



Securing Your Journey
to the Cloud



Trend Micro FY2011.1Q Results

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May 11, 2011

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.

FY2011. 1Q Financial Highlight

(First quarter ended March 31, 2011)

Consolidated Results

<i>Three months ended Mar 31,</i>	<i>(in million Yen) (unaudited)</i>		
	1Q2010	1Q2011	YoY growth
Net sales	23,728	23,980	+ 1%
Cost of sales	4,032	4,412	+ 9%
Operating expenses	13,653	13,046	- 4%
Operating income (Margin)	6,042 (25%)	6,520 (27%)	+ 8%
Ordinary income	6,207	6,260	+ 1%
Net income	3,529	3,995	+ 13%

(In accordance with Japan GAAP)

Amount of contracts concluded

Bookings	26,122	25,474	- 2%
	<i>(In case of excluding a foreign exchange impact)</i>		
			- 4%

(Non-GAAP)

If currency exchange rates used for 1Q2010 were used for 1Q2011

Net sales	23,728	25,091	+ 6%
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* The JPY amount for 1Q2011 shown above has been calculated by applying to each foreign currency net sales amount for 1Q2011 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 1Q2010 into a JPY net sales amount for Japan GAAP reporting purposes.

(Non-GAAP)
Trend Micro

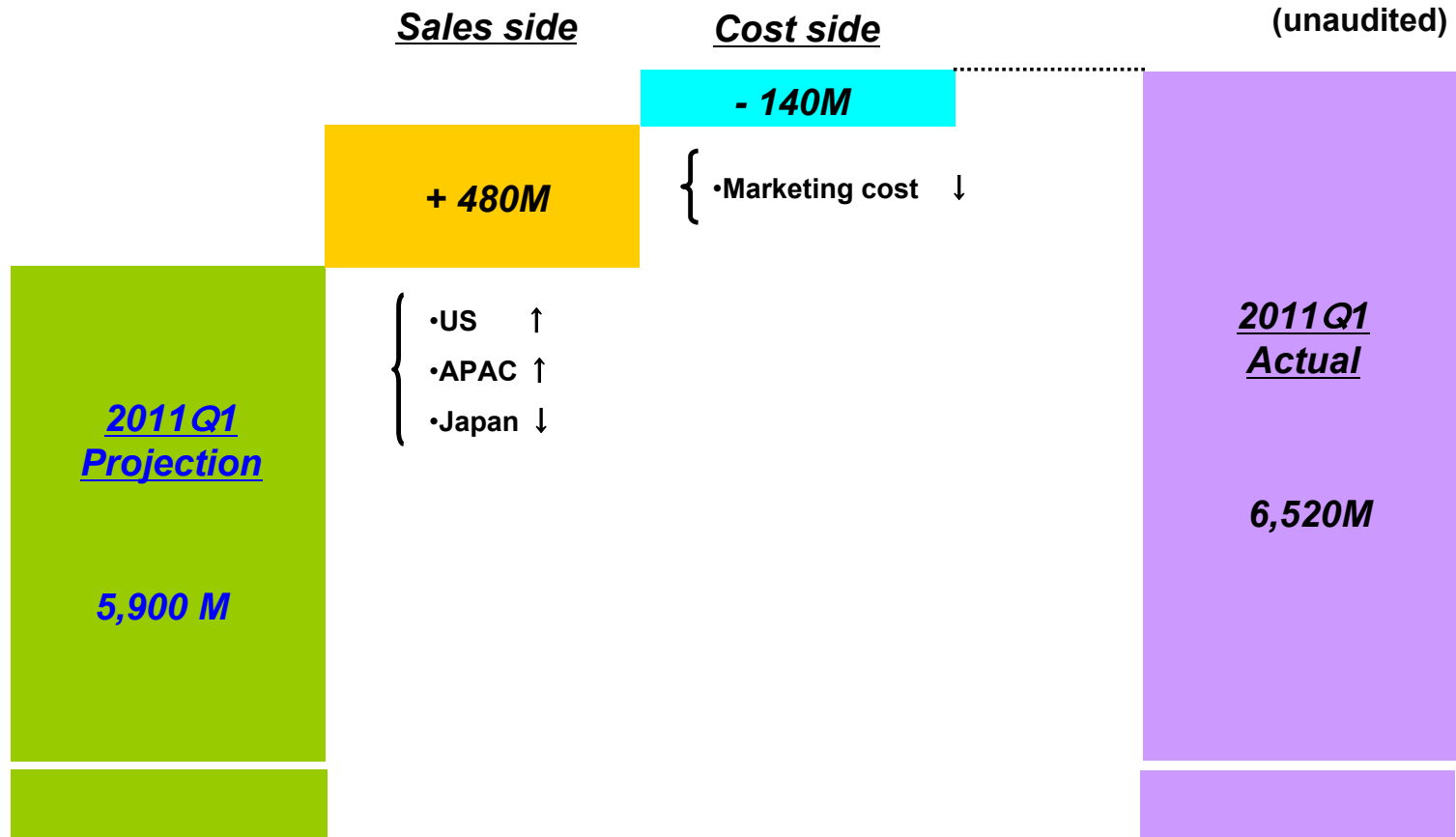
USD based Results (Non-GAAP)

<i>Three months ended Mar 31,</i>	<i>1Q2010</i>	<i>1Q2011</i>	(unaudited) (in thousand USD) <i>YoY change</i>
Net sales	261,523	291,338	11%
Cost of sales	44,443	53,610	21%
Operating expenses	150,484	158,508	5%
Operating income	66,595	79,219	19%
Ordinary income	68,418	76,058	11%
Net Income	38,897	48,544	25%

(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=90.73 JPY for 1Q2010 and 1 USD =82.31 JPY for 1Q2011, respectively, which are the respective weighted average exchange rates used to convert USD net sales to JPY for these quarters.

