

Trend Micro Reports Third Quarter 2018 Results

Overall growth of 11 percent in enterprise business anchored its success

TOKYO--([BUSINESS WIRE](#))--[Trend Micro Incorporated](#) (TYO: 4704; TSE: 4704), a global leader in cybersecurity solutions, today announced earnings results for the third quarter 2018, ending September 30, 2018. For the third quarter, Trend Micro posted consolidated net sales of 40,485 million Yen (or US \$360 million, 112.18 JPY = 1USD). The company posted operating income of 9,374 million Yen (or US \$83 million) and net income of 7,542 million Yen (or US \$67 million) for the quarter.

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 are reaching milestones and sustaining growth that we couldn’t have imagined when we founded the company 30 years ago this month. We have always followed a long-term strategy and plan that is built against sustainable and well-balanced growth across solutions, customer segments, and geography,” said Eva Chen, co-founder and chief executive officer for Trend Micro. “Seeing solid double-digit growth in all of our focus area validates our strategy and mindset.”

Customers choosing Trend Micro for Hybrid Infrastructure Protection

Overall, Trend Micro’s enterprise business grew in double digits, fueled by a 25 percent year over year growth in gross sales of Hybrid Infrastructure Protection, which consists of solutions for securing hybrid cloud and network environments.

Preventing risk from proliferation of connected devices

Securing organizations’ infrastructures in an increasingly connected world is one of Trend Micro’s key areas of investment and research. As the number of connected things continuously increases, awareness, knowledge and understanding of associated threats and vulnerabilities are still relatively limited or not thought of. To reconfirm its commitment to Internet of Things (IoT) security, Trend Micro launched a number of initiatives and programs in the third quarter:

- Trend Micro Research introduced a new program to help IoT device makers tackle security risks at the source. As part of the program, Trend Micro’s Zero-Day Initiative invites device manufacturers to work with ZDI on developing a vulnerability handling process as well as providing them immediate access to relevant and extensive IoT research.
- A recent survey on IoT security preparedness within organizations around the globe showed that organizations are often not aware of security risks involved when deploying IoT devices or connecting legacy operational technology systems to the internet. In addition, responsibility and ownership for security is often not defined within organizations.
- A new partnership was announced with Moxa Inc., a leader in industrial communication and networking, as part of its Technology Alliance Partner Program to jointly develop state-of-the-art solutions to protect Industrial Internet of Things (IIoT) environments like smart manufacturing and smart energy.
- Details were announced on Trend Micro’s Fall 2018 security research competition, Pwn2Own Tokyo, run by ZDI. This year’s contest is expanding to include IoT devices in a reflection of the growing ‘Internet of Threats’ facing businesses and consumers.

Doubling down on addressing the skills gap

With the global skills gap as a prevailing issue in our industry, Trend Micro has intensified its efforts to address the issue. The fundamental skills shortage is a known problem across cybersecurity and Trend Micro is addressing this issue from both the technology and people perspectives.

- The fourth annual Capture the Flag (CTF) competition was kicked off, which invites teams from around the world to demonstrate their skills and challenge their knowledge in today's most critical areas of cybersecurity protection. The Trend Micro CTF 2018 – Raimund Genes Cup is one of several ways the company works to motivate and train talent to support the critical industry need of skills development.
- Trend Micro and HITRUST®, a leading security and privacy standards development, accreditation and information risk management organization, announced a partnership to launch Cysiv, a new company which provides advanced cyber risk management as a service to select U.S. enterprises that need to better defend themselves from cyberattacks. Cysiv security and threat experts augment in-house security teams by providing a set of advanced managed security services, including continuous monitoring from its cloud-based security operations center (SOC), and skillful management of solutions for hybrid cloud security, user protection, network IPS, advanced threat detection, and deception.
- Organization of American States (OAS) and Trend Micro organized the *OAS Cyberwomen Challenge*, a Capture the Flag event series taking place across 11 countries in the Americas. The events are focused on developing cybersecurity skills in women who are new to the field or want to expand their skillset and has so far attracted 410 women in seven countries. Additional events are planned for the fourth quarter of 2018.

Patents

Trend Micro was awarded the following patents in Q3 2018:

Patent No.	Issue Date	Title
628941	07/01/2018	Phishing detection by login page census
10027702	07/17/2018	Identification of malicious shortened uniform resource locators
10057198	08/21/2018	Controlling social network usage in enterprise environments
10057279	08/21/2018	System and method for protecting computer against remote malware download
10061921	08/28/2018	Methods and systems for detecting computer security threats
10078750	09/18/2018	Methods and systems for finding compromised social networking accounts

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, 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 threats 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
- New and potentially unforeseen risks and liabilities associated with the internet of things, the use of

artificial intelligence in our products and services, and other emerging technologies

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 more than 6,000 employees in over 50 countries and the world's most advanced global threat intelligence, Trend Micro secures your connected world. For more information, visit www.trendmicro.com.

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Contact:

Trend Micro Incorporated

Investor Relations:

+81-3-5334-4899

ir@trendmicro.co.jp

or

Media:

Kateri Daniels, +1-817-522-7911

media_relations@trendmicro.com

Public Company Information:

TOKYO:

4704

JP3637300009

NQB:

TMICY

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