Trend Micro Accelerated Growth Yet Again in Q1 2022

- *Increase of 13% net sales growth at actual currency across all regions and product segments*
- *Increase of 34% in enterprise annual recurring revenue (ARR) totaling more than US$570 million*

TOKYO, May 12, 2022 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the first quarter of fiscal year 2022, ending March 31, 2022.

Trend Micro built upon the record-breaking year 2021, reporting 13% year-over-year growth in Q1 2022. Unlike what many technology vendors can claim, these results add to the company's successful profitable growth since public listing in August 1998.

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Substantially advancing SaaS security adoption globally was the primary accelerator of growth. Enterprise subscription-based ARR increased by 34% year-over-year, along with a 13% year-over-year increase in subscription-based customers, now totaling more than 393,000. Continued SaaS success amidst a tumultuous global market reinforces Trend Micro's customer-first approach as an innovative and trusted cybersecurity partner for individuals, businesses and governments around the world.

"While I am proud and humbled by our continued success and growth, I am not surprised by it, because we have not slowed innovation throughout the constant change and uncertainty in our world," said Eva Chen, co-founder and chief executive officer for Trend Micro. "Our drive is fueled by the honor to protect our customers, meeting them where they need us most and ultimately making the digital world a safer place."

For this quarter, Trend Micro posted consolidated net sales of50,427 million Yen (or US $433 million, 116.35 JPY = 1USD). The company posted operating income of 11,115 million Yen (or US $95 million) and net income attributable to owners of the parent of 8,531 million Yen (or US $73 million) for the quarter.

The company will not revise expected consolidated results for the full fiscal year endingDecember 31, 2022 (released on February 17, 2022). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2022 is expected to be 208,900 million Yen (or US $1,899 million, based on an exchange rate of 110 JPY = 1 USD). Operating income and net income are expected to be42,000 million Yen (or US $381 million) and 30,300 million Yen (or US $275 million), respectively.

Key business updates in Q1 2022:

Innovative:
Trend Micro nurtures a culture of innovation to drive advancements across its cybersecurity platform.

- Trend Micro's cybersecurity platform blocked more than 94 billion cyber threats targeting consumer, government and business customers in 2021.
- Trend Micro Research discovered cloud computing resources are caught in an ongoing battle among cryptocurrency mining groups.
- The future vehicle market will require built-in cybersecurity to protect consumers globally. Trend Micro's solution is poised to meet this need.

Trusted:
Trend Micro is a trusted partner to the customers and communities that we serve.

- Trend Micro's commitment to securing US federal organizations was advanced through a partnership with Coalfire.
- A vulnerability disclosed during the company's Pwn2Own competition helped protect Samba users before real-world exploits could occur.
- Trend Micro's program to educate kids and families had a record-breaking year in 2021, reaching more than 3 million people globally.

Global:
Trend Micro has the most geographically dispersed customers in the industry; those millions of sensors inform products and customer support.

- A global survey found that over 90% of IT and business decision makers were concerned about ransomware attacks, requiring a strong partner with global intelligence to best mitigate their risk.
- Trend Micro's global threat intelligence engines and researchers observed multiple attacks and threats stemming from Russia's invasion of Ukraine. This intelligence was shared to help protect businesses and consumers who may be

impacted by these threats.
- The company added an integration with Palo Alto Networks Cortex™ XSOAR to simplify investigations and response times for joint customers.

New Patents Filed:
Trend Micro was awarded the following patents in Q1 2022:

Patent No.	Issue Date	Title
11258601	02/22/2022	Systems and methods for distributed digital rights management with decentralized key management
11258825	02/22/2022	Computer Network Monitoring with Event Prediction
11263500	03/01/2022	Image detection methods and apparatus
11270000	03/08/2022	Generation of file digests for detecting malicious executable files
11288594	03/29/2022	Domain Classification

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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