安心を、ひとつ上のステージへ。

Trend Micro
FY2009.3Q Results

Mahendra Negi   COO/CFO, Representative Director

November 10,2009

Forward Looking Statements

Certain Statements that we make in this presentation are forward-looking statements. These forward-looking statements are based upon 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 our actual results to differ materially from those expressed in our 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 our new products;
- the level of continuing demand for , and timing of sales of , our existing products;
- rapid technological change within the anti-virus software industry;
- changes in customer needs for anti-virus software;
- existing products and new product introductions by our competitors and the pricing of those products;
- declining prices for our products and services;
- the effect of future acquisitions on our financial condition and results of operations;
- the effect of adverse economic trends on our 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.

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

安心を、ひとつ上のステージへ。

FY2009. 3Q Financial Highlight

（Third quarter ended September 30, 2009）

安心を、ひとつ上のステージへ。

Consolidated Results

(in million Yen) (unaudited)

Three months ended Sep 30,	*3Q2008*		*3Q2009*		*YoY growth*
Net sales	25,968		24,848		- 4%
Cost of sales	4,188		3,618		- 14%
Operating expenses	14,197		12,829		- 10%
Operating income *(Margin)*	7,582	*(29%)*	8,399	*(34%)*	+ 11%
Ordinary income	9,157		8,615		- 6%
Net income	5,861		5,219		- 11%

(In accordance with Japan GAAP)

Amount of contracts concluded

Bookings	23,667	23,928	+ 1%

(In case of excluding a foreign exchange impact)

+ 5%

(Non-GAAP)

If currency exchange rates used for 3Q2008 were used for 3Q2009

Net sales	25,968	27,534	+ 6%

** The JPY amount for 3Q2009 shown above has been calculated by applying to each foreign currency net sales amount for 3Q2009 the weighted average exchange rate between such foreign currency and JPY that was used to convert the net sales amount denominated in such foreign currency for 3Q2008 into a JPY net sales amount for Japan GAAP reporting purposes.*

(Non-GAAP)

USD based Results (Non-GAAP)

(unaudited)
(in thousand USD)

Three months ended Sep 30,	*3Q2008*	*3Q2009*	*YoY change*
Net sales	241,384	265,530	10%
Cost of sales	38,935	38,668	- 1%
Operating expenses	131,967	137,100	4%
Operating income	70,482	89,762	27%
Ordinary income	85,119	92,066	8%
Net Income	54,488	55,778	2%

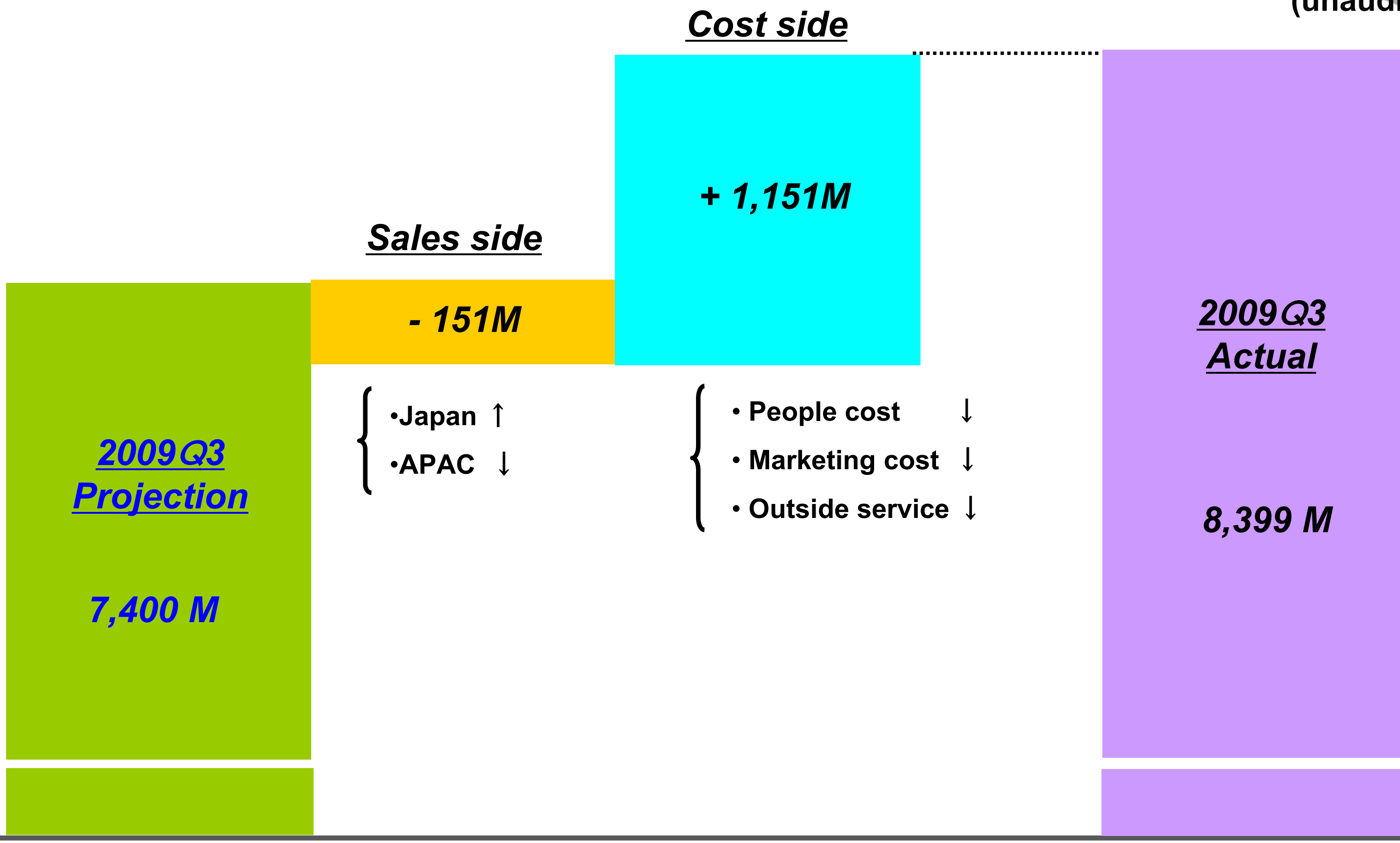
(Non-GAAP)

For each of the quarters shown in the table above, JPY Japan GAAP amounts have been converted to USD amounts using the exchange rates of USD=107.58 JPY for 3Q2008 and 1 USD =93.58 JPY for 3Q2009, respectively, which are the respective weighted average exchange rates used to convert USD net sales to JPY for these quarters.

安心を、ひとつ上のステージへ。

Vs. Projection analysis （Operating income）

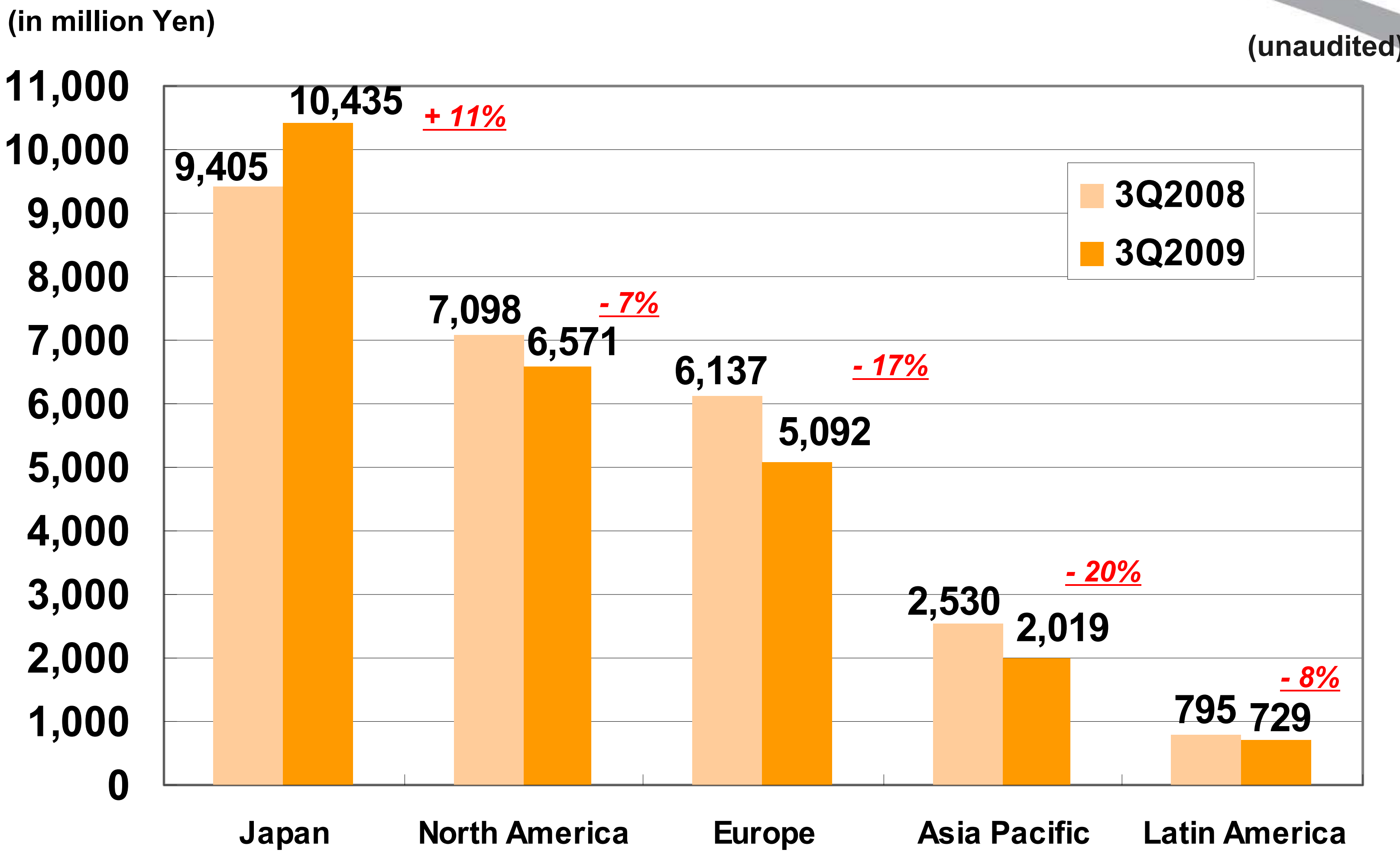
(unaudited)



