Trend Micro Reports Results for Q4 and Fiscal Year 2014

TOKYO--(<u>BUSINESS WIRE</u>)--<u>Trend Micro</u> Incorporated (<u>TYO: 4704</u>) (<u>TSE: 4704</u>), a global leader in security software and solutions, announced earnings results for the fourth quarter and consolidated revenue for fiscal year 2014, ending Dec. 31, 2014. This quarter and fiscal year represent record performance for the company.

For the fourth quarter, Trend Micro posted consolidated net sales of 31,264 million Yen (or US \$272 million, 114.80 JPY = 1 USD). The company posted operating income of 9,021 million Yen (or US \$78 million) and net income of 5,812 million Yen (or US \$50 million) for the quarter.

For 2014, Trend Micro posted consolidated net sales of 115,205 million Yen (or US \$1,086 million, 106.03 JPY=1USD). The company also reported operating income of 33,652 million Yen (or US \$317 million) and net income of 22,303 million Yen (or US \$210 million).

Based on information currently available to the company, consolidated net sales for the year ending December 31, 2015 is expected to be 123,100 million Yen (or US \$1,043 million, based on an exchange rate of 118 JPY = 1USD). Operating income and net income are expected to be 34,200 million Yen (or US \$289 million) and 22,600 million Yen (or US \$191 million), respectively.

Growth rate figures are calculated from Japanese Yen results. Some discrepancy may therefore be noted in US Dollar comparisons owing to fluctuations in currency conversion rates.

"Our innovation, strategic partnerships and thought-provoking research has helped to further position Trend Micro as a global leader in security software," said Eva Chen, CEO, Trend Micro. "While we stand true to our commitment to making the world safe for exchanging digital information for customers and the public alike, we also stand true to being a responsible and forward-thinking organization."

Q4 2014 Business Highlights

Trend Micro announced the expansion of its Global Operations Headquarters in Las Colinas, Texas and hosted a job fair to support the company's growth. During the job fair, attendees had the opportunity to network with Trend Micro's senior management team, security experts and recruitment personnel.

Trend Micro held its inaugural Global Partner Summit in Las Vegas, Nevada and recognized top-performing channel partners. Executives from Trend Micro's most successful worldwide channel partners, including national resellers, systems integrators, service providers and distributors, from five continents and 45 countries, attended the event. At the summit, Trend Micro honored 12 of its top-performing channel partners in three categories: Global Sales Leadership, Global Sales Specialist, and Market Leadership.

In conjunction with Trend Micro's three-year agreement to support INTERPOL and its member countries with additional knowledge, resources and strategies to fight global cybercrime, Trend Micro CEO, Eva Chen, delivered the keynote address at the 83rd INTERPOL General Assembly. Trend Micro was the only security software provider invited to participate during the event's technology and cybercrime session.

As cloud adoption continues to accelerate, Trend Micro announced the availability of its cloud and data center platform, Trend Micro™ Deep Security™ for Amazon Web Services (AWS) on AWS Marketplace, an online store providing software and services for use on AWS. Deep Security provides automated cloud security on AWS, including intrusion prevention (IPS), anti-malware with web reputation, integrity monitoring, log inspection, and

host firewall, in one comprehensive offering.

After the revelation of another major flaw affecting SSL/TLS in Microsoft Windows Secure Channel (SChannel), Trend Micro issued several recommendations to Windows users to assist with immediately patching their systems. Recommendations included using a vulnerability shielding product to provide protection while testing and deploying security updates such as. Trend Micro's Deep Security™ solution.

Trend Micro Incorporated announced a strategic OEM agreement with HP to help enterprises combat advanced targeted threats and custom malware. The HP TippingPoint Advanced Threat Appliance (ATA) family of products leverages the power of Trend Micro™ Deep Discovery to provide customers with a single, integrated solution for detection and enforcement.

Awards and Recognitions for Q4 2014

Trend Micro™ Deep Discovery Inspector awarded the top spot in the Unified Threat Management category by *ComputerWorld* Malaysia's Reader's Choice Awards.

Software Magazine named Trend Micro Top 500 Global Software Company 2014.

V3 Technology Awards named Trend Micro™ Deep Discovery Best Enterprise Security Product.

V3 Technology Awards named Trend Micro™ Deep Discovery Best Cloud Security Product.

Patents

Trend Micro was awarded the following patents in Q4 2014:

8856914	10/07/2014	System and method for intelligence coordination of host and guest intrusion prevention in virtualized environment
8862555	10/14/2014	Methods and Apparatus for Generating Difference Files
8868979	10/21/2014	Host Disaster Recovery System
8874550	10/28/2014	Method and apparatus for security information visualization
8887282	11/11/2014	Techniques for Protecting Data in Cloud Computing Environments
8887152	11/11/2014	Android application virtual environment
8892766	11/18/2014	Application-Based Network Traffic Redirection for Cloud Security Service
8892867	11/18/2014	Techniques for Protecting Data in Cloud Computing Environments
8893270	11/18/2014	Detection of Cross-Site Request Forgery Attacks
8893274	11/18/2014	Cross-VM network filtering
8892875	11/18/2014	Methods and Apparatus for Controlling Access to Encrypted Computer Files
8892876	11/18/2014	Secured Application Package Files for Mobile Computing Devices
8893276	11/18/2014	Methods and systems for determining performance of filter in a computer intrusion prevention detection system
8918879	12/23/2014	Operating System Bootstrap Failure Detection
8925087	12/30/2014	Apparatus and Method for in-the-cloud identification of spam and/or malware
8924546	12/30/2014	Roaming Bandwidth Guidance for Mobile Computing Devices
8925074	12/30/2014	Methods and Apparatus for Detecting Abnormal Computer Files

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 to it, 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 virus 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 antivirus software industry
- Changes in customer needs for antivirus 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

About Trend Micro

Trend Micro Incorporated, a global leader in <u>security software</u>, strives to make the world safe for exchanging digital information. Our solutions for consumers, businesses and governments provide layered <u>data security</u> to protect information on mobile devices, endpoints, gateways, servers and the cloud. Trend Micro enables the smart protection of information, with innovative security technology that is simple to deploy and manage, and fits an evolving ecosystem. All of our solutions are powered by cloud-based <u>global threat intelligence</u>, the Trend Micro Smart Protection Network infrastructure, and are supported by over 1,200 threat experts around the globe. For more information, visit <u>TrendMicro.com</u>.

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