Trend Micro Reports Positive Q2 2022 Growth Amidst Economic Headwinds

- Increase of 17% net sales growth at actual currency across all regions and product segments
- Increase of 32% in enterprise annual recurring revenue (ARR) totaling more than US\$609 million

TOKYO, Aug. 9, 2022 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the second quarter of fiscal year 2022, ending June 30, 2022.

Trend Micro builds upon an exceptional Q1 2022 by reporting 17% year-over-year growth in Q2 2022 at actual currency.

Growth across all regions and product segments, particularly enterprise, was driven by success in extended detection and response and cloud security. Enterprise subscription-based ARR increased by 32% year-over-year along with a 13% increase in subscription-based customers, now totaling more than 404,000. The company continues to diversify its customer portfolio and market offerings, increasing profitability and industry leadership.

Eva Chen, co-founder and chief executive officer for Trend Micro, shared: "Businesses need visibility, ease-of-use, and a strong SaaS-based platform from their security partner. Our unified platform sets us apart by allowing businesses to understand and mitigate their cybersecurity risk no matter where they are – physically and digitally. We distinguish ourselves with holistic detection and response, managed services, and a focus on leveraging the power of the cloud. I'm proud that Trend Micro continues to be an innovative security leader that meets the most rigorous and constantly evolving cybersecurity requirements of our customers."

For this quarter, Trend Micro posted consolidated net sales of 54,874 million Yen (or US\$423 million, 129.67 JPY = 1USD). The company posted operating income of 7,542 million Yen (or US \$58 million) and net income attributable to owners of the parent of 6,430 million Yen (or US \$49 million) for the quarter.

As of now, the company will revise its consolidated results forecast for the full fiscal year endingDecember 31, 2022 (released on February 17, 2022) taking into consideration the great volatility in the foreign currency exchange rates. This revision is made only in association with the foreign currency exchange rates, and there is no substantive change in the presupposedness from the forecast previously published.

Based on information currently available to the company, consolidated net sales for the year endingDecember 31, 2022 is expected to be 225,900 million Yen (or US \$1,685 million, based on an exchange rate of 134 JPY = 1 USD). Operating income and net income are expected to be 42,000 million Yen (or US \$313 million) and 30,300 million Yen (or US \$226 million), respectively.

Key business updates in Q2 2022

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

- Launched a unified cybersecurity platform, Trend Micro One, with a full ecosystem of native and third-party integrations, delivering visibility and control across the entire attack surface.
- Hosted a premier hacking through the world's largest vendor-agnostic bug bounty program, the ZDI, resulting in boosted security for a collective of 1 billion end users.
- Spun off an eVehicle cybersecurity business named VicOne, which was incubated internally based on expertise gained from threat research and boundary-breaking innovation.
- Named as a Leader in Endpoint Detection and Response (EDR) by Forrester.

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

- Formalized a business unit for the specific needs of US Federal agencies led by a team of US government experts and informed by specialized threat intelligence after decades of serving global governments.
- Blocked 33.6 million threats to cloud-based emails in 2021, a 101% increase year over year, as email continues to dominate as the top attack vector.
- Found that more than 75% of global organizations think they will be breached this year, according to the global Cyber Risk Index (CRI) for the second half of 2021.

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

- Revealed that improved security and privacy capabilities are the main motivations behind private 5G wireless network projects according to a new survey with 451 Research.
- Found that organizations globally are concerned that their digital attack surface is going unprotected and spiraling out of control due to visibility and control gaps.

• Quantified the millions of dollars in loss caused cyber-attacks on industry environments in new research.

New Patents Filed

Trend Micro was awarded the following patents in Q2 2022:

Patent No	Issue Date	
11308403	04/19/2022	Automatic Identification of Critical Network Assets of a
		Private Computer Network
11349926	05/31/2022	Protected smart contracts for managing internet of things
		devices
11354433	06/07/2022	
11316894	04/26/2022	System and Method for Detecting Leakage of Email
		Addresses
11323476	05/03/2022	Prevention of credential phishing based upon login
		behavior analysis
11354409	06/07/2022	Malware detection using locality sensitive hashing of API
		call sequences
11329936	05/10/2022	•
		e-mail routing
11356853	06/07/2022	Detection of Malicious Mobile Apps
11310142	04/19/2022	Systems and Methods for Detecting Network Attacks
11310285	04/19/2022	,
11296868	04/05/2022	
		Using a Related Object Sequence Hash

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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