(Non-GAAP)

安心を、ひとつ上のステージへ。

Net Sales Growth by Region



(In accordance with Japan GAAP)

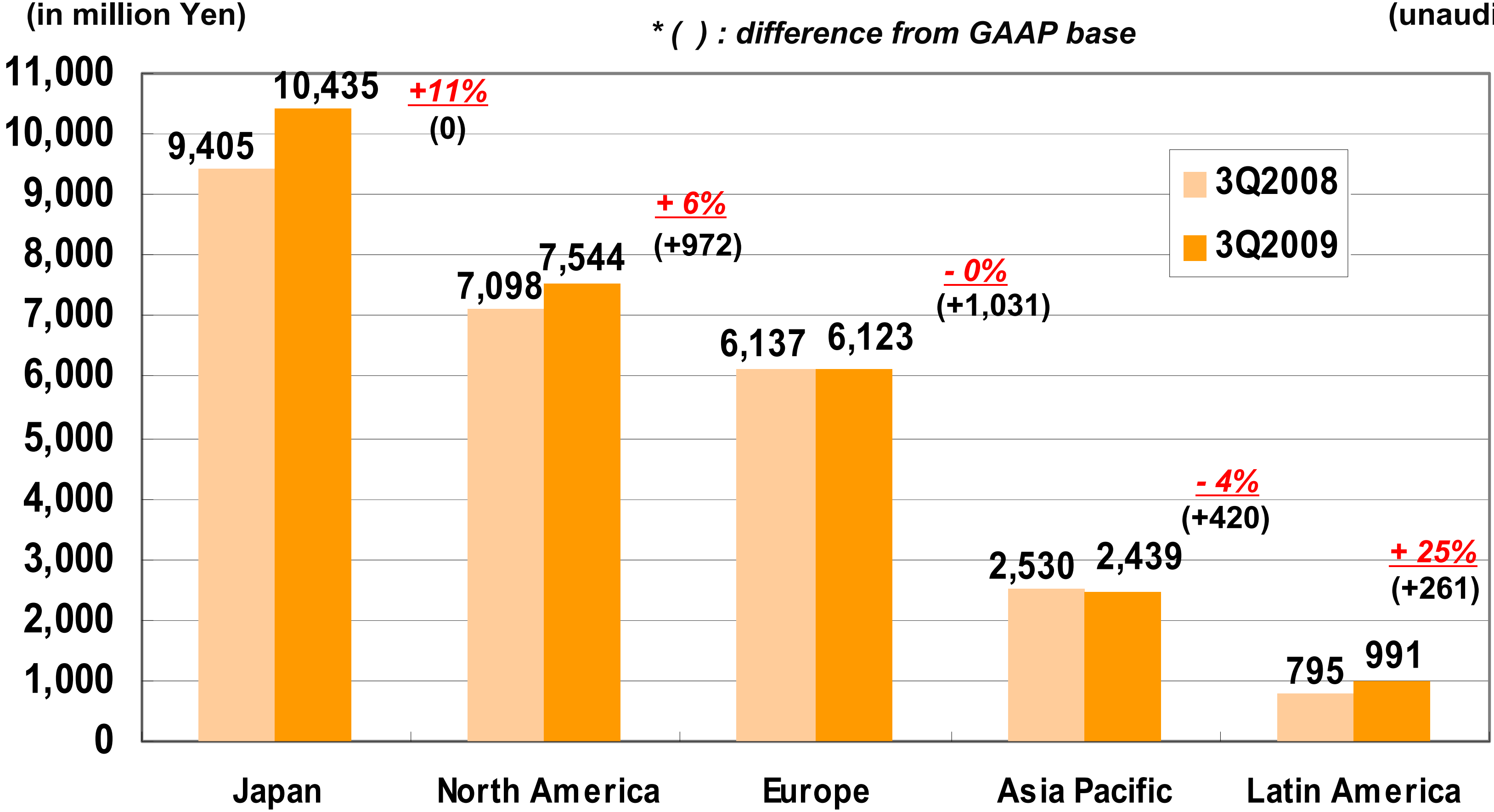
安心を、ひとつ上のステージへ。

Net Sales Growth by Region

If currency exchange rates used for 3Q2008 were used for 3Q2009:

(in million Yen)

(unaudited)

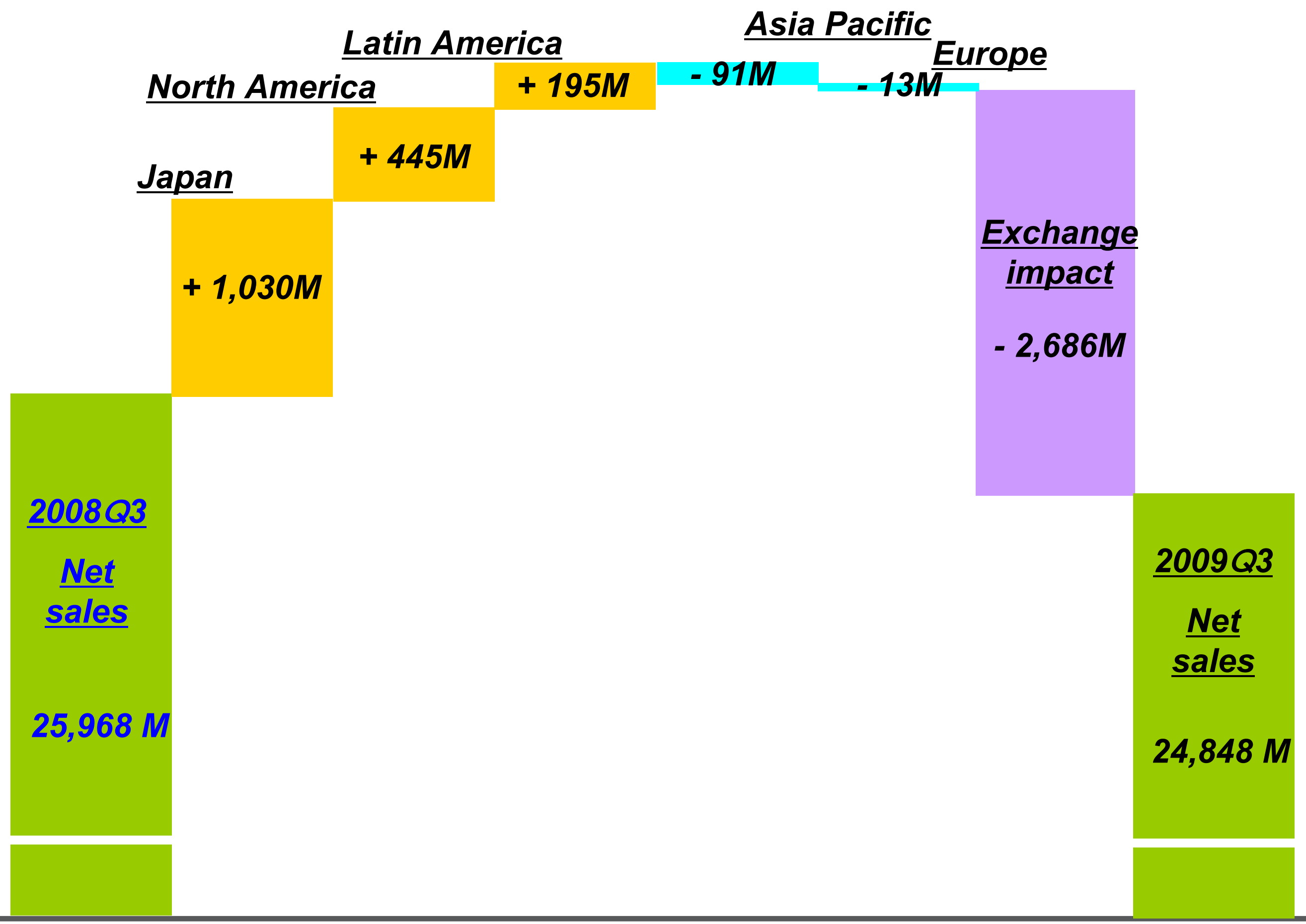


(Non-GAAP)

