Trend Micro Reports Second Quarter 2018 Results

Overall growth of 15 percent in enterprise business anchored by 21 percent growth in solutions that secure hybrid infrastructures

TOKYO--([BUSINESS WIRE](#))--[Trend Micro Incorporated](#) ([TYO: 4704](#); [TSE: 4704](#)), a global leader in cybersecurity solutions, today announced earnings results for the second quarter 2018, ending June 30, 2018. For the second quarter, Trend Micro posted consolidated net sales of 39,497 million Yen (or US $361 million, 109.16 JPY = 1USD). The company posted operating income of 8,547 million Yen (or US $78 million) and net income of 6,882 million Yen (or US $63 million) for the quarter.

The company will not revise expected consolidated results for the full fiscal year ending December 31, 2018 (released on February 15, 2018). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2018, is expected to be 164,800 million Yen (or US $1,484 million, based on an exchange rate of 111 JPY = 1 USD). Operating income and net income are expected to be 40,700 million Yen (or US $366 million) and 28,400 million Yen (or US $255 million), respectively.

"Our strategy is built around anticipating and addressing three key areas: the changing infrastructure, shifting user behaviors and ever-evolving cyber threats of today and tomorrow," said Eva Chen, chief executive officer for Trend Micro. "Our business momentum is evidence of our ability to meet the needs of our customers."

Leadership in securing the cloud and hybrid environments

Enterprise business rose by 15 percent from the same quarter last year for Trend Micro, reinforcing that businesses of all sizes are entrusting their critical data to this layered security portfolio. As networking environments become more complex and cloud adoption increases, organizations require security that is optimized for highly modern environments. Trend Micro's offerings for protecting hybrid infrastructures, specifically the Hybrid Cloud Security and Network Defense solutions, collectively attracted 900 new customers to the portfolio and grew an impressive 21 percent in gross sales year over year.

Optimizing Trend Micro solutions for these new environments requires close partnerships with leading virtualization and cloud platform providers. Trend Micro's strength in protecting virtualized environments was recognized by the VMware Global Partner Innovation Award in the Technical ISV for the second consecutive year.

Furthering its strength in the cloud security space, Trend Micro launched [Deep Security™ Smart Check](#), a component providing continuous container image scanning to complement the existing Deep Security runtime container protection. Organizations are increasingly using containers to accelerate an application's time to market. This new offering eases and secures the deployment of containers to cloud environments, including Amazon Web Services, Microsoft Azure and others.

Preventing risk from proliferation of connected devices

Internet connected devices introduce new vulnerabilities and increase the enterprise attack surface. Since these devices are generally not designed with security in mind, Trend Micro continues to add new device manufacturer partnerships to ensure Internet of Things (IoT) devices have security embedded.

- Trend Micro Research issued a report on the reality of IP Camera threats, while Vivotek simultaneously announced it chose Trend Micro's IoT Security for Surveillance Cameras to embed in its devices.
- Trend Micro's security solutions for IoT extend to protecting consumers, as well. Multiple electronic

manufacturers validated the strength of Trend Micro's solutions with the updated launch of multiple home router products, including TP-Link and Asus over the second quarter.

Addressing the skills gap

The global skills shortage is a known problem across cybersecurity, which Trend Micro works to address from both the technology and people sides of this global issue. The company continues to enhance products and service offerings to streamline visibility and prioritize threats, as well as recruiting and training new security talent to add more qualified professionals to the industry.

- Trend Micro announced a new services offering, Trend Micro Managed Detection and Response (MDR). Trend Micro has increased product capabilities to allow security operations centers (SOC) to more quickly triage their most critical threat alerts and strategically allocate talent during this global cyber skills shortage.

Patents

Trend Micro was awarded the following patents in Q2 2018:

Patent No.	Issue Date	Title
1620090	04/01/2018	Login Failure Sequence for Detecting Phishing
10007795	06/26/2018	Detection and Recovery of Documents that Have Been Compromised by Malware

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 Incorporated, a global leader in cybersecurity solutions, helps to make the world safe for exchanging digital information. Our innovative solutions for consumers, businesses, and governments provide layered security for data centers, cloud environments, networks, and endpoints. All our products work together to seamlessly share threat intelligence and provide a connected threat defense with centralized visibility and control, enabling better, faster protection. With more than 6,000 employees in over 50 countries and the world's most advanced global threat intelligence, Trend Micro secures your connected world. For more information, visit www.trendmicro.com.

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