Vs. Projection analysis (Operating income)

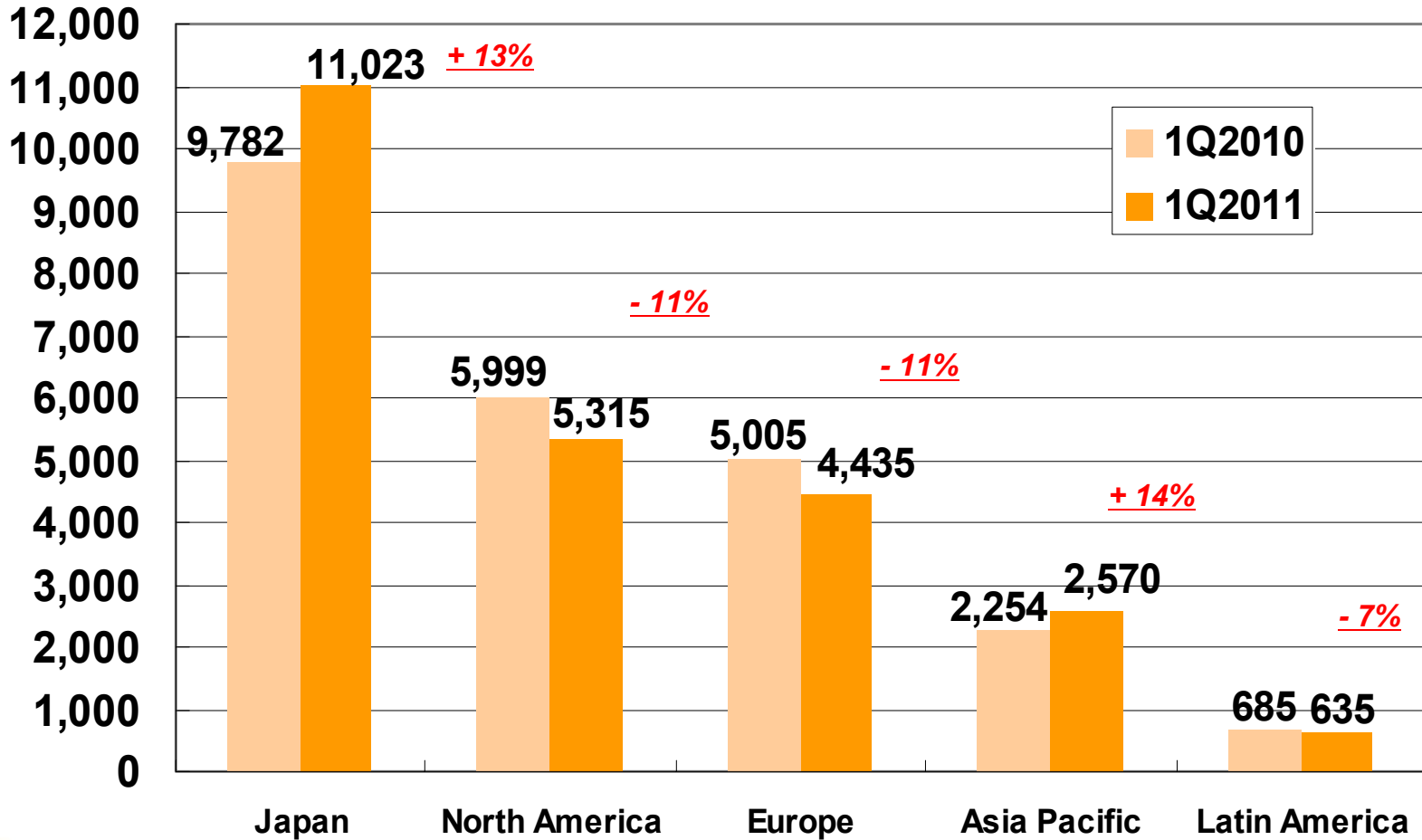


(Non-GAAP)

Net Sales Growth by Region

(in million Yen)

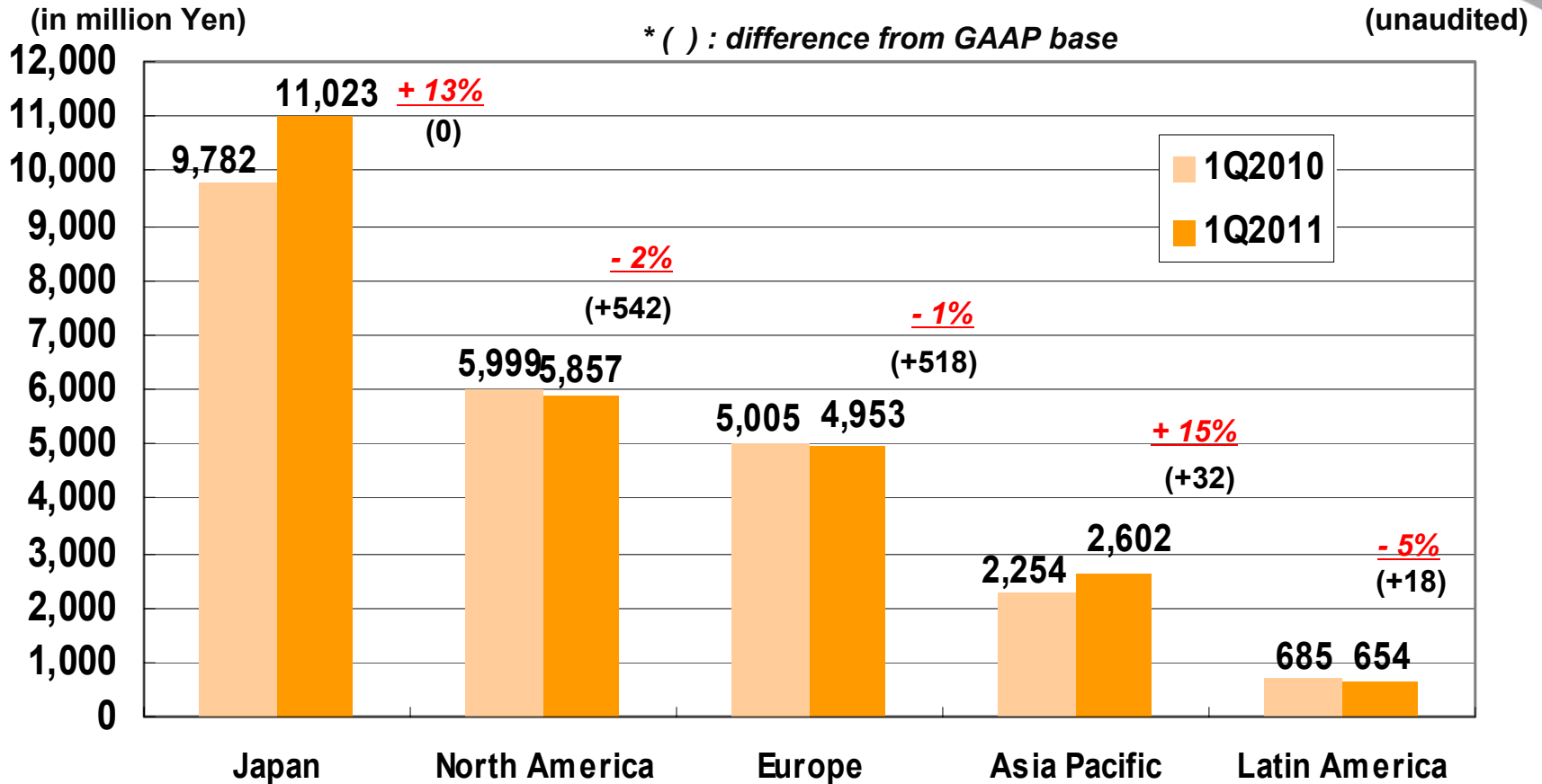
(unaudited)



