Trend Micro Reports Second Quarter 2015 Results

TOKYO--(<u>BUSINESS WIRE</u>)--<u>Trend Micro Incorporated</u> (<u>TYO: 4704</u>; <u>TSE: 4704</u>), a global leader in security software and solutions, announced earnings results for the second quarter 2015, ending June 30, 2015.

For the second quarter, Trend Micro posted consolidated net sales of 30,774 million Yen (or US \$253 million, 121.50 JPY = 1 USD). The company posted operating income of 7,824 million Yen (or US \$64 million) and net income of 4,939 million Yen (or US \$40 million) for the quarter. These figures reflect an 11 percent increase in net sales compared to the same period a year ago.

As of now, the company will not revise consolidated results for the full fiscal year ending December 31, 2015 (released on February 18, 2015). 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 = 1 USD). 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.

"As businesses seek to protect their organizations from the ever-changing cybersecurity threat landscape, Trend Micro has made significant moves this quarter to enhance support for our customers," said Eva Chen, CEO, Trend Micro. "Aligning with Booz Allen to provide an unparalleled view of their cybersecurity ecosystem and initiating Trend Micro Support as a standard service, reassures our clients that they've chosen the most innovative and user-friendly security solutions. Additionally, organizations were offered a fun, interactive way to test their cybersecurity knowledge and better prepare for potential threats through the release of our 'Targeted Attack: The Game' simulator, which was well received."

Q2 2015 Business Highlights

The Trend Micro vulnerability research teams identified and responsibly disclosed 12 vulnerabilities affecting Oracle, Google, Microsoft and Apache, of which 1 was a 0-day vulnerability exploited by high-profile advanced attacks.

Trend Micro announced Trend Micro Support as a standard service to provide around-the-clock customer support for mid- to large-sized businesses in North America. Trend Micro Support provides customers with access to support resources from technically-skilled customer service engineers who can address their issues. Standard to most Trend Micro business offerings purchased after April 1, 2015, customers can now rely on assistance from expert support professionals on-demand.

To educate audiences who are tasked with thwarting attacks, Trend Micro released an educational simulation, 'Targeted Attack: The Game', designed to highlight the security challenges faced when real-world business demands must be constantly weighed against security, risk and of course a diminishing budget. Modeled after the "Choose Your Own Adventure" book series, players must maneuver through the simulation's multiple stages and make critical decisions involving internal security teams and communications teams, as well as the CEO.

Trend Micro announced that it was among a group of security and technology leaders executing Operation SIMDA to thwart a massive botnet. Trend Micro experts presented these findings at the first-ever INTERPOL *World* 2015 in Singapore, April 14-16, to highlight security solutions to global law enforcement and

security agencies.

Trend Micro announced that Judge Leonard Stark for the U.S. District Court of Delaware invalidated two Intellectual Ventures patents that have been asserted against Trend Micro since 2010. Judge Stark ruled that the patents were too abstract and not patent eligible. Trend Micro applauds the court's decision which voided the need for a trial in May.

Trend Micro announced a strategic partnership that fuses Booz Allen's Predictive Threat Intelligence consulting and integration services with Trend Micro's best-in-breed threat intelligence, providing clients with a data-rich, on-demand view of their cybersecurity ecosystems backed by an integrated team of Booz Allen-Trend Micro analysts.

Trend Micro announced Trend Micro[™] Deep Security is certified as a VCE[™] Validation Ready[™] solution through the <u>VCE Technology Alliance Partner</u> (TAP) program. The TAP program is designed for independent software vendors, hardware manufacturers, virtual appliance vendors and other technology providers seeking to simplify and accelerate their solutions for deployment with VCE Vblock® Systems.

Q2 2015 Awards and Recognitions

Trend Micro Premium Security was awarded the 2015 Clear Choice Network World Anti-Virus Software Testing.

Trend Micro was awarded the Best YouTube Campaign for the "Don't be that Guy" Series by PR News.

Trend Micro won the 15 Year Excellence in Information Security Testing Award for 2015 by ICSA Labs.

Patents

Trend Micro was awarded the following patents in Q2 2015:

04/07/2015	Mobile Device Reputation System
04/14/2015	Method and Apparatus for Detecting Phishing Attacks
04/14/2015	Anomaly Detector for Computer Networks
04/14/2015	Method for Detecting and Preventing Data Modification Across Kernel of the Operating
04/14/2015	System and User Mode Spaces
04/21/2015	Managing Configurations of a Firewall
4/28/2015	Method and System for Web Filtering
4/28/2015	Secure Real Time Data Replication with Disk Encryption and Key Management System
5/5/2015	Distributed Image Storage Using Cloud
5/5/2015	Automatic Identification of Malicious Budget Codes and Compromised Websites that
	are Employed in Phishing Attacks
E /1 2 /2 0 1 E	Methods and System for Determining Performance of Filters in a Computer Intrusion
5/12/2015	Prevention Detection System
E /10/201E	Exploit Nonspecific Host Intrusion Prevention/Detection Methods and Systems and
5/19/2015	Smart Filters Therefor
5/19/2015	Dynamic Provisioning of Protection Software in a Host Intrusion Prevention System
5/26/2015	Computer Security Threat Data Collection and Aggregation with User Privacy
	Protection
5/26/2015	Method and System for Dynamic Protocol Decoding and Analysis
5/26/2015	Detection of Encryption and Compression Applications
	04/14/2015 04/14/2015 04/21/2015 4/28/2015 5/5/2015 5/5/2015 5/12/2015 5/19/2015 5/19/2015 5/26/2015

9049169	6/2/2015	Mobile Email Protection for Private Computer Networks
9049222	6/2/2015	Preventing Cross-Site Scripting in Web-Based E-Mail
2607649	6/2/2015	Method and System for Regulating Host Security Configuration
9058509	6/16/2015	Screen Privacy Filter Using Software

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 security software, strives to make the world safe for exchanging digital information. Built on 26 years of experience, our solutions for consumers, businesses and governments provide layered data security to protect information on <u>mobile devices</u>, <u>endpoints</u>, <u>gateways</u>, <u>servers</u> and the <u>cloud</u>. 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 more than 1,200 threat experts around the globe. For more information, visit TrendMicro.com.

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