

Trend Micro Posts Record First-Half Revenue

Net sales climbed 35% to 12,939 million yen

Tokyo, Japan, August 3, 2001-Trend Micro Incorporated (Nasdaq: TMIC, Tokyo Stock Exchange: 4704), a leading provider of enterprise antivirus and content security software, today announced sales of 12,939 million yen for the first half of 2001, a 34.8% increase over the 9,600 million yen reported for the corresponding period of 2000, driven by rapid growth in North America and Europe.

Ordinary income was up 1.1% to 3,004 million yen, from income of 2,972 million yen in the first half of 2000. The lower growth rate for 1H was due to changes in accounting methods as well as weaker-than-expected IT spending in major markets. Adjusted for accounting changes, revenue grew 39.9% YoY and ordinary income 17.6% YoY. Excluding one-time charges related to goodwill amortization and accounting changes, earnings per share were 13.80 Yen, as compared to 19.03 Yen a year ago. Including extraordinary items, Trend Micro reported a net loss of -10.48 Yen / share, compared with earnings per share of 19.03 yen in 1H 2000.

"The second quarter was a tough one for us, as spending in the IT sector remained weak, and accounting changes also had a major impact on our results," said Trend Micro Chairman and CEO Steve Chang. "Although earnings didn't meet our original forecast, we outperformed the industry and are confident about our near-term growth prospects, especially broadband security which I expect to be a major new source of growth – we will be back on track in Q3."

In spite of the sluggish IT market, Trend Micro continued its rapid growth in global sales especially in North America and Europe. Net sales in North America increased 44% over 2000, and Europe net sales also attained a solid growth rate of 49%. Net sales in other parts of the world jumped 53% to reach 982 million yen. Japan remained the largest market, with revenue rising to 4,487 million yen, a 22% rise from 2000.

Detailed financial information and 1H highlights are available at:
http://www.antivirus.com/corporate/investor_relations/

Notice Regarding Forward Looking Statements

These forward-looking statements include statements regarding:

- Our near-term growth prospects
- Trends in our future operating results and other financial results
- The growth potential of broadband security

Many important factors could cause our actual results to differ materially from those expressed in our forward-looking statements. These factors include:

- Customer acceptance of our new products and services
- The impact of competing products and services
- Difficulties in adapting our products and services to the Internet
- Difficulties in addressing new virus and other computer security problems
- The potential lack of attractive investment targets and difficulties in successfully executing our investment strategy
- Declining prices for our products and services

We assume no obligation to update any forward-looking statements.

For more details regarding risk factors relating to our future performance, please refer to our filings with the SEC.

About Trend Micro, Inc.

Trend Micro, Inc. is a leader in network antivirus and Internet content security software and services. The Tokyo-based corporation has its North American headquarters in Cupertino, CA, and business units worldwide. Trend Micro products are sold directly, through corporate, value-added resellers and managed service providers. For additional information and evaluation copies of all Trend Micro products, visit

<http://www.antivirus.com>.

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