(In accordance with Japan GAAP)

Net Sales Growth by Region

If currency exchange rates used for 1Q2010 were used for 1Q2011:

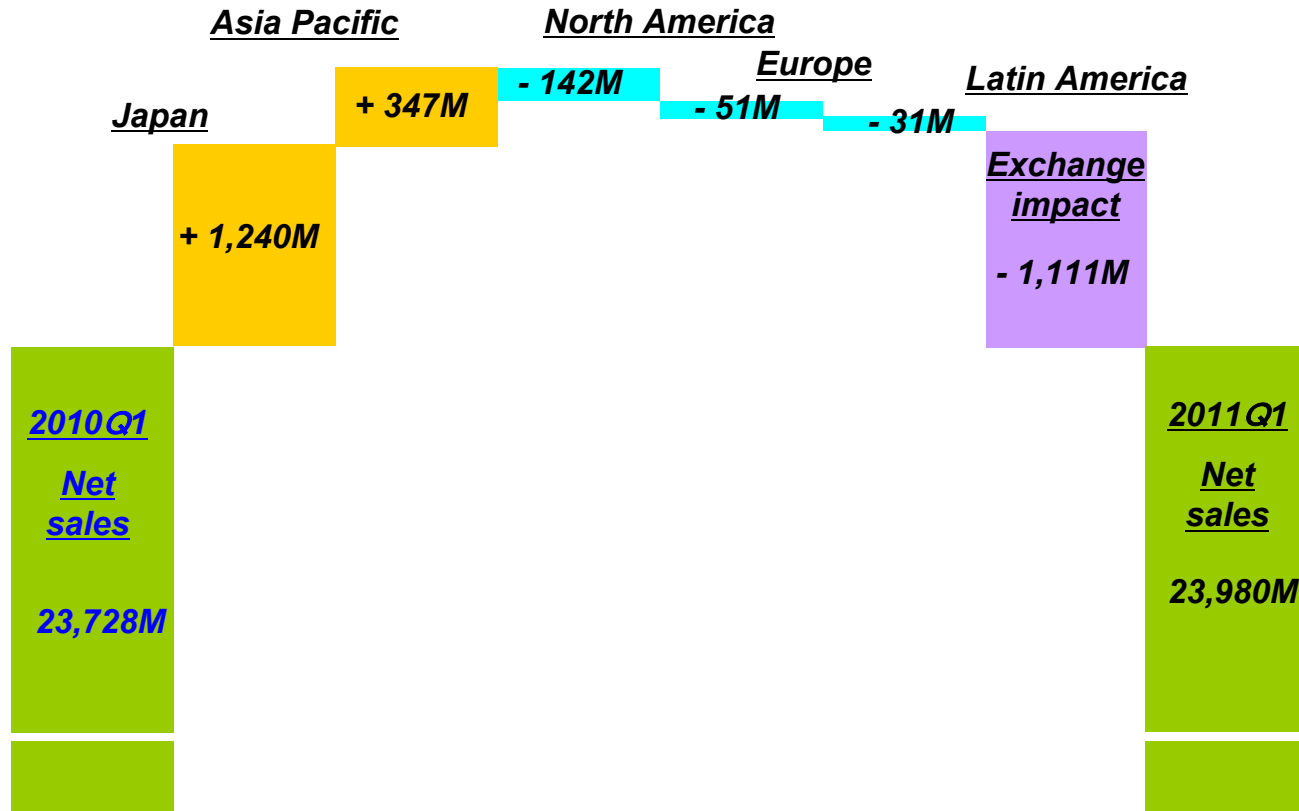


* Each JPY amount for 1Q2011 shown above has been calculated by applying to the relevant foreign currency net sales amount for 1Q2011 the weighted average exchange rate between such foreign currency and JPY that was used to convert the net sales amount denominated in such foreign currency for 1Q2010 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.

(Non-GAAP)

Decomposition of Revenue (vs. last year)

(unaudited)