** Each JPY amount for 3Q2009 shown above has been calculated by applying to the relevant foreign currency net sales amount for 3Q2009 the weighted average exchange rate between such foreign currency and JPY that was used to convert the net sales amount denominated in such foreign currency for 3Q2008 into a JPY net sales amount for Japan GAAP reporting purposes. Net sales in Europe were all reported in Euro. Net sales in Asia Pacific and Latin America were reported in more than one foreign currency.*

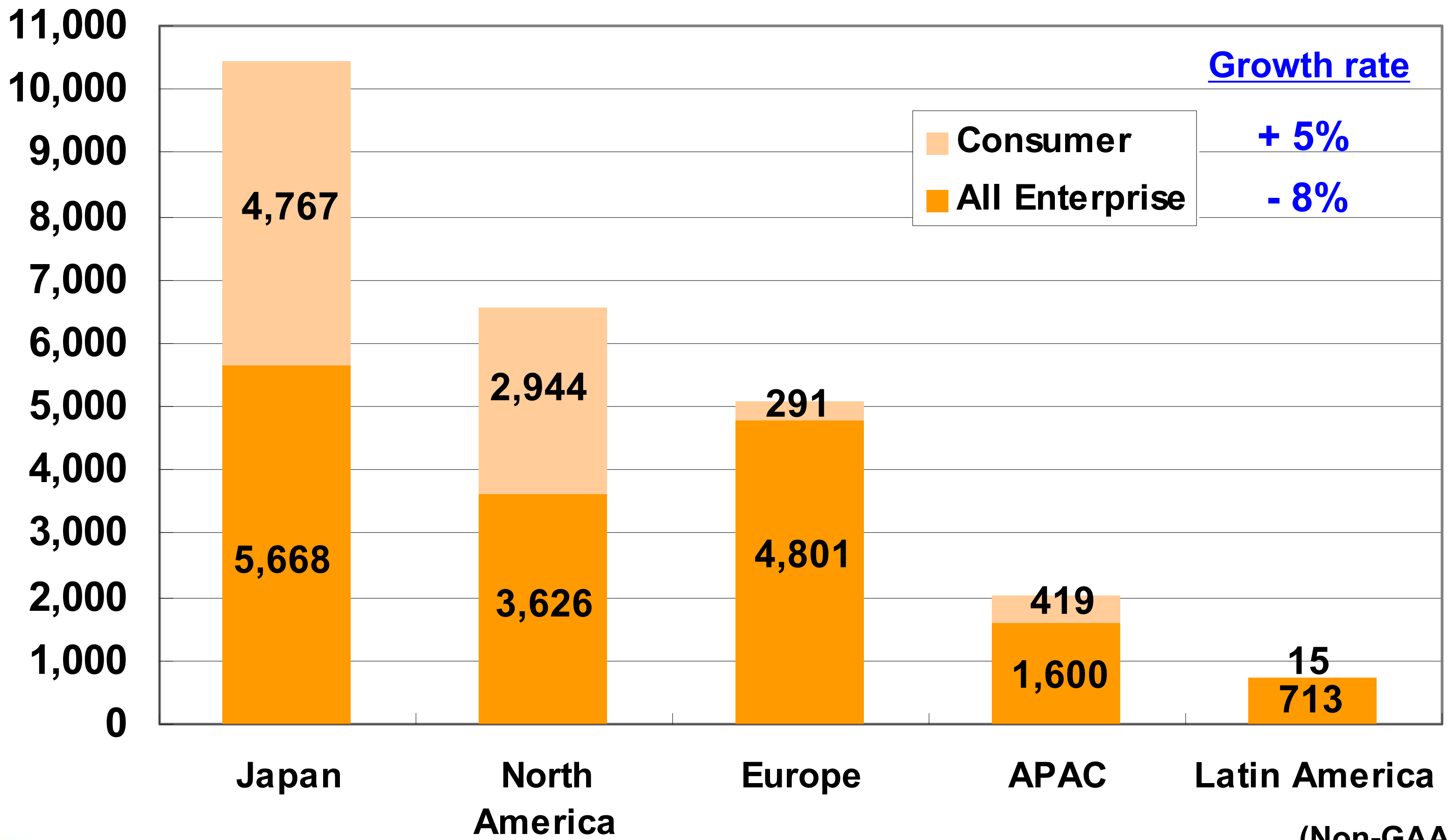
Decomposition of Revenue（vs Last year）

(unaudited)



(Non-GAAP)

Sales by Segment



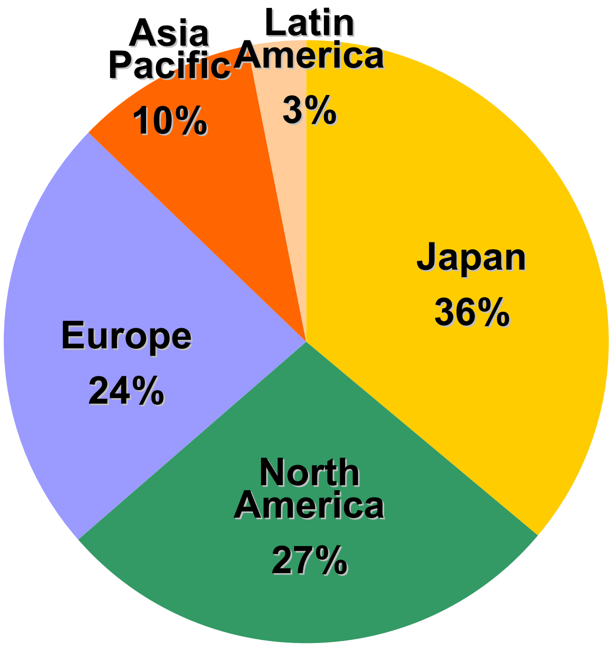
(Non-GAAP)

安心を、ひとつ上のステージへ。

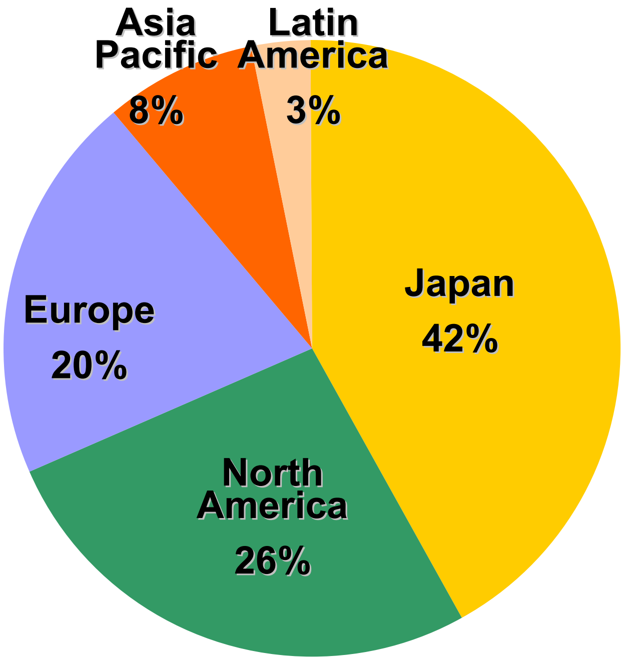
% share by region

(unaudited)

