

May 12, 2009

Report of Earning Results (Consolidated)
For the First Quarter of the Fiscal Year
Ending December 31, 2009

Company : Trend Micro Incorporated Tokyo Stock Exchange 1st Section
Code : 4704 Location : Tokyo
URL <http://www.trendmicro.co.jp/>

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Expected date of the submission of quarterly security reports ("Shihanki Hokokusho")
: May 14, 2009

1. Financial Highlights for the First Quarter Ended March 31, 2009

(1) Consolidated Results of Operations

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Qtr Ended March 31, 2009	22,915	-	7,028	-	7,936	-	4,821	-
First Qtr Ended March 31, 2008	25,604	-	8,338	-	7,517	-	4,594	-

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
First Qtr Ended March 31, 2009	36.10	-
First Qtr Ended March 31, 2008	34.40	34.34

(2) Consolidated Financial Position

	Total assets	Net Assets	Net Assets ratio	Net Assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2009	179,925	93,712	49.7	669.44
December 31, 2008	178,766	98,846	53.2	711.96

(Note) Net Assets after deduction of Share acquisition rights and Minority interest
: 89,416 million yen as of March 31, 2009 (95,096 million yen as of December 31, 2008)

2. Dividend of Surplus

As of	Cash dividends per share				
	The first quarter end	The second quarter end	The third quarter end	Annual end	Total
	Yen	Yen	Yen	Yen	Yen
December 31, 2008	-	-	-	97.00	97.00
December 31, 2009	-	-	-	-	-
Projection for FY 2009	-	-	-	-	-

(Note) Revision of the projection for the first quarter of FY 2009 : No

(Note) The dividend projection for the coming quarter ends is not yet determined.

3. Forecasts of Consolidated Financial Results for FY 2009

(January 1, 2009 through December 31, 2009)

We do not issue a projection figures on a yearly basis.

For the forecast of the second quarter end, please refer to page 4.

4. Others

(1) Change in the basis of Consolidation and Application of equity method : No

(2) Application of simplified accounting procedures and accounting procedures specific to the preparation of quarterly consolidated financial statements : Yes

Please refer “Application of simplified accounting procedures and accounting procedures specific to the preparation of quarterly consolidated financial statements”, page 4.

(3) Changes in accounting principles and procedures as well as presentation methods related to the preparation of quarterly consolidated financial statements

① Change under the revision of Accounting Standards : Yes

② Others : No

Please refer “Changes in accounting principles and procedures as well as presentation methods related to the preparation of quarterly consolidated financial statements”, page 5.

(4) Number of shares issued (common shares)

① Number of shares issued (including treasury stocks):

140,293,004 shares as of March 31, 2009

140,293,004 shares as of December 31, 2008

② Number of treasury stocks :

6,723,618 shares as of March 31, 2009

6,722,803 shares as of December 31, 2008

③ Average number of shares outstanding (Quarterly consolidated period) :

133,569,830 shares three months ended March 31, 2009

133,556,798 shares three months ended March 31, 2008

Forecasts of consolidated financial results for 2nd quarter for FY 2009

(April 1, 2009 through June 30, 2009)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd quarter	23,800	(8.8)	7,200	(15.8)	7,500	(19.5)	4,600	16.8	34.44

※ Notice on forward-looking statements and other specific items

1. Since the business environment surrounding Trend Micro Group tends to fluctuate in the short run, it is difficult to make a highly reliable projection figures on a yearly basis. We, therefore, have decided to announce the earnings on a quarterly basis in the fiscal year ending in December 2009 as well as earnings projection of the succeeding quarter.

When we find through our calculation conducted from time to time that the net sales will fluctuate from the most recent quarterly projection by more than 10%, or operating income, ordinary income or net income fluctuates by more than 30%, we will announce the revision to the earnings projection.

2. The “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statements No.12) and “Guidance on Accounting for Quarterly Financial Reporting” (ASBJ Guidance No.14) are applied from this fiscal year. Quarterly financial statements are prepared in accordance with “Rules for Quarterly Consolidated Financial Statements”

• Qualitative Information and Financial Statements

1. Qualitative Information on the Consolidated Business Results

(Unit: million yen)

	Net Sales
	1Q FY Dec. 2009
Japan	9,784
North America	5,953
Europe	4,748
Asia and Pacific Region	1,842
Latin America	585

During the First Quarter fiscal year 2009, from January 1 to March 31, governments of major countries such as US and Europe moved forward with cutting major policy rates, retaining the zero-interest-rate policy, injection of public funds, and enacting the American Recovery and Reinvestment Act. These actions took place amidst dismal economic growth and high unemployment, which peaked during this quarter. The global economic outlook remains uncertain.