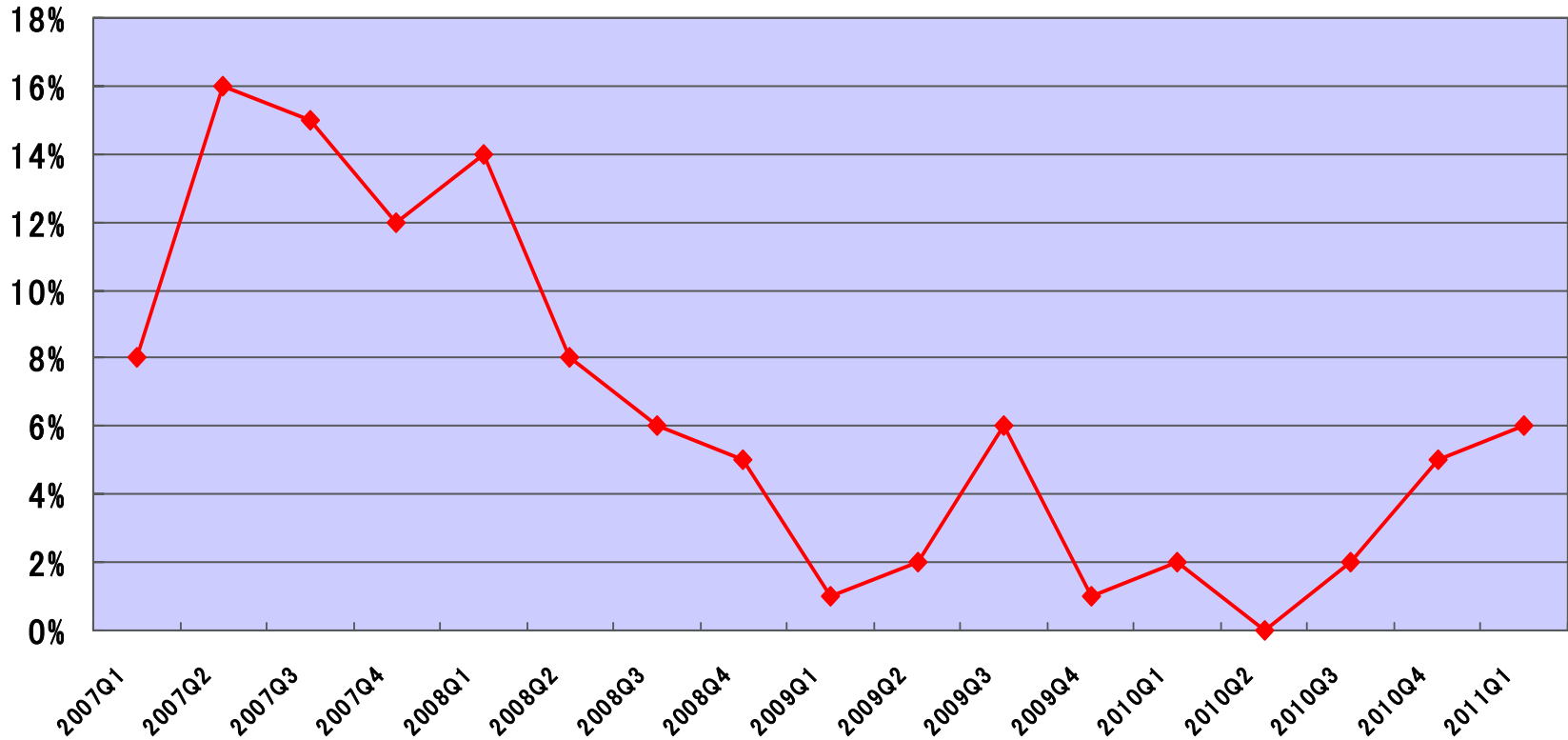


(Non-GAAP)

Constant currency Revenue growth

(YoY)

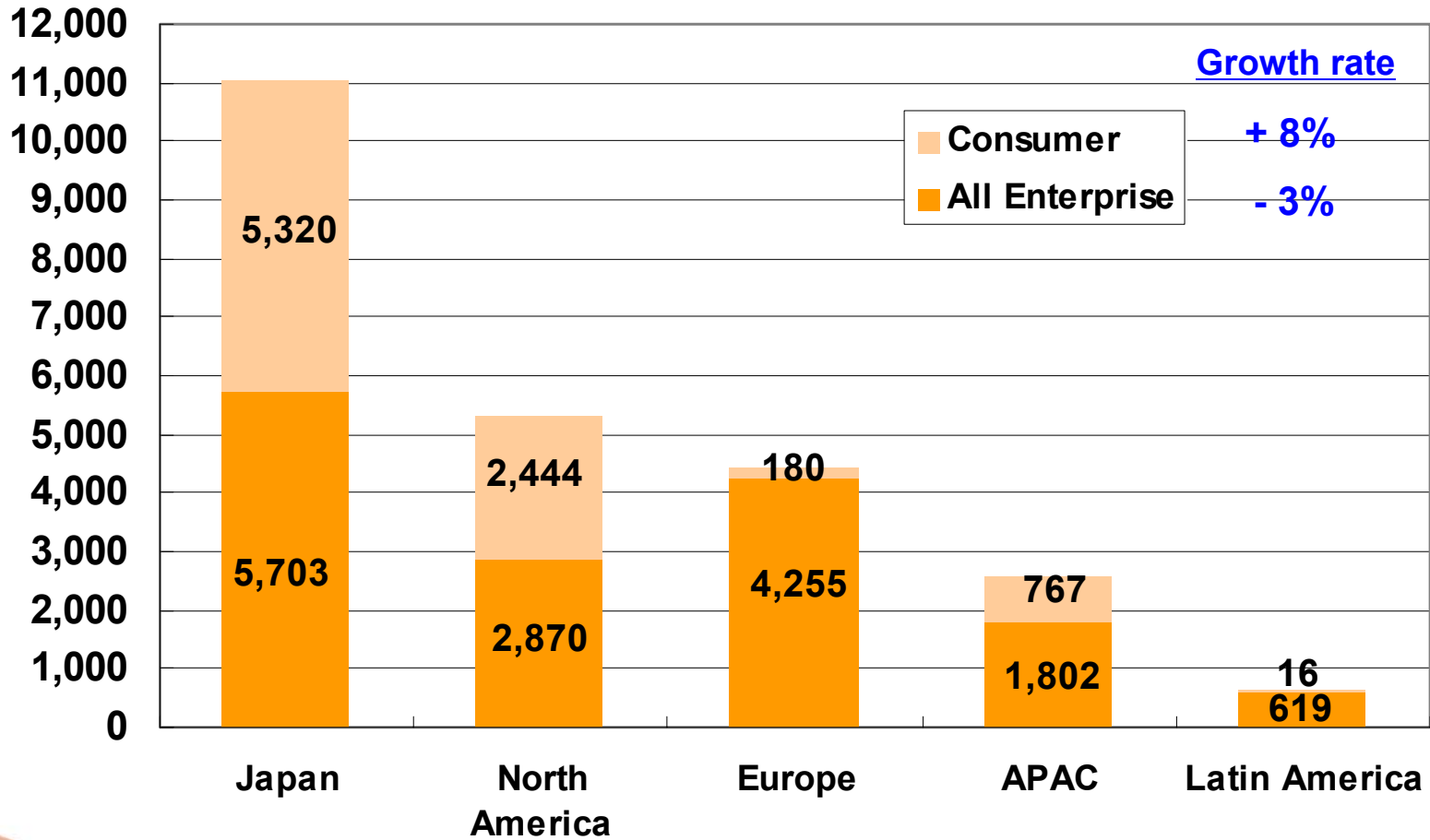
(unaudited)



• Each growth rate shown above is based on applying to each quarter the same currency rate as the previous year for the same period

Sales by Segment

(in million Yen)



(Non-GAAP)

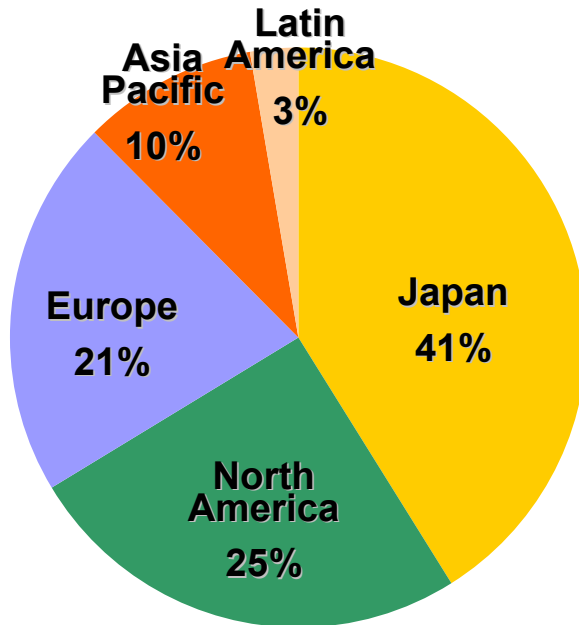


% share by region

(unaudited)

