Trend Micro Announces Record-Setting Results for Q4 and Fiscal Year 2021

- Exceeds all previous quarters with 9% net sales growth at actual currency across all regions and product segments
- Achieves 30% increase in enterprise annual recurring revenue (ARR) totaling more than US $550 million
- Increases subscription-based customers to over 381,000 protecting over 50 million instances

TOKYO, Feb. 17, 2022 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the fourth quarter as well as its annual results of fiscal year 2021, ending December 31, 2021.

The company reported its highest-ever in annual net sales amount with growth in every geographic region, with 9% YoY net sales at actual currency.

Trend Micro exceeded guidance in every metric for the 2021 year, which is attributed to the company's significant digital transformation, including its SaaS-first model, customer-first development priorities and unified cybersecurity platform.

The 2021 year delivered a 14% YoY increase in subscription-based customers, now totaling more than 381,000, driven by new cloud opportunities, demand for extended detection and response (XDR).

The fourth quarter's success added 49% growth in SaaS-protected deployed instances to over 50 million, including protection for endpoints, servers, cloud workloads, emails and more. Additionally, enterprise subscription-based ARR increased by 30%, totaling more than $550 million.

"We are honored to be the trusted voice in cybersecurity that organizations and governments rely on to help assess their business risk level resulting from cyber threats," said Eva Chen, co-founder and chief executive officer for Trend Micro. "The modern attack surface is dynamic and riddled with unknowns, making our contextual guidance of anticipated attacks so unique and valuable."

The final quarter of 2021 was underscored by double-digit growth as enterprise demand for SaaS-based security grew to match the need for better, faster protection against disruptive business threats such as Log4J.

Based on information currently available to the company, consolidated net sales for the year ending December 31, 2021, are expected to be 208,900 million Yen (or US $1,899 million, 110 JPY = 1USD). The company posted operating income of 42,000 million Yen (or US $381 million) and net income attributable to owners of the parent of 30,300 million Yen (or US $275 million) for the quarter.

Key business updates in 2021:

Enterprise Industry Recognition:
Trend Micro was recognized in numerous ways from industry analysts and partners.

- Named "a leader" in *The Forrester New Wave™: Extended Detection and Response (XDR) Providers, Q4 2021* report, and scored highest in the current offering category in the latest report of its kind by a major analyst firm.
- **As the global leader in cloud security, the company was recognized as #1 in workload security market share again by *IDC, Worldwide Cloud Workload Security Market Shares, 2020***
- Trend Micro Cloud One was found to deliver a return on investment of up to 188% according to Forrester. In addition, Trend Micro Vision One was found by ESG to enable 63% cost savings for customers.

Leadership in Enterprise Platform Innovation:
Trend Micro achieved new milestones across its cybersecurity platform.

- The company marked 2.5 trillion cloud events secured daily and achieved market leadership in geographically dispersed data centers to address regional data sovereignty requirements.
- A commissioned survey revealed that over half of all security operations centers globally are overrun with redundant security tools and too many alerts, which drives plans for vendor consolidation and to outsource XDR.
- New capabilities were introduced throughout the year to significantly reduce complexity and identify and communicate risk insights to help drive better security decisions.

Protecting the Industrial Internet of Things (IIoT) Landscape:
Trend Micro is continually monitoring environments under attack and threat vectors to in turn inform, innovate and protect organizations.

- Hitachi and Fujitsu agreed to develop security solutions for connected cars with Trend Micro.

- The company introduced new enhanced protection for private 5G and air-gapped industrial control systems, which addresses security and risk challenges discovered by Trend Micro's Zero Day Initiative.

Expertise in Global Threat Intelligence:
Trend Micro leveraged extensive global threat intelligence to inform its platform security capabilities and reinforce the criticality of strong protection for reducing enterprise risk.

- The annual predictions report from Trend Micro Research offered actionable insights for overburdened security teams in the year ahead.
- New research highlighted the importance of securing enterprise credentials as a thriving access-as-a-service cybercriminal market fuels ransomware attacks.
- Trend Micro's Project 2030 report and video series offered a glimpse into the future where connectivity, data and artificial intelligence change the way humans live, work and operate as a society.

Educating the World on Cybersecurity Skills:
Trend Micro is committed to educating everyone – from the most sophisticated developers to the most vulnerable citizens – on the risks and realities of cyberthreats.

- Trend Micro nurtured cyber talent to tackle the latest threats through the company's annual Capture the Flag competition.
- Trend Micro launched a cyber academy to keep kids safe online as children's screen time doubled during the pandemic.

New Patents Filed:
Trend Micro was awarded the following patents in Q4 2021:

Patent_No_	Issue Date	Title
11151276	10/19/2021	Systems and methods for data certificate notarization utilizing bridging from private blockchain to public blockchain
11151250	10/19/2021	Evaluation of files for cybersecurity threats using global and local file information
11157620	10/26/2021	Classification of executable files using a digest of a call graph pattern
11182481	11/23/2021	Evaluation of files for cyber threats using a machine learning model
11184191	11/23/2021	Inspection of network traffic on accelerated platforms
11212245	12/28/2021	Detection of forged e-mail messages at e-mail gateway

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 of 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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