As a result of heavy dependence on external demand, Japan economy is severely affected by the world economic crisis. In spite of yen devaluation in the end of this term, according to March survey 2009 of the Short-term Economic Survey of Enterprise in Japan (Tankan), the diffusion index (DI) for major manufacturers declined to minus 58 percent, which was a record of drop, reaching its lowest point since the survey started since 1974. An unprecedented economic and financial crisis has still brought uncertainty to the Japan economy.

Under such an environment, our group business conditions are as follows:

Japan region continued to experience flat sales, as was the case during the same period last year. The amount of sales for this period in Japan was 9,784 million yen.

In North America, even though sales achieved year-by-year healthy growth, it will eventually be negatively affected by the Japanese Yen. Sales for this period in North America was 5,953 million yen.

For the EMEA region, sales revenues decreased slightly along with local currency compared to the same period last year. However, there was the effect of strong yen substantial against the EMEA-generated 4,748 million yen in total sales.

In the Asia and Pacific region, even based on local currency, sales fell by double digits. Addition to foreign exchange impact, the net sales for this period in APAC came to 1,842 million yen.

The Latin America region, sales growth achieved double digits on local currency as year-by-year healthy growth. However, there was the effect of strong yen substantial against, this region sales growth decreased with double digit to the same period last year. In this region, net sales were 585 million yen.

As a result, regarding First Quarter fiscal year 2009, the consolidated net sales for this period came to 22,915 million yen.

On the other hand, cost of sales and operating expenses totaled 15,886 million yen due to a decrease both, in new employee recruitment and in marketing costs, etc. including the appreciation of the yen. Though consolidated operating income for this period was 7,028 million yen, due to foreign exchange gain will be booked into non-operating income, consolidated ordinary income for this period was 7,936 million yen, and consolidated net income for this period was 4,821 million yen.

2. Qualitative Information on the Consolidated Financial Positions

Cash and bank deposits at the end of this period amounted to 67,869 million yen, an increase of 7,007 million yen year on year.

Total assets at the end of this period were 179,925 million yen, 1,159 million yen increase year on year. In spite of cash increase, total assets increase is affected mainly a substantial decrease of sales of marketable securities and security investments from the end of this period. On the other hand, total liabilities at the end of this period were 86,212 million yen, 6,292 million yen increase year over year. This increase in total liabilities is mainly due to increase proceeds from deferred revenue.

As a result, total net assets at the end of this period were 93,712 million yen, a decrease of 5,133 million yen with payment of dividends from the previous period.

3. Qualitative Information on the Consolidated Results Forecast

Since the business environment surrounding Trend Micro Group tends to fluctuate in the short run, it is difficult to make a highly reliable projection figures on a yearly basis. We, therefore, have decided to announce the earnings on a quarterly basis in the fiscal year ending in December 2009 as well as earnings projection of the succeeding quarter.

When we find through our calculation conducted from time to time that the net sales will fluctuate from the most recent quarterly projection by more than 10%, or operating income, ordinary income or net income fluctuates by more than 30%, we will announce the revision to the earnings projection.

Business forecast for the Second Quarter of FY2009 (April 1, 2009 - June 30, 2009)

Consolidated net sales	23,800 million yen
Consolidated operating income	7,200 million yen
Consolidated ordinary income	7,500 million yen
Consolidated net income	4,600 million yen

In development of the business forecasts the main assumed exchange rates are as follows.

1 US \$	95 yen
1 Euro	125 yen

4. Others

(1) Change in the basis of Consolidation and Application of equity method
N/A

(2) Application of simplified accounting procedures and accounting procedures specific to the preparation of quarterly consolidated financial statements

(a) Simplified accounting procedures

1 Calculation of estimated allowance for doubtful accounts

Due to no significant change in the percentage based on actual bad debt loss against total monetary asset since December 31, 2008, we estimated the allowance for bad debt for 1st quarter end on the same basis with FY 2008 closing.

2 Judgment of realizability of deferred tax assets

Due to no significant change in business environment or status of recognized temporary differences during this 1st quarter, we judged it based on the forecast of financial result and tax planning for FY 2008.