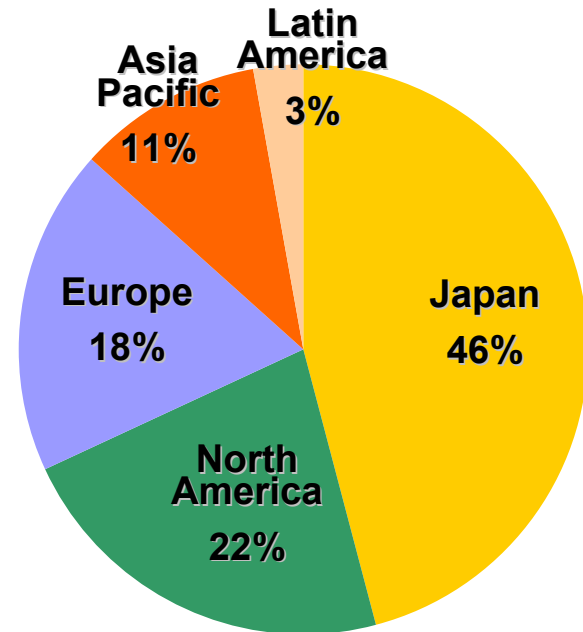
1Q2010

23,728 million Yen



1Q2011

23,980 million Yen

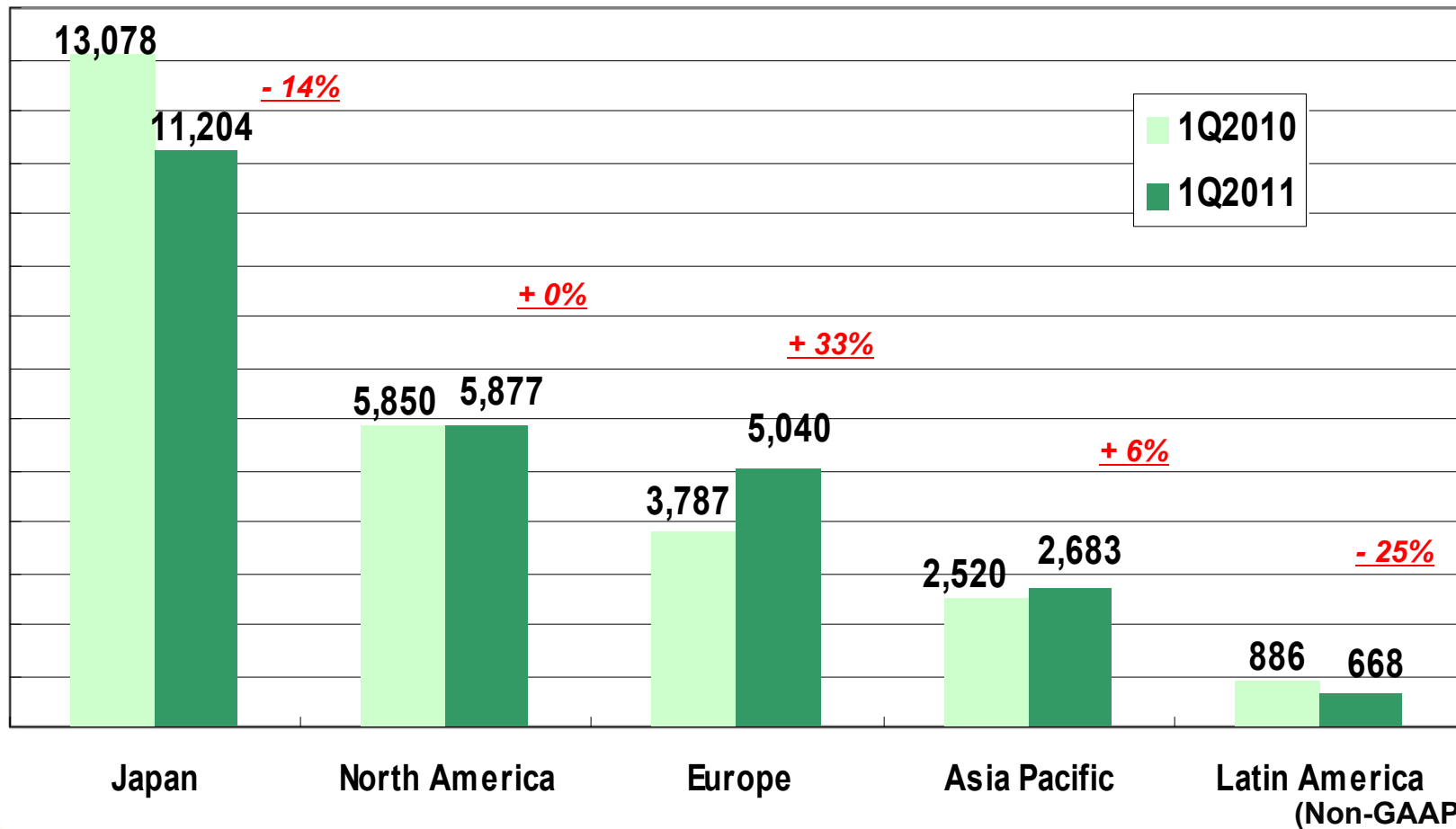


(In accordance with Japan GAAP)

Bookings (Amount of contracts concluded)

(in million Yen)

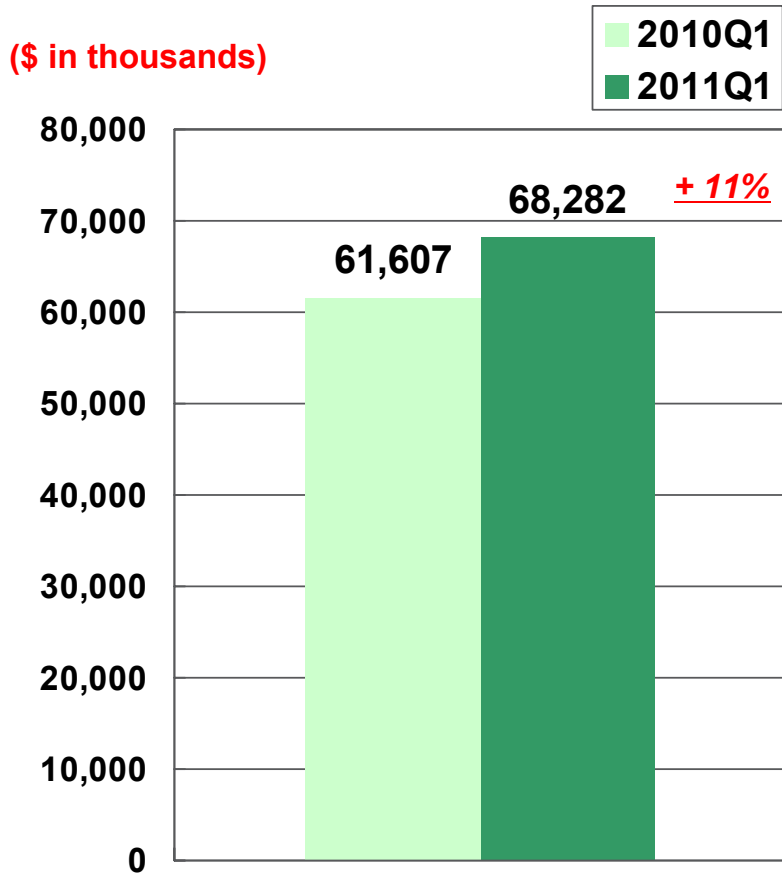
(unaudited)



