Trend Micro Q3 2022 Reflects Continued Global SaaS Expansion

- *Increase of 19% net sales growth at actual currency across all regions and product segments*
- *Increase of 29% in enterprise annual recurring revenue (ARR) exceeding a US$637 million total*
- *Increase of 11% in active customer subscriptions to more than 411,000*

TOKYO, Nov. 10, 2022 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the third quarter of fiscal year 2022, ending September 30, 2022.

A transformation to SaaS and a holistic platform approach to security, including cloud and extended detection and response, continued to drive the company's success this quarter.

Enterprise subscription-based ARR increased by 29% year-over-year along with an 11% increase in subscription-based customers, now exceeding 411,000.

"This quarter brought success in key areas to our business, including the continued adoption of SaaS by the most geographically diverse customer base in the security industry," said Eva Chen, co-founder and chief executive officer for Trend Micro. "Our team of 7,000 employees is ruthlessly focused on securing those organizations, as well as our global society from increasingly sophisticated threats."

For this quarter, Trend Micro posted consolidated net sales of56,798 million Yen (or US $410 million, 138.40 JPY = 1USD). The company posted operating income of 7,213 million Yen (or US $52 million) and net income attributable to owners of the parent of 13,530 million Yen (or US $97 million) for the quarter.

The company will not revise expected consolidated results for the full year endingDecember 31, 2022 (released on November 2, 2022).

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 37,000 million Yen (or US $276 million) and 31,900 million Yen (or US $238 million), respectively.

Key business updates in Q3 2022

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

- Named No. 1 in cloud workload security for the fourth consecutive year with 17.7% of the cloud workload security market share, which is nearly three times the size of the next largest competitor, according to IDC.
- The company divested investment in the security operations center company, named Cysiv, to allow for alternate areas of growth.
- Trend Micro has the industry's best protection for Linux-based systems, which is critical as the company found a 75% increase in ransomware attacks on these systems.
- According to a survey, 73% of organizations worry about their growing attack surface, making it critical to have a trusted security partner to wrangle the sprawl and simplify security.

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

- Trend Micro's Zero Day Initiative was responsible for disclosing nearly 64% of all vulnerabilities in 2021. It continues to disclose the most bugs of any bug bounty program, improving security for every technology user.
- Trusted studies from Trend Micro shared that 89% of electricity, oil & gas, and manufacturing firms have experienced cyber-attacks impacting production and energy supply over the past 12 months.
- Trend Micro is trusted to secure the supply chain, supporting a study that found 79% of global IT leaders believe their partners and customers.
- The company is a trusted partner for private 5G network adoption, supporting companies seeking to transition their networks while lowering risk.

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

- As the cloud security leader, Trend Micro continues to add AWS competencies that acknowledge they company's ideal fit for protecting specific industries, including the Security Competency and the AWS Healthcare Competency.
- In line with the company's history of incubating technology innovation, Trend Micro VicOne was launched as a wholly owned subsidiary to target cyber security for EV automotive.
- A partnership with Schneider Electric will advance Industrial IoT security through embedded technology in HMI systems.

- Trend Micro detected a 101% increase in email-based threats in 2021, reaffirming email as the leading attack entry method for criminals.

New Patents Filed
Trend Micro was awarded the following patents in Q3 2022:

Patent No.	Issue Date	Title
11379578	07/05/2022	Detecting Malware by Pooled Analysis of Sample Files in a Sandbox
11440190	09/13/2022	Detecting Unsecure Data Flow in Automation Task Programs
11449794	09/20/2022	Automatic Charset and Language Detection with Machine Learning

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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