(b) Accounting procedures specific to the preparation of quarterly consolidated financial statements

1 Calculation of income tax expenses

We multiply net income before tax for this 1st quarter by effective tax rate, which is rationally calculated based on projected annual profit and its taxes with considering deferred tax accounting. In addition, deferred tax expense is included in income taxes.

(3) Changes in accounting principles and procedures as well as presentation methods related to the preparation of quarterly consolidated financial statements

(a) Application of “Accounting Standards for Quarterly Financial Reporting”

The “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statements No.12) and “Guidance on Accounting for Quarterly Financial Reporting” (ASBJ Guidance No.14, March 14, 2007) are applied from this fiscal year. Quarterly financial statements are prepared in accordance with “Rules for Quarterly Consolidated Financial Statements”

(b) Application of “Practical solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

The “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No.18, May 17, 2006) is applied from this period and necessary modifications have been made for consolidation. The impact of the change on income is immaterial.

5. 【CONSOLIDATED FINANCIAL STATEMENTS】

(1) 【Consolidated Balance Sheets】

(Millions of yen)		
Account	March 31, 2009	December 31, 2008
(Assets)		
Current assets		
Cash and bank deposits	67,869	60,861
Notes and Accounts receivable, trade	22,081	22,064
Marketable securities	40,859	45,923
Inventories	385	402
Deferred tax assets	13,399	13,390
Others	3,186	2,946
Allowance for bad debt	(305)	(335)
Total current assets	147,475	145,253
Non-current assets		
Property and equipment		
(1) Office furniture & equipment	3,708	3,566
(2) Others	1,234	969
Total Property and equipment	4,943	4,535
Intangibles		
(1) Software	2,686	2,903
(2) Goodwill	1,969	2,096
(3) Others	411	466
Total intangibles	5,066	5,467
Investments and other non-current assets		
(1) Investment Securities	11,989	13,491
(2) Investments in subsidiaries and affiliates	268	284
(3) Deferred tax assets	9,216	8,870
(4) Others	965	862
Total investments and other non-current assets	22,440	23,509
Total non-current assets	32,450	33,513
Total assets	179,925	178,766

(Millions of yen)

Account	March 31, 2009	December 31, 2008
(Liabilities)		
Current liabilities		
Accounts payable and Notes payable, trade	587	656
Accounts payable, other	2,805	2,806
Accrued expenses	3,819	3,479
Accrued income and other taxes	3,952	3,901
Allowance for bonuses	909	994
Allowance for sales returns	1,012	743
Deferred revenue	52,639	50,278
Others	1,907	948
Total current liabilities	67,634	63,808
Long-term liabilities		
Deferred revenue	17,068	14,887
Allowance for retirement benefits	1,441	1,211
Others	69	12
Total long-term liabilities	18,578	16,111
Total liabilities	86,212	79,920
(Net assets)		
Shareholders' equity		
Common stock	18,386	18,386
Additional paid-in capital	21,108	21,108
Retained earnings	79,114	87,288
Treasury stock, at cost	(21,801)	(21,798)
	96,808	104,984
Valuation and translation adjustments		
Net unrealized gain (loss) on debt and equity securities	(3,021)	(3,286)
Foreign currency translation adjustments	(4,370)	(6,601)
	(7,391)	(9,888)
Share acquisition rights	4,288	3,745
Minority interest	7	4
Total net assets	93,712	98,846
Total liabilities and net assets	179,925	178,766

(2) 【Consolidated Statements of Income】

【For the first Quarter of FY 09】

(Millions of yen)

	For the first quarter ended March 31, 2009
Net Sales	22,915
Cost of sales	3,597
Gross profit	19,318
Operating expenses	12,289
Operating income	7,028
Non-operating incomes	
Interest income and dividend received	443
Equity in earnings of affiliated companies	8
Foreign exchange income	814
Other income	33
Total non-operating income	1,300
Non-operating expenses	
Interest expenses	1
Loss on sales of marketable securities	328
Other expenses	62
Total non-operating expenses	392
Ordinary income	7,936
Net income before taxes	7,936
Income taxes	3,112
Minority interest in income of consolidated subsidiaries	1
Net income	4,821

(3) 【Consolidated Statements of Cash Flows】

(Millions of yen)