3Q2008
25,968 million Yen



3Q2009
24,848 million Yen



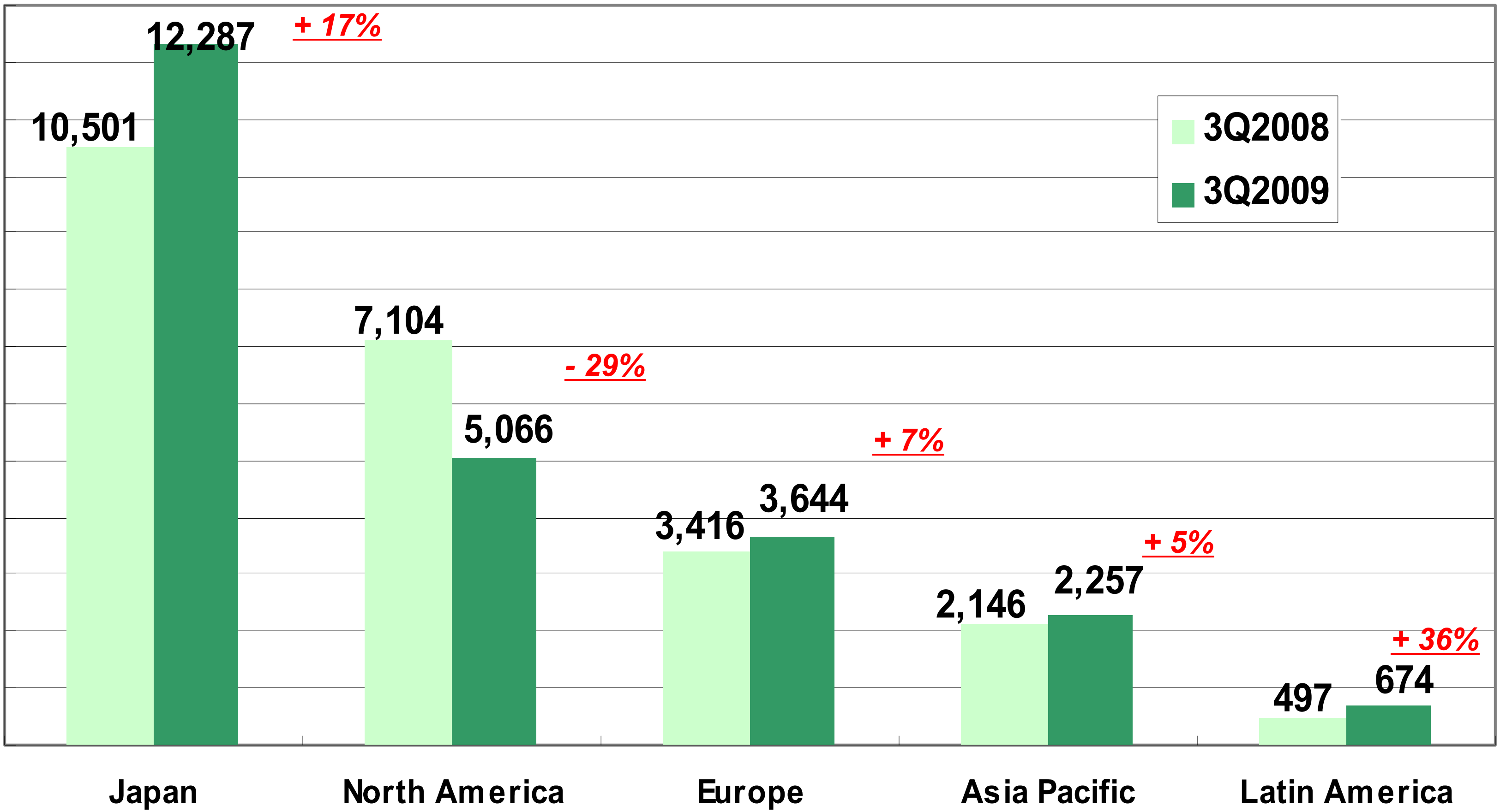
(In accordance with Japan GAAP)

安心を、ひとつ上のステージへ。

Bookings (Amount of contracts concluded)

(in million Yen)

(unaudited)



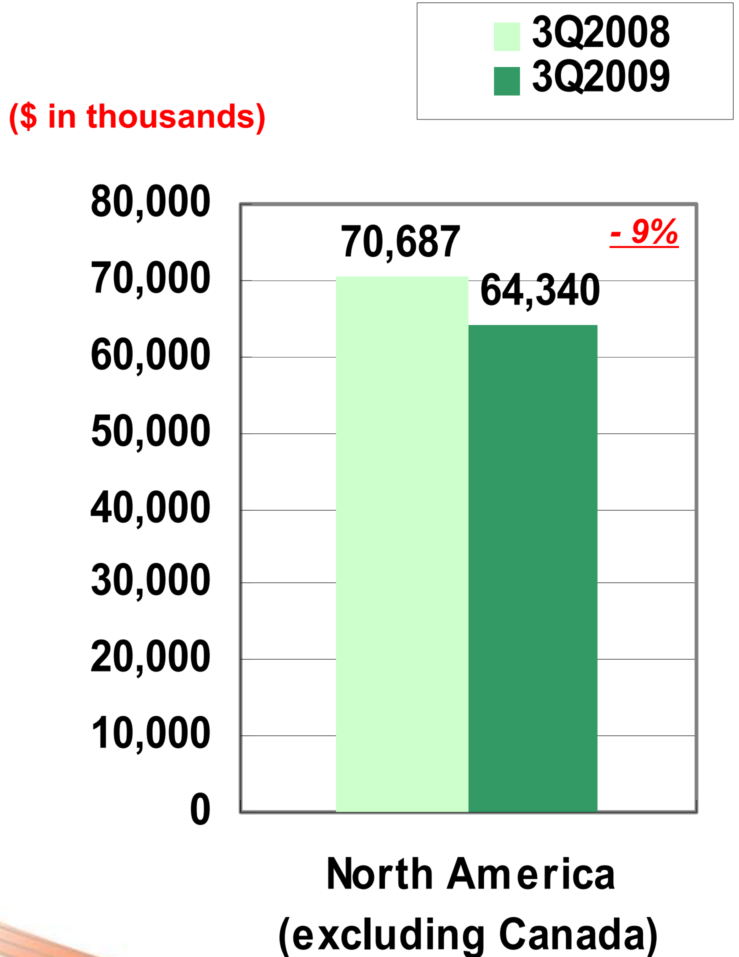
(Non-GAAP)

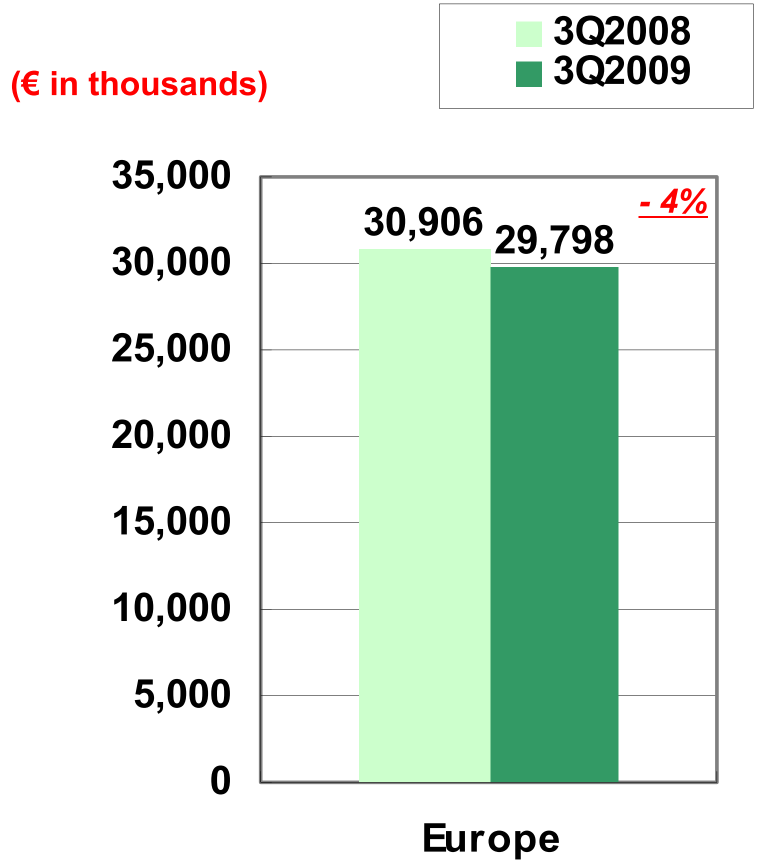
∗ Bookings = Net sales + Deferred revenue balance as of this Q – Deferred revenue balance as of previous Q

Local currency based Bookings (US, Europe)

North America (*excluding Canada) Bookings in $ and EMEA Bookings in €

(unaudited)