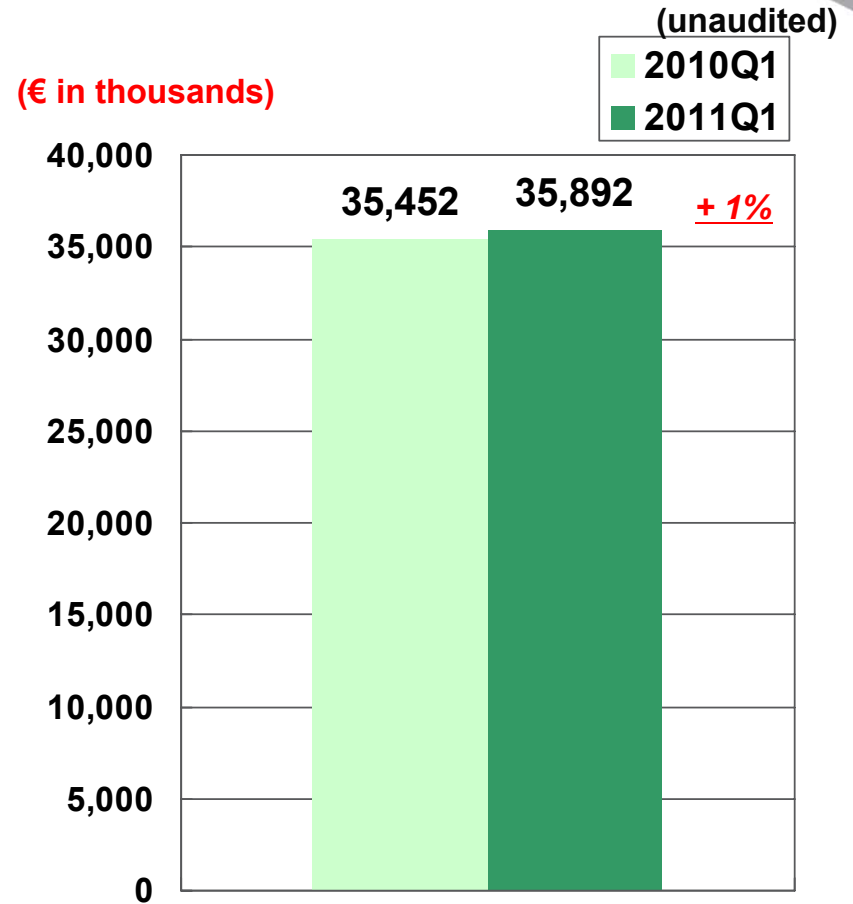
* Bookings = Net sales + Deferred revenue balance as of this Q – Deferred revenue balance as of previous Q

Local currency based Bookings (US, Europe)

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



North America
(excluding Canada entity)

