Trend Micro Continued Double Digit SaaS Growth in Q3 2021; Recently Increased Guidance on Earnings for FY2021

Enterprise security platform earned 32% Subscription-based Annual Recurring Revenue Growth

TOKYO, Nov. 11, 2021 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the third quarter of fiscal year 2021, ending September 30, 2021.

In the third quarter of 2021, Trend Micro continued its steady 11% year-over-year net sales growth at actual currency across all major geographic regions as well as across enterprise and consumer segments. The quarter's repeated strong success adds 59% growth in Software-as-a-Service (SaaS) deployed instances, including protection for endpoints, servers, cloud workloads, emails and more. Additionally, enterprise subscription-based annual recurring revenue (ARR) continued to increase by 32%, totaling more than $500 million. Trend Micro recently revised the forecast of consolidated financial results for the fiscal year ending December 31, 2021.

The quarter was underscored by double-digit growth inNorth America as organizational demand for SaaS-based security continues to grow to match the need for better, faster protection against today's threats.

Customers continue to choose Trend Micro's cybersecurity platform to simplify and strengthen their security posture against ransomware, increased regulatory pressure, and more sophisticated attacks. This is reflected by a 17% YoY increase in subscription-based customers, now totaling more than 372,000 driven by the rapid adoption of Trend Micro's SaaS-based platform.

"Organizations across the globe are facing more and more pressure and are struggling to secure their businesses from risks," said Eva Chen, co-founder and chief executive officer for Trend Micro. "We care about relieving the burden of security for our customers, ensuring constantly evolving protection is in place, so they can focus on growing and strengthening their businesses."

For this quarter, Trend Micro posted consolidated net sales of47,851 million Yen (or US $434 million, 110.11 JPY = 1USD). The company posted operating income of 12,507 million Yen (or US $113 million) and net income attributable to owners of the parent of 9,166 million Yen (or US $83 million) for the quarter.

Key business updates in Q3 2021:

Leadership in Enterprise Platform Innovation

Trend Micro achieved new milestones across its platform product portfolio.

- The company blocked 41 billion cyber threats targeting customers in the first half of 2021, proving the effectiveness and strength of its cybersecurity platform protection.
- The cybersecurity industry's broadest Zero Trust risk assessment solution now forms a critical component of Trend Micro's unified cybersecurity platform.
- Trend Micro demonstrated continued cloud leadership with 177% sales growth in AWS Marketplace.
- A new collaboration with Microsoft Azure includes plans for developing cloud-based cybersecurity solutions on the partner marketplace and generating co-selling opportunities.
- Trend Micro bundled its managed service and support offerings to help overstretched security teams manage their cybersecurity risk.

Defending the Industrial Internet of Things (IIoT) Landscape

Trend Micro supported its customers across the IIoT space with new innovations.

- The company's smart factory protection was selected by leading ICS vendor Yokogawa Electric as a trusted partner based on the company's proven expertise in helping manufacturers understand risk and stop threats.
- Trend Micro Research provided guidance for managing cyber risk while implementing a key United Nations regulation on connected vehicle cybersecurity.

Expertise in Global Threat Intelligence

Extensive global threat intelligence informs Trend Micro's platform protection and reinforces the criticality of strong security protection for enterprises.

- According to a new study, 84% of organizations experienced a phishing or ransomware threat in the past year.
- Trend Micro Research found that 22% of exploits for sale in underground forums are more than three years old.

- Another survey found that 80% of global organizations feel they are likely to experience a data breach that impacts customer data in the next 12 months.
- Linux-based cloud environments were found to be the target of more than 13 million malware events in the first half of 2021.

Executive and Enterprise Industry Recognition:

Trend Micro was recognized with numerous awards from industry analysts and partners.

- Trend Micro's channel program was named a "Champion" in the Canalys Global Cybersecurity Leadership Matrix for the second year in a row, achieving a 79% rating in its vendor benchmark.

New patents filed:
Trend Micro was awarded the following patents in Q3 2021:

Patent_No_	Issue Date	Title
11128664	09/21/2021	Intrusion Prevention System with Machine Learning Model for Real-Time Inspection of Network Traffic
11128646	09/21/2021	Apparatus and Method for Cloud-Based Accelerated Filtering and Distributed Available Computer Security Processing
11128649	09/21/2021	Systems and Methods for Detecting and Responding to Anomalous Messaging and Compromised Accounts
11126722	09/21/2021	Rewrite the attachment to cloud URL to protect customer email
11102132	08/24/2021	Extracting data from network communications
11080398	08/03/2021	Identifying Signatures for Data Sets
11101995	08/24/2021	Secure Video Content Transmission Over A Computer Network
11063969	07/13/2021	Detection of Periodic Transmissions for Identifying Malicious Computers
11068595	07/20/2021	Generation of file digests for cybersecurity applications
11064032	07/13/2021	Application-Aware Routing in Network Address Translation Environments

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, a global cybersecurity leader, helps make the world safe for exchanging digital information. Fueled by decades of security expertise, global threat research, and continuous innovation, Trend Micro's cybersecurity platform protects hundreds of thousands of organizations and millions of individuals across clouds, networks, devices, and endpoints. As a leader in cloud and enterprise cybersecurity, the platform delivers a powerful range of advanced threat defense techniques optimized for environments like AWS, Microsoft, and Google, and central visibility for better, faster detection and response. With 7,000 employees across 65 countries, Trend Micro enables organizations to simplify and secure their connected world. www.trendmicro.com.

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