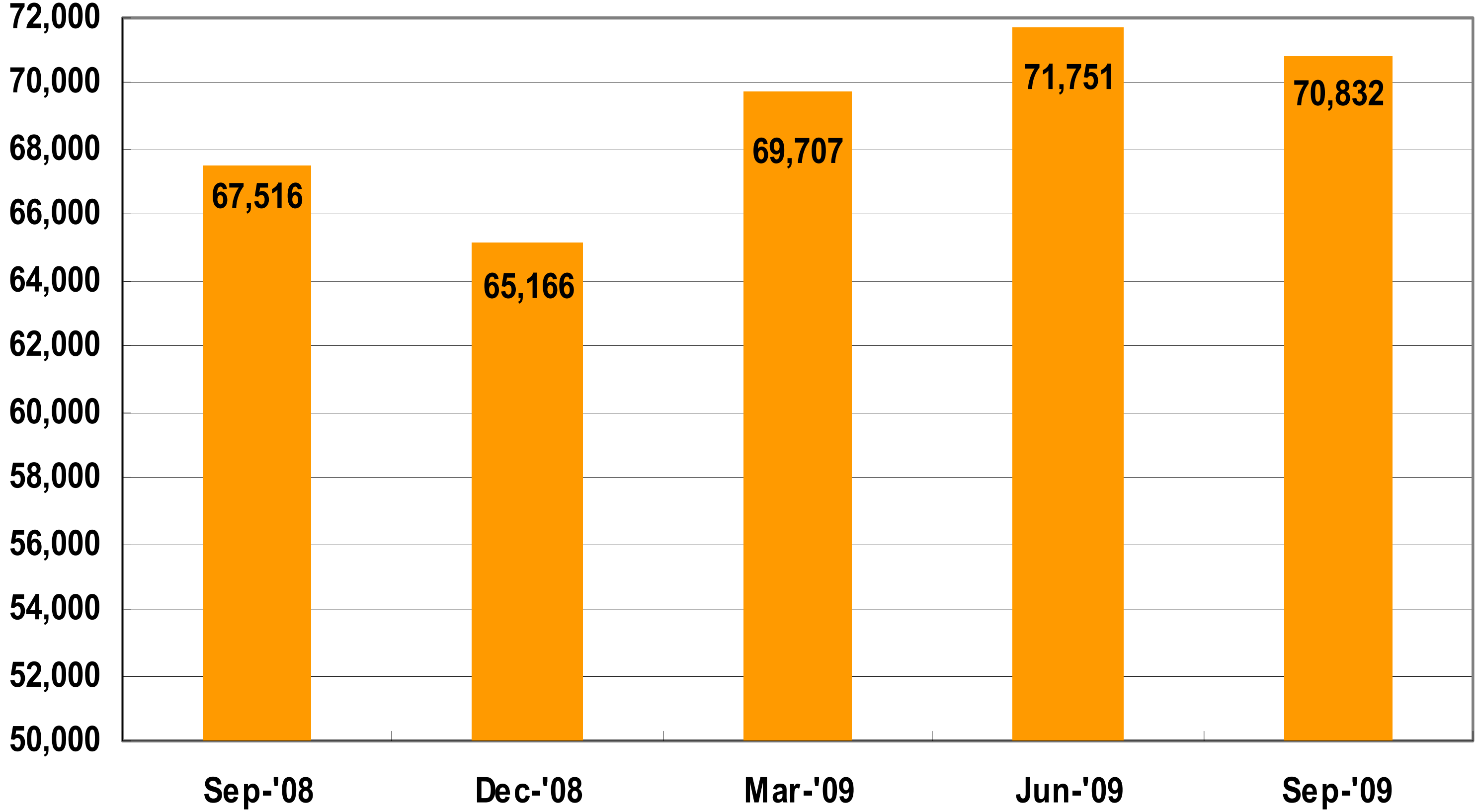
(Non-GAAP)

Deferred Revenue

(unaudited)

(in million Yen)

* Total of current and long term



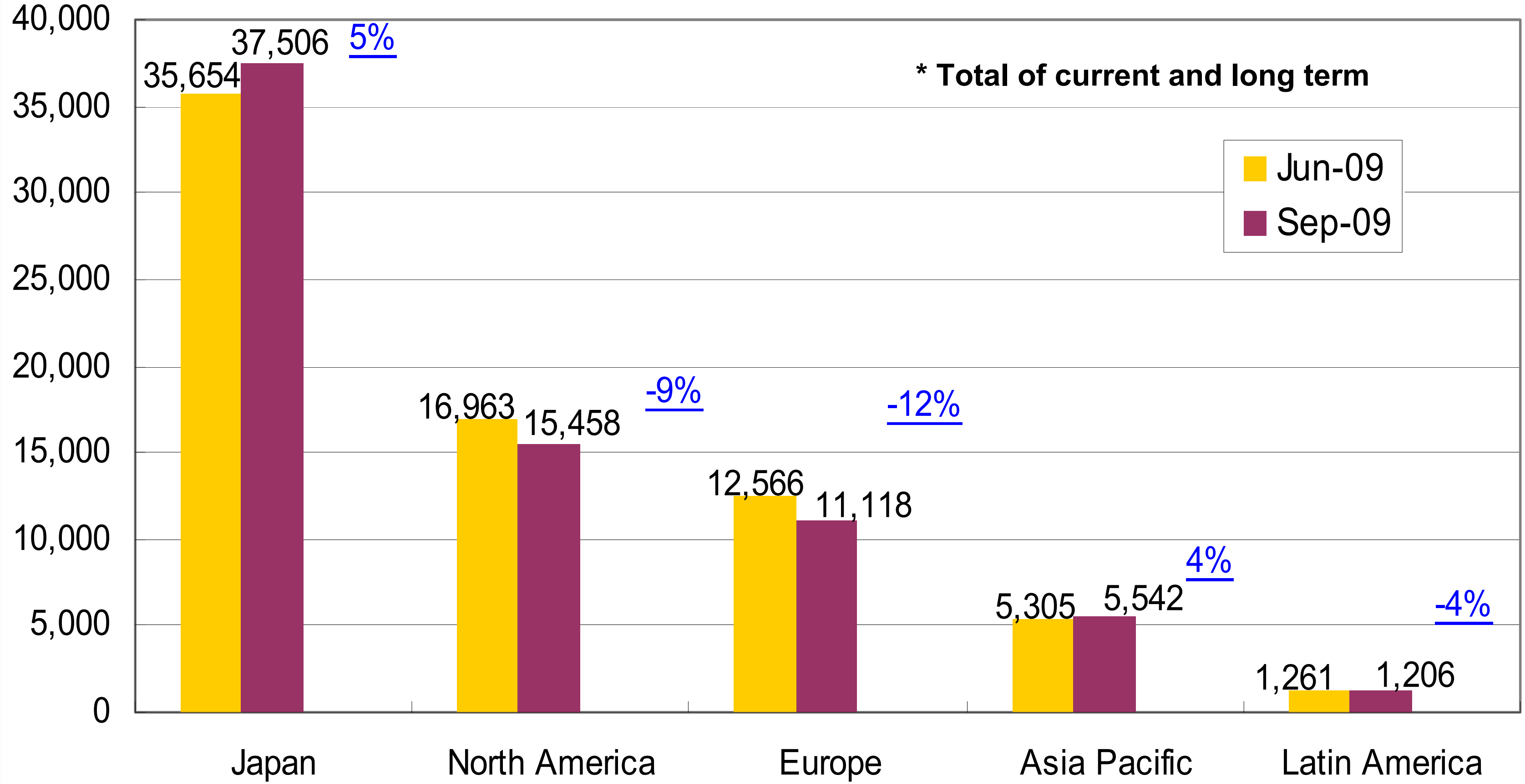
(In accordance with Japan GAAP)

安心を、ひとつ上のステージへ。

Deferred Revenue by Region

(in million Yen)

(unaudited)

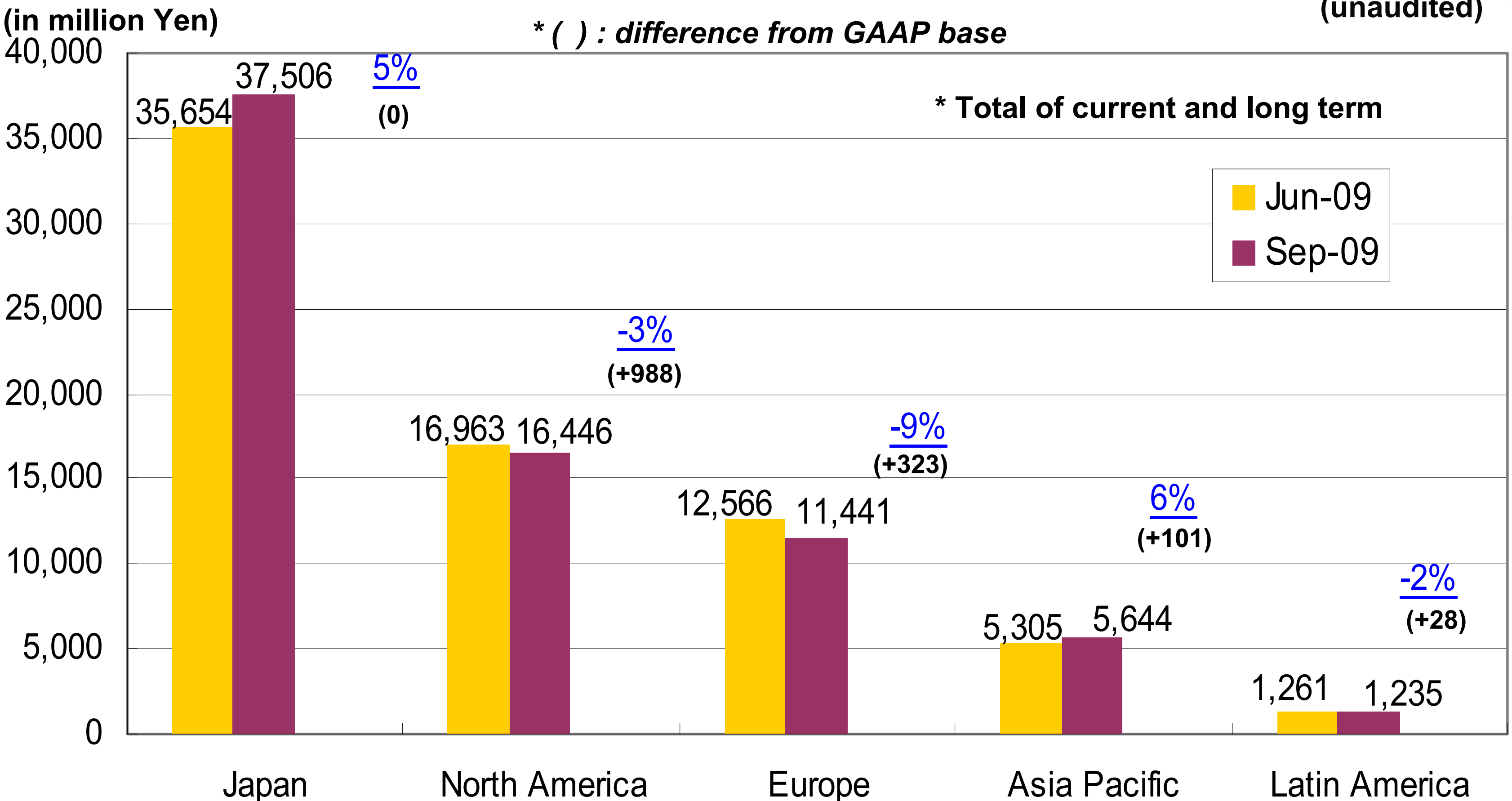


(In accordance with Japan GAAP)