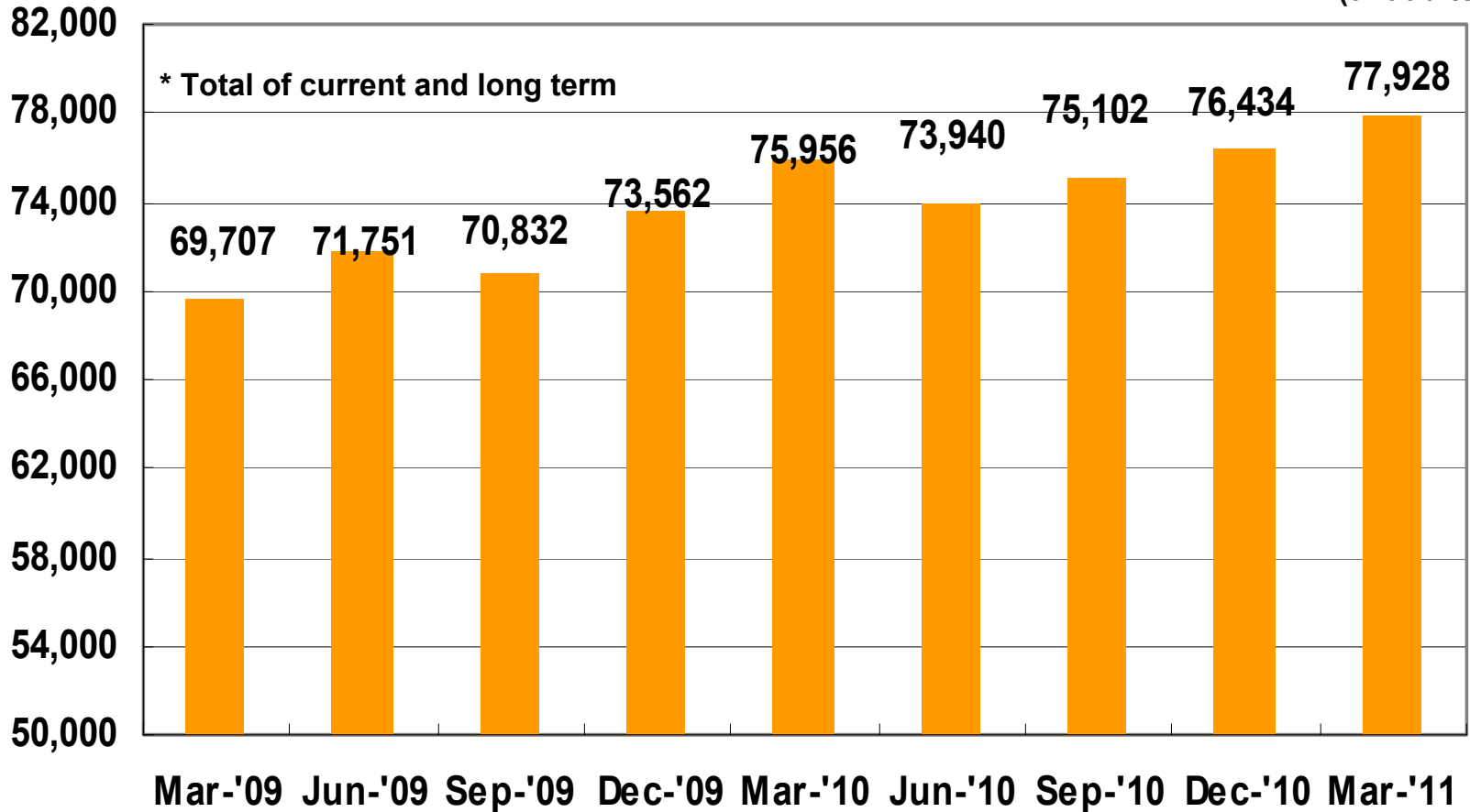


Europe
(Non-GAAP)

Deferred Revenue

(in million Yen)

(unaudited)

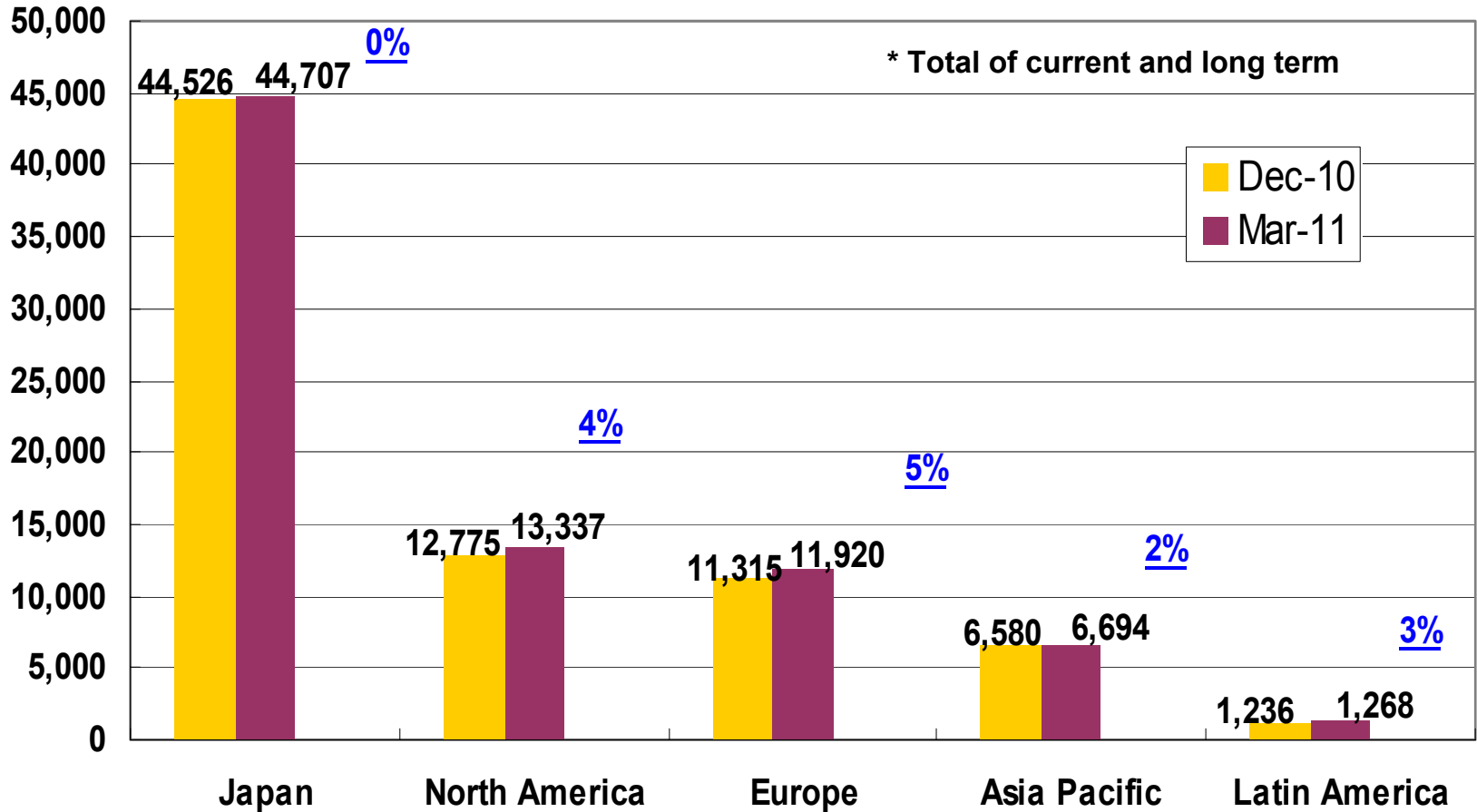


(In accordance with Japan GAAP)

Deferred Revenue by Region

(in million Yen)

(unaudited)