Account	For the first quarter ended March 31, 2009
Cash flows from operating activities:	
Net income before taxes	7,936
Depreciation and amortization	1,357
Stock compensations	542
Amortization of Goodwill	242
Increase (decrease) in Allowance for bad debts	(44)
Increase (decrease) in Allowance for sales returns	261
Increase in Allowance for retirement benefits	201
Interest income	(443)
Equity in earnings of affiliated companies	(8)
(Gain) loss on sales of marketable securities	328
(Increase) decrease in notes and accounts receivable	395
(Increase) decrease in inventories	35
Increase (decrease) in notes and accounts payable	(90)
Increase (decrease) in deferred revenue	2,812
Interest expenses	1
Others	54
Subtotal	13,582
Proceeds from interest and dividend received	435
Payment for income taxes	(3,903)
Payment for interest expenses	(1)
Net cash provided by operating activities	10,113
Cash flows from investing activities:	
(Payments for)/Proceeds from time deposits	(19,997)
Payments for purchases of marketable securities and security investments	(6,065)
Proceeds from sales or redemptions of marketable securities and security investments	15,895
Payments for purchases of property and equipment	(502)
Payments for purchases of other intangibles	(560)
Net cash used in investing activities	(11,229)
Cash flows from financing activities:	
Payment for purchase of treasury stock	(2)
Dividends paid	(11,995)
Net cash used in financing activities	(11,998)
Effect of exchange rate changes on cash and cash equivalents	2,158
Net increase (decrease) in cash and cash equivalents	(10,955)
Cash and cash equivalents at beginning of period	60,535
Cash and cash equivalents at end of period	49,579

(4) Footnote on going concern

N/A

(5) Segment Information

1 Business category segment information

The main businesses of the Company are develop and sell anti-virus products and offer other related services.

For the first quarter ended March 31, 2009, the ratio of sales and operating income for the main businesses above is more than 90% of total amounts of them. Then, the Company omits “Business category segment information” .

2 Geographical segment information

For the first quarter ended March 31, 2009

(Millions of Yen)

	Japan	North America	Europe	Asia Pacific	Latin America	Total	Corporate or Elimination	Consolidation
Sales								
(1) Net sales to external customers	9,784	5,953	4,748	1,842	585	22,915	—	22,915
(2) Intercompany sales	4,478	1,967	100	1,932	—	8,479	(8,479)	—
Total sales	14,262	7,920	4,849	3,775	585	31,394	(8,479)	22,915
Operating income (loss)	9,701	688	55	(169)	172	10,448	(3,420)	7,028

(Note)

1 The classification of the geographical segment is based on geographic proximity.

2 Major countries other than Japan:

North America U.S.A.

Europe Ireland, Germany, Italy, France, UK

Asia pacific Taiwan, Korea, Australia, China, Philippine, Singapore, Malaysia, Thailand, India

Latin America Brazil, Mexico

3 Sales to overseas

For the first quarter ended March 31, 2009

(Millions of Yen)

	North America	Europe	Asia Pacific	Latin America	Total
1 Sales to overseas	5,955	4,744	1,845	588	13,133
2 Consolidated total sales	—	—	—	—	22,915
3 Sales % to Overseas to Consolidated total sales	26.0	20.7	8.0	2.6	57.3

(Note)

1 The classification of the geographical segment is based on geographic proximity.

2 Sales to overseas are sales amount to foreign countries or areas other than Japan.

3 Major countries other than Japan:

North America	U.S.A.
Europe	Ireland, Germany, Italy, France, UK
Asia pacific	Taiwan, Korea, Australia, China, Philippine, Singapore, Malaysia, Thailand, India
Latin America	Brazil, Mexico

(6) Footnote to significant fluctuation of shareholder' s equity

N/A

(Reference Information)

【Consolidated Statements of Income】

【For the first Quarter of FY 08】

(Millions of yen)

	For the first quarter ended March 31, 2008
Net Sales	25,604
Cost of sales	4,054
Gross profit	21,549
Operating expenses	13,211
Operating income	8,338
Non-operating incomes	
Interest income and dividend received	815
Gain on sales of marketable securities	93
Equity in earnings of affiliated companies	1
Other income	22
Total non-operating income	932
Non-operating expenses	
Interest expenses	2
Loss on sales of marketable securities	230
Foreign exchange loss	1,488
Other expenses	31
Total non-operating expenses	1,752
Ordinary income	7,517
Extraordinary gain	
Reversal of Bad debt provision	15
Total extraordinary gain	15
Extraordinary losses	
Loss on disposal of fixed assets	0
Total extraordinary losses	0
Net income before taxes	7,532
Income taxes	2,937
Minority interest in income of consolidated subsidiaries	0
Net income	4,594