Deferred Revenue by Region

If currency exchange rates used as of the end of 2Q2009 were used as of the end of 3Q2009:

(unaudited)



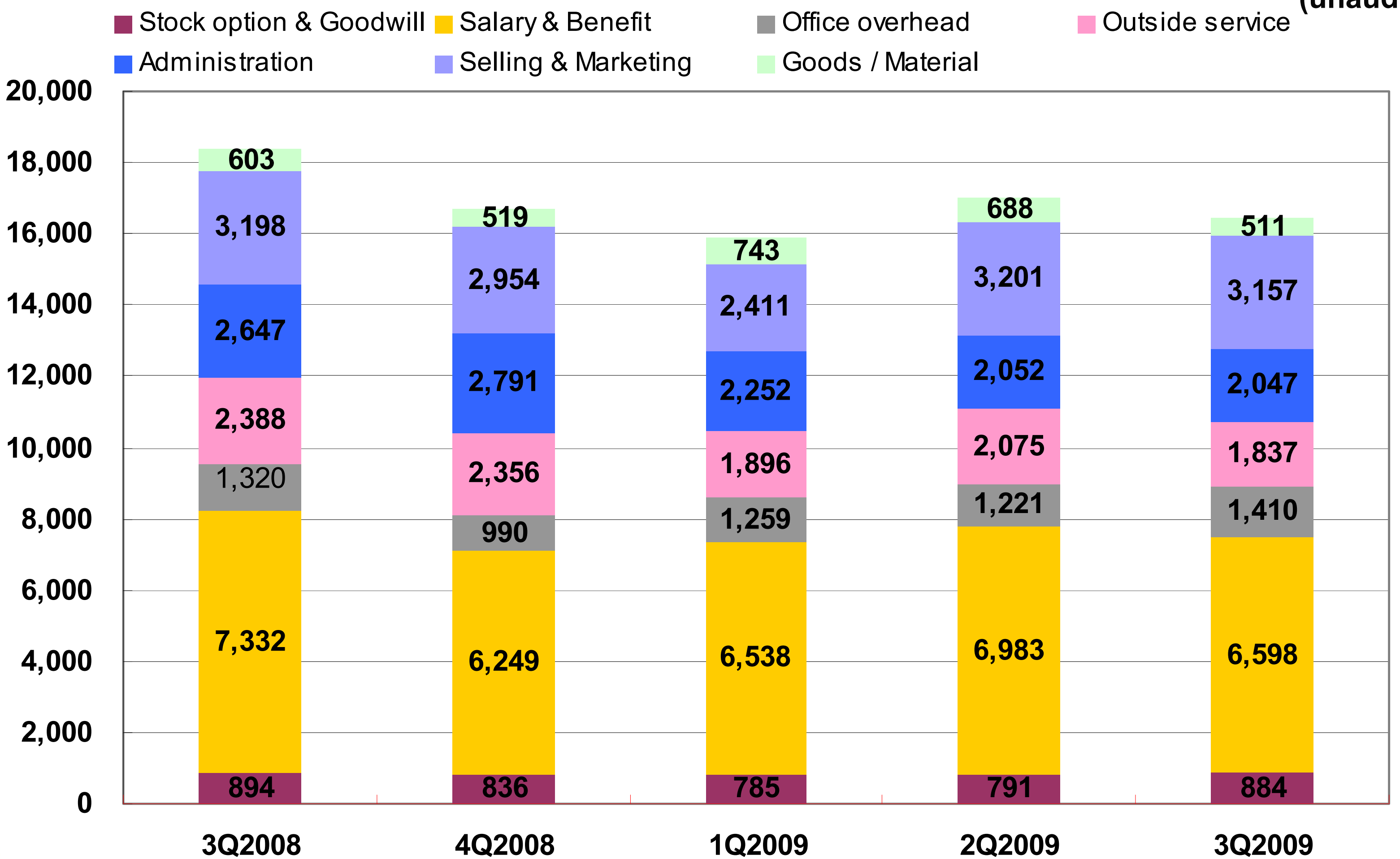
(Non-GAAP)

** Each JPY amount as of the end of 3Q2009 shown above has been calculated by applying to the relevant foreign currency deferred revenue amount as of the end of 3Q2009 the exchange rate between such foreign currency and JPY that was used to convert the deferred revenue amount denominated in such foreign currency as of the end of 2Q2009 into a JPY deferred revenue amount for Japan GAAP reporting purposes. Deferred revenue of Europe were all reported in Euro. Deferred revenues of Asia Pacific and Latin America were reported in more than one foreign currency.*

Cost

(in million Yen)

(unaudited)

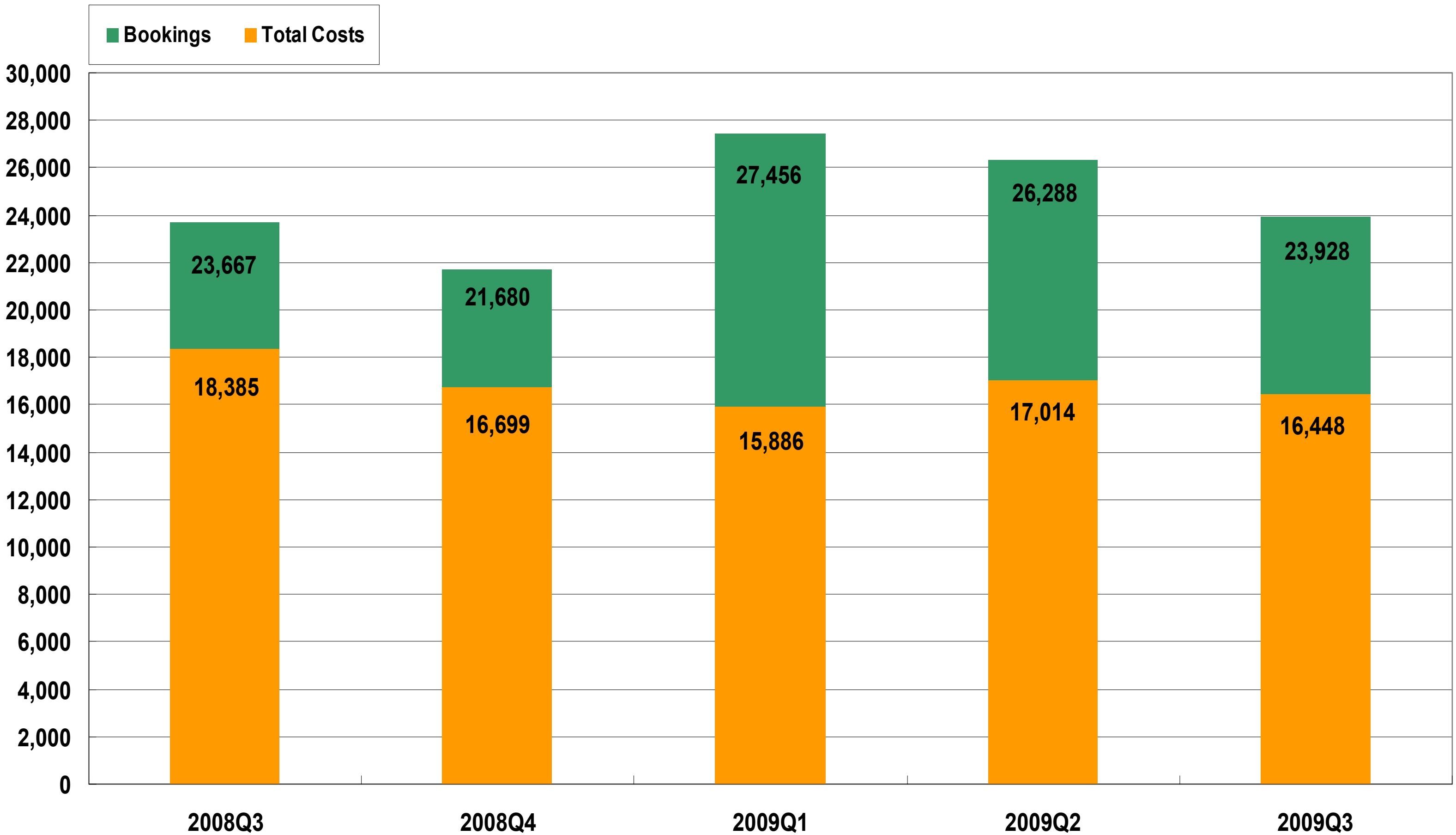


(Non-GAAP)

