help students be more cybersecurity and privacy conscious. This year’s “What’s Your Story?” contest encourages better security awareness in an increasingly complicated digital landscape.

Protecting customers through product innovation and strategic investments

Trend Micro’s flagship product lines continue to earn valued industry recognition from third-party testing firms like NSS Labs, and market-leading analyst firms like Gartner, Inc.

The company earned the prestigious “Recommended” rating from NSS Labs in the Data Center IPS category. Trend Micro’s TippingPoint TX Series received this recognition by demonstrating its ability to provide effective, high-speed inline network inspection without sacrificing performance.

inspection without sacrificing performance.

Trend Micro was also named a Leader in Gartner, Inc.'s 2018 Magic Quadrant for Endpoint Protection Platforms, as well as a Leader in Gartner, Inc.'s 2018 Magic Quadrant for Intrusion Detection and Prevention Systems. These reports demonstrate Trend Micro's commitment to protecting businesses across a range of IT environments.

Patents

Trend Micro was awarded the following patents in Q1 2018:

Patent No.	Issue Date	Title
9858413	01/02/2018	Reduction of False Positives in Malware Detection Using File Property Analysis
9882768	01/30/2018	Methods and Apparatus for File Synchronization over a Computer Network
9817974	03/13/2018	A Novel Method of Android App 3rd-Party SDK Detection
9917855	03/13/2018	Mixed Analysys-Based Virtual Machine Sandbox
9916480	03/13/2018	Security Apparatus to House a Device

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 security software industry
- Changes in customer needs for security 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 cybersecurity 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 nearly 6,000 employees in over 50 countries and the world's most advanced global threat intelligence, Trend Micro enables organizations to secure their journey to the cloud. For more information, visit www.trendmicro.com.

All product and company names herein may be trademarks of their registered owners.

Contact:

Trend Micro Incorporated
Kateri Daniels, 817-522-7911
media_relations@trendmicro.com
or
Investor Relations:
+81-3-5334-4899

ir@trendmicro.co.jp

Public Company Information:

TOKYO:
4704
JP3637300009
NQB:
TMICY

---

https://newsroom.trendmicro.com/2018-05-09-Trend-Micro-Reports-First-Quarter-2018-Results