

Trend Micro Announces Fourth Quarter and Annual Results

Company Reports Record Annual Profits and Continued Growth in Enterprise Segment

Tokyo, Japan – February 4th, 2003 - Trend Micro Inc (TSE: 4704; Nasdaq: TMIC), a leader in network antivirus and Internet content security software and services, today reported results in Japanese GAAP for the fourth quarter and fiscal year ending December 31, 2002.

Trend Micro posted consolidated net sales of 11.76 billion yen, (or US \$100 million) and operating income of 4.43 billion yen (or US \$38million) for the fourth quarter of 2002. These figures reflect gains of 9% in net sales and 13% in operating income compared with the same period a year ago, and growth of 10% in net sales and 44% in operating income compared to the previous quarter.

Net sales for 2002 reached a record high of 42.98 billion yen (or US \$364 million) in 2002, up 37% from 2001. Operating income was 13.88 billion yen (or US \$118 million), up 46% from 2001. Net income was 7.89 billion yen (or US \$67 million), up 226% from 2001. All major product lines grew during 2002, with enterprise products representing 81% of revenues.

“We are very pleased that we have had yet another year of robust growth and that we continue to grow market share in the enterprise segment worldwide,” said Steve Chang, Chairman and CEO, Trend Micro. “This year we delivered our Enterprise Protection Strategy, a NIMDA-prevention architecture, along with many new services and products to support this and we demonstrated the appropriateness of the best-of-breed approach by forming key alliances with other security market leaders. Perhaps most satisfying is that we were able to achieve record profit growth while at the same time investing heavily in channels, products and programs that will enable our growth in coming years.”

Consolidated net sales for the first quarter ending March 2003 are expected to be 11.0 billion yen (or US\$ 93 million). Operating income is expected to be 3.1 billion yen (or US\$ 26 million). Net income is expected to be 1.8 billion Yen (or US\$ 15 million).

Trend Micro also resolved to change its dividend policy and will begin paying dividends beginning in fiscal year 2003. Shareholders of record at the end of December 2003 have the right to receive dividends. The company plans to set 20 percent of consolidated net income as a base for the dividends. The company will decide the dividends per share in consideration of its stock repurchase plan and the retained earnings available for dividends within the limits set by the Japanese Commercial Code.

Fourth Quarter Highlights

- In Japan, the company showed continued strength, with growth coming from government, education, and service provider sectors. Growth in the region was fueled by the ISP market, where revenue rose 640% year over year. During the quarter, the company also delivered the newest version of VirusBuster, the company's consumer antivirus product, with the inclusion of a personal firewall & support for wireless devices. Nikkei Business Publications, Inc. gave the “Best PC Software” Award VirusBuster for the third consecutive year.
- In the US, Trend Micro continued to grow its enterprise customer base, winning new contracts with an additional 9 companies in the Fortune 500, from industries including commercial banking, energy, and securities. A majority of the contracts were comprised of Trend Micro's Internet gateway and mail server products. Consumer sales in the US grew 43% from 2001 based on strong growth in online sales. Trend Micro named Lane Bess as Senior Vice President of Sales for North America during the quarter. Trend Micro products also won several accolades including a 5-Star rating for OfficeScan™ Corporate Edition from SC Magazine and Best of Show Finalist for ScanMail™ for Microsoft Exchange at MEC 2002.

- In Europe, Trend Micro continued to strengthen its enterprise customer base, signing over 30 new contracts of over 10,000 users each. The biggest wins were seen in the government and financial sectors. Trend Micro was also honored during the quarter with several awards in the region. GateLock X200 won three accolades: 'Editor's Choice' from PC Professional in Germany, 'Product of the Year' from PC World Norge in Norway, and membership in the 'Best of 2002' selection by SC Magazine. PC World Norge also awarded Trend Micro's corporate desktop solution, OfficeScan™, 'Best in Test' in a comparative review, while readers of the Spanish Publication PC Actual named Trend Micro's InterScan™ Messaging Security Suite winner of the 'Security Category'.
- In the Asia-Pacific and Latin American regions, Trend Micro also showed significant growth, most notably in the service provider sector. The company gained access to over 700,000 users in these regions through new ISP relationships signed in the quarter. In Latin America, the company was awarded 2 government contracts of over 20,000 users each. In China, PC World named Trend Micro's ScanMail™ for Microsoft™ Exchange "Product of the Year."
- Trend Micro continued to build upon its best-of-breed alliances during the quarter. In November, Nokia and Trend Micro joined forces to develop a rapidly deployable, auto-updating security appliance, Nokia Message Protector SC6600, which blocks viruses and other email borne exploits at the network perimeter.
- The company also won noteworthy service accolades, including the Inaugural "Service Excellence Award" from Accenture and Commonwealth Magazine in Taiwan. In December, Trend Micro's US Premium Support organization earned the prestigious Support Center Practices (SCP) Certification, which recognized the company for its enterprise support excellence. Trend Micro is the first software vendor to receive such recognition.

About Trend Micro

Trend Micro, Inc. is a leader in network antivirus and Internet content security software and services. The Tokyo-based corporation has business units worldwide. Trend Micro products are sold through corporate and value-added resellers. For additional information and evaluation copies of all Trend Micro products, visit our website at <http://www.trendmicro.com>.

Supplementary Information

The following tables show key financial information for the fiscal year ended December 31, 2002 as announced by Trend Micro in Japan.
(\$1US = 118 Japanese Yen)

1. Consolidated Results of Operations

	From Jan 1 to Dec 31,				Change
	2002		2001		
	Millions of yen, except share data	Millions of US\$, except share data	Millions of yen	Millions of US\$	
Net sales	42,979	364	31,326	265	37%
Operating Income	13,876	118	9,481	80	46%
Ordinary Income	13,449	114	9,549	81	41%
Net income	7,892	67	2,421	21	226%
Net income per share (basic)	59.74 yen	\$ 0.51	18.40 yen	\$ 0.16	-
Net income per share (diluted)	59.57 yen	\$ 0.50	18.23 yen	\$ 0.15	-

2. Consolidated Financial Position

	As of Dec 31,			
	2002		2001	
	Millions of yen, except share data	Millions of US\$, except share data	Millions of yen, except share data	Millions of US\$, except share data
Total assets	74,165	629	65,317	554
Shareholders' equity	37,084	314	30,901	262
Shareholders' equity ratio	50%		47%	
Shareholders' equity per share	281.62 yen	\$ 2.39	234.02 yen	\$ 1.98

3. Consolidated Cash Flows

	From Jan 1 to Dec 31,			
	2002		2001	
	Millions of yen	Millions of US\$	Millions of yen	Millions of US\$
Cash flows from operating activities	15,217	129	12,563	106
Cash flows from investing activities	-3,172	-27	-2,918	-25
Cash flows from financing activities	-4,482	-38	5,460	46
Ending balance of cash and cash equivalent	47,829	405	40,782	346

Notice Regarding Forward Looking Statements

Statements included in this release contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements regarding our expectations about future dividend payments. 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, including our annual report on Form 20-F which was filed on July 1, 2002.

For Additional Information

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