安心を、ひとつ上のステージへ。 TREND MICRO

Bookings vs Total costs

(in million Yen) (unaudited)



(Non-GAAP)

Total costs means COGS + SGA.*

安心を、ひとつ上のステージへ。

Cash flows

(unaudited)

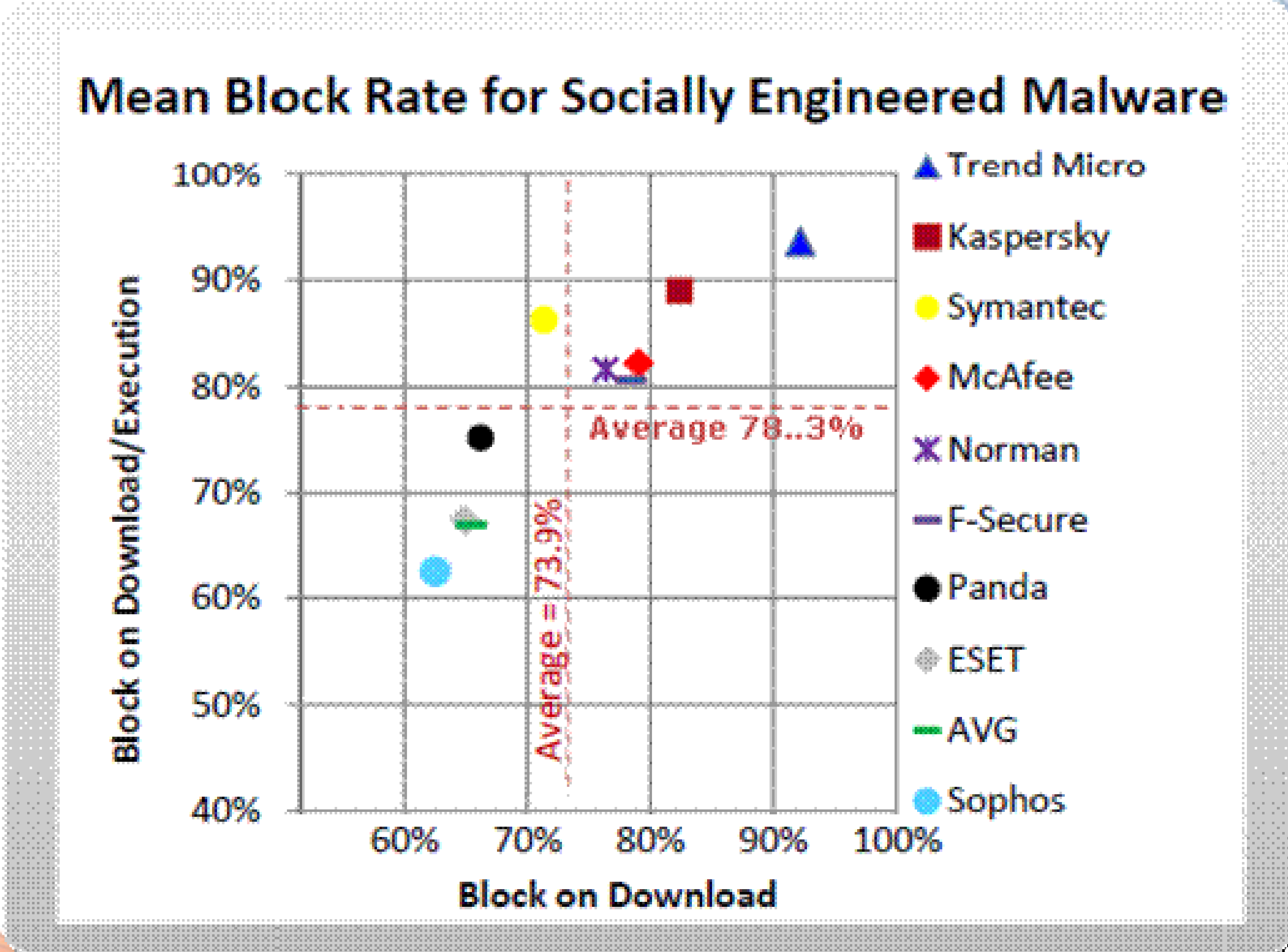
(in million Yen)

項目	3Q2008 (Pro-forma)	3Q2009	YoY growth
Cash flows from operating activities	5,756	5,270	- 8%
Cash flows from investing activities	- 1,999	- 820	—
Cash flows from financing activities	307	- 5	—
Effect of exchange rate changes on cash and cash equivalents	- 5,092	- 1,550	—
Net increase (decrease) in cash and cash equivalents	- 1,028	2,894	—
Cash and cash equivalents at beginning of this quarter period	66,281	62,314	- 6%
Cash and cash equivalents at end of this quarter period	65,253	65,209	- 0%

安心を、ひとつ上のステージへ。

Q3 Highlights

- ***New technology continues to get traction***
- ***Strong performance of retail business in Japan***
- ***Good cost control***



(Source: NSS Labs, Inc.)

Q3 Lowlights

- ***Lower than expected revenues in US and Europe***
- ***Enterprise selling cycle remains long***

