Trend Micro Announces New Capital Allocation Strategy to Increase Shareholder Value

Evolution of the business to accelerate market leadership and drive customer & shareholder value

DALLAS, Feb. 16, 2023 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global cybersecurity leader, today announced that its Board of Directors has agreed to its multi-pronged capital allocation strategy in another step toward transforming the business and commitment to all stakeholders.

Over Trend Micro's long history of profitable growth, it has accumulated a cash balance which the board believes exceeds its liquidity requirements. In recognition of this excess liquidity, the board of directors is commencing a capital allocation strategy which is expected to reduce the excess liquidity and improve returns on capital. The amount of excess capital will be consistent with the companies guiding principal of being a sustainable, superior performing business while accounting for obligations to pay dividends in the future.

As a first step in this direction, Trend has announced up to50Bn JPY share buybacks in the near future, with25Bn JPY to start immediately. After this buyback, the company will continue to focus on improving the efficiency of the balance sheet by reducing the cash balance through a combination of share repurchases, acquisitions, and the continuation of the company's dividend policy which pays out 70% of net operating profits.

The company's philosophy of driving innovation organically through our 3,000+ person global engineering team remains unchanged, as well as our need to selectively pursue small technology tuck-ins when we identify features that could be added to our market leading platform that make us more effective for fighting threat actors.

Alongside this new capital allocation strategy, Trend has revealed a brand refresh designed to cement the firm's emerging status as an expansive SaaS-First security platform provider serving over 400,000 enterprise customers in nearly every country. A modernized corporate logo signals a bold and focused future for Trend by minimizing "Micro" to represent reinvention alongside continuity of purpose. A comprehensive web redesign showcases our best-in-class platform. All of this realized by customers and prospects through the largest global cyber security roadshow ever held.

Eva Chen, CEO of Trend Micro, said, "Although we see some economic headwinds facing our industry, our plan to invest in growth remains unchanged as the cybersecurity requirements of our customers are constantly evolving. This is where our strategy of being a resilient global cybersecurity leader with one of the broadest platforms in the industry will allow us to continue to help customers consolidate vendors and maximize their return on investment. Our next generation SaaS products including Cloud One and Vision One propelled us in 2022 – and we have a long runway of growth ahead."

Notice Regarding Forward-Looking Statements

Certain statements included in this press release that are not historical facts are forward-looking statements. Forward-looking statements are sometimes accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook" and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements are based on our current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, even if subsequently made available by us on our website or otherwise. We do not undertake any obligation to update, amend or clarify these forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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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