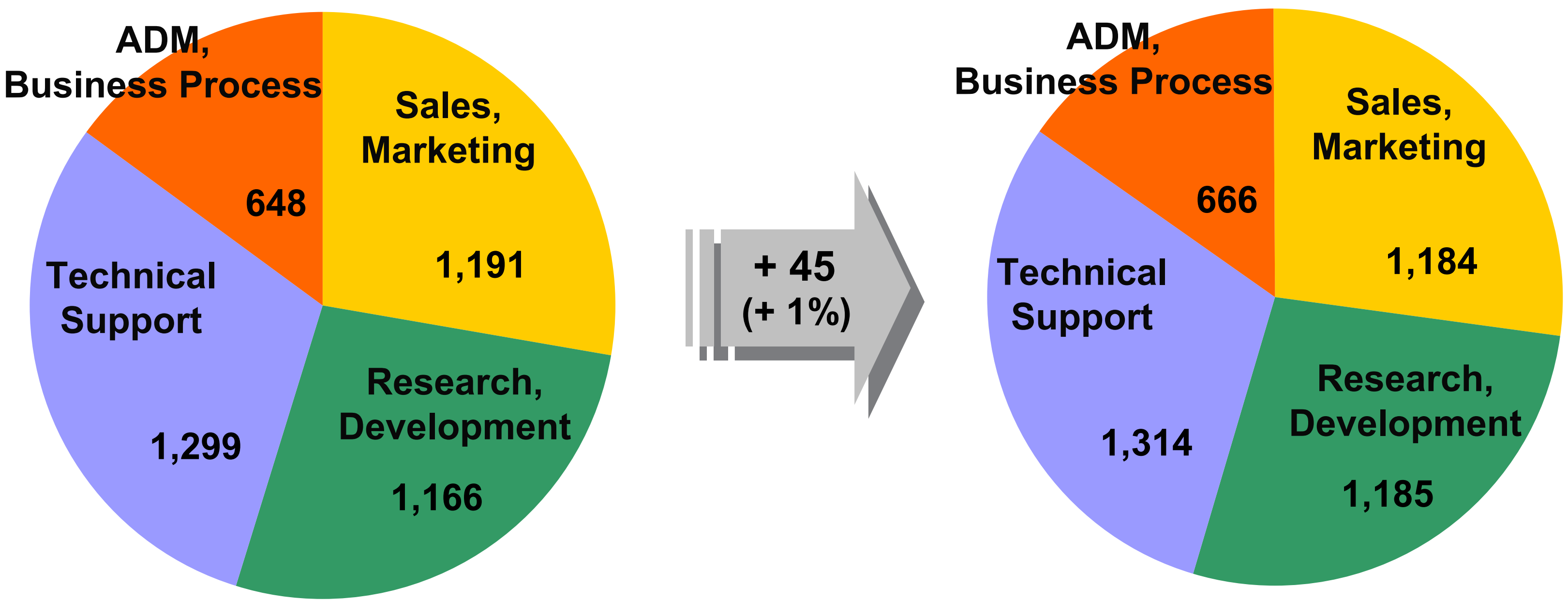
Headcount

Jun - 2009

4,304

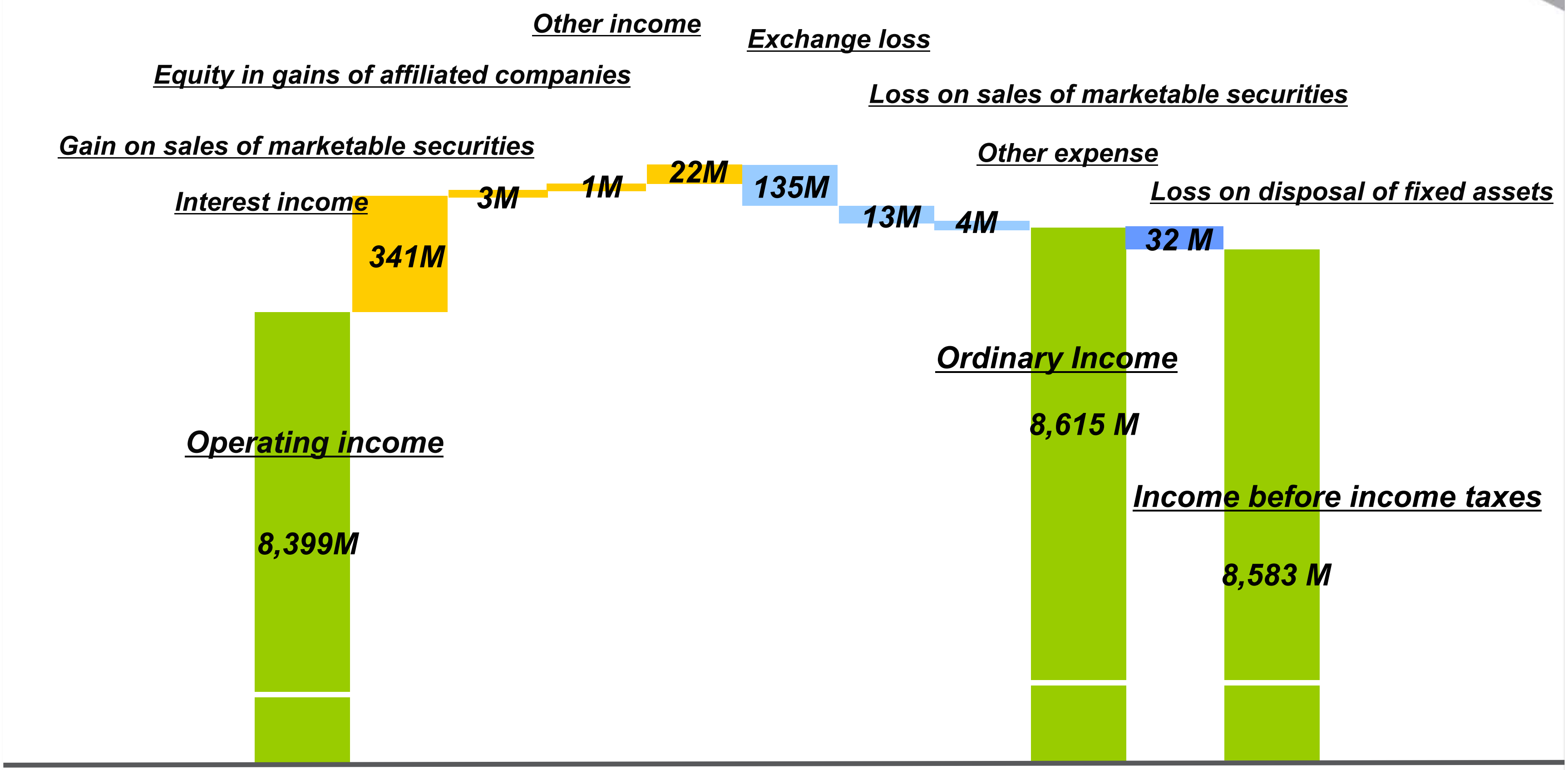
Sep - 2009

4,349



Non-operating & Extra-ordinary Items

(unaudited)



(In accordance with Japan GAAP)

Balance Sheet

(unaudited)

(in million Yen)

	Jun-2009	change	Sep-2009
Assets			
Cash & cash equivalents	71,259	+ 8,669	79,928
Account receivable (less allowance for doubtful accounts)	19,565	+ 545	20,110
Marketable securities & Securities investments	60,656	- 6,914	53,742
Liabilities			
Deferred revenue (total of current and long-term)	71,751	- 919	70,832
Shareholders' Equity			
Common Stock & Additional paid in capital	39,495	+ 0	39,495
Treasury Stock	- 22,340	- 0	- 22,340

(In accordance with Japan GAAP)

Snapshot of our CDO investments（Update）

We don't have any CDOs related to RMBS (e.g. Subprime mortgages).

Since the underlying cash flow is intact, we intend to hold till maturity.

Exposure as a % of our "Marketable securities & Securities investments" : 3%

Exposure as a % of our "Cash + Marketable securities & Securities investments" : 1%

(in million Yen)

Name	Vendor	Beginning principal	Market value as of 2009 Sep. 30	Write-down	Unrealized P/L	Loss ratio	Current Rating	Collateral	Maturity date
BERYL FINANCE	Lehman Bro.	1,000	460	- 540		- 54%	—	Corporate Credit	2010/9/20
SEA CDO limited	Calyon	1,000 (758)	211	- 797	+ 9	- 79%	Caa3	Corporate Credit	2010/9/30
SONATA	Calyon	1,000	795	- 610	+ 405	- 20%	CCC	Corporate Credit	2011/3/30
Momentum Limited CMO1	Shinko	1,000	25	- 970	- 4	- 97%	CCC-	Corporate Credit	2011/9/30
Total		4,000 (3,758)	1,492	- 2,918	+ 410	- 63%			

Q4 forecast assumptions

- Europe increases by double digits, while Japan and US decreases by low single digits respectively

- Stock option expenses will be 0.6Bn yen

- Estimated exchange rate:

  1USD = 91 yen (last year: 96 yen)
  1EUR = 132 yen (last year: 126 yen)

Projection for 4Q2009

(unaudited)

(in million Yen)

	For 4Q2009 Oct - Dec, 2009	Expected YoY growth
Net Sales	24,700	+ 3%
Operating Income	7,200	-2%
Ordinary Income	7,400	-3%
Net Income	4,400	- 9%

(In accordance with Japan GAAP)

- Including both stock option expenses and amortization of goodwill（about 898M Yen）

In case of excluding a foreign exchange impact

Net Sales	+ 4%

(Non-GAAP)

安心を、ひとつ上のステージへ。

TREND MICRO

Thank you!

安心を、ひとつ上のステージへ。

Appendix

Quarterly Chart (1)

(unaudited)

(in million Yen)

	FY2008				FY2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	25,604	26,105	25,968	24,030	22,915	24,244	24,848	
Cost of sales	4,054	3,859	4,188	3,646	3,597	3,511	3,618	
Operating expenses	13,211	13,693	14,197	13,053	12,289	13,503	12,829	
Operating income	8,338	8,552	7,582	7,330	7,028	7,229	8,399	
Ordinary income	7,517	9,313	9,157	7,652	7,936	7,522	8,615	
Net income	4,594	3,936	5,861	4,854	4,821	4,028	5,219	
(COGS and SG&A)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Goods / Material	470	451	603	519	743	688	511	
Salling & Marketing	2,886	3,342	3,198	2,954	2,411	3,201	3,157	
Administration	2,696	2,474	2,647	2,791	2,252	2,052	2,047	
Outside service	1,968	2,086	2,388	2,356	1,896	2,075	1,837	
Office overhead	1,154	1,287	1,320	990	1,259	1,221	1,410	
Salary & Benefit	7,366	7,101	7,332	6,249	6,538	6,983	6,598	
Stock option cost	513	513	631	601	542	548	649	
Amortization of goodwill	210	296	263	235	242	242	235	
合計	17,266	17,552	18,385	16,699	15,886	17,014	16,448	
Applied rate to yen (US$)	104.88	104.72	107.58	96.06	93.79	97.22	93.58	
Applied rate to yen (Euro)	157.63	163.68	161.46	126.73	121.97	132.67	133.66	

Appendix

Quarterly Chart (2)

(unaudited)

(in million Yen)

	FY2008				FY2009			
(Sales by region)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	9,823	9,885	9,405	9,987	9,784	9,631	10,435	
US	6,178	6,570	7,098	6,344	5,953	6,729	6,571	
Europe	6,185	6,551	6,137	5,016	4,748	5,100	5,092	
Asia Pacific	2,680	2,325	2,530	2,060	1,842	2,124	2,019	
Latin America	735	772	795	621	585	658	729	
Total	25,604	26,105	25,968	24,030	22,915	24,244	24,848	
(Sales by segment)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Enterprise	18,148	18,763	17,930	16,081	15,097	16,124	16,410	
Consumer	7,455	7,341	8,037	7,948	7,817	8,119	8,438	
合計	25,604	26,105	25,968	24,030	22,915	24,244	24,848	
(Bookings by region)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	11,696	11,066	10,501	10,574	12,628	10,918	12,287	
US	5,226	7,625	7,104	3,907	7,358	6,352	5,066	
Europe	4,608	6,920	3,416	5,385	4,584	5,471	3,644	
Asia Pacific	2,040	3,246	2,146	1,458	2,153	2,792	2,257	
Latin America	730	910	497	353	730	753	674	
Total	24,302	29,769	23,667	21,680	27,456	26,288	23,928	

安心を、ひとつ上のステージへ。

** "Bookings" means amount of contracts concluded.*