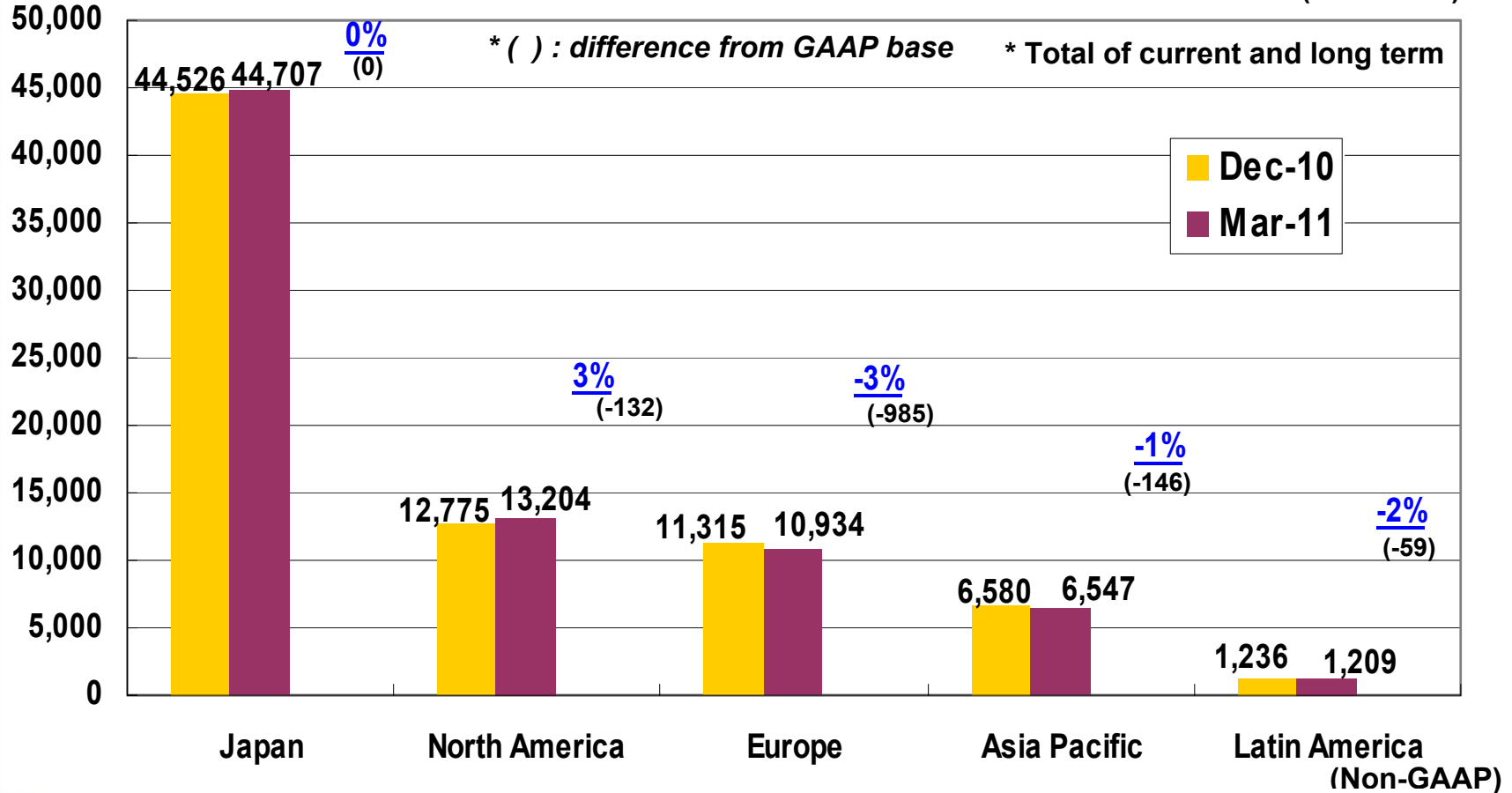
(In accordance with Japan GAAP)

Deferred Revenue by Region

If currency exchange rates used as of the end of 4Q2010 were used as of the end of 1Q2011:

(in million Yen)

(unaudited)

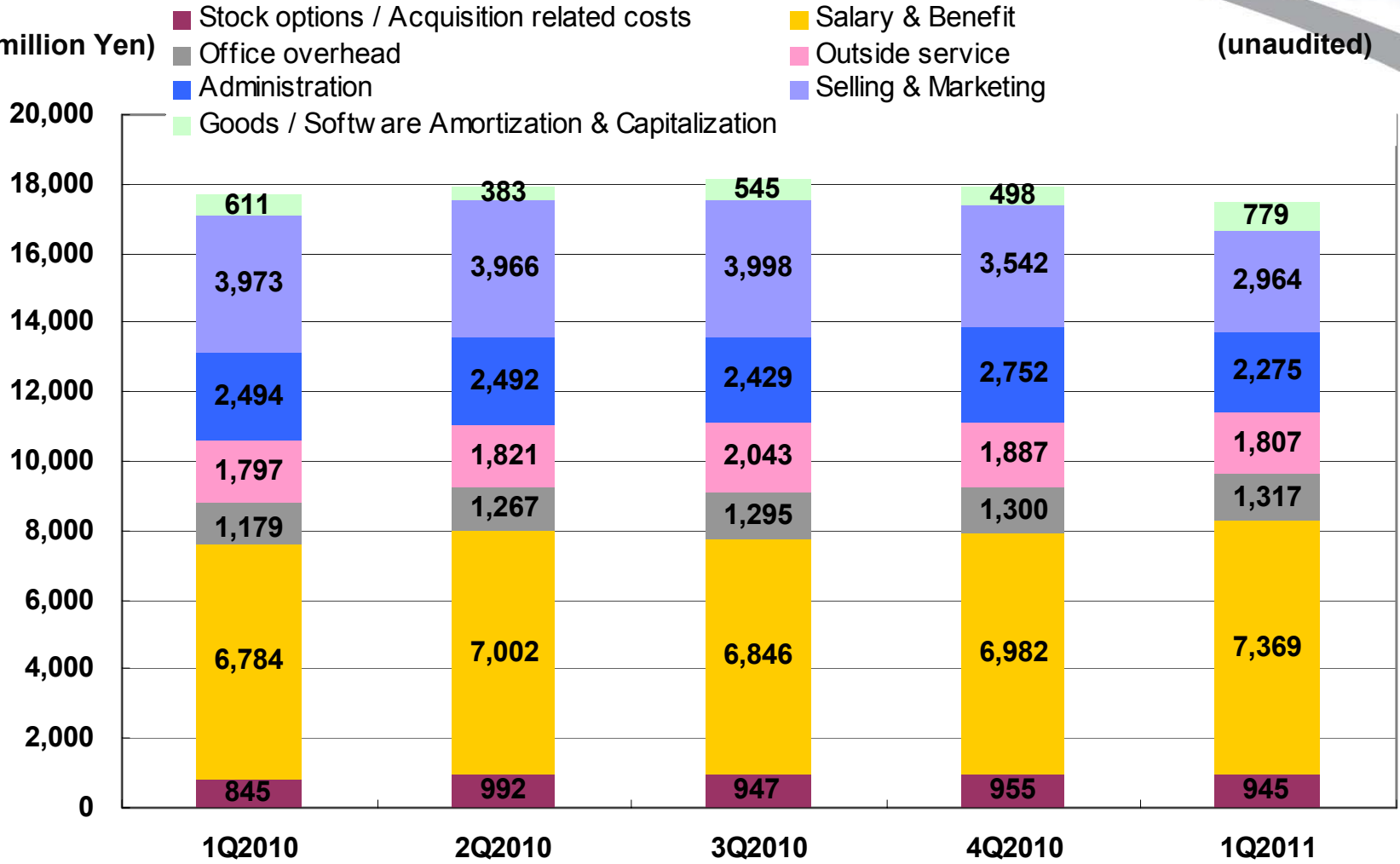


* Each JPY amount as of the end of 1Q2011 shown above has been calculated by applying to the relevant foreign currency deferred revenue amount as of the end of 1Q2011 the exchange rate between such foreign currency and JPY that was used to convert the deferred revenue amount denominated in such foreign currency as of the end of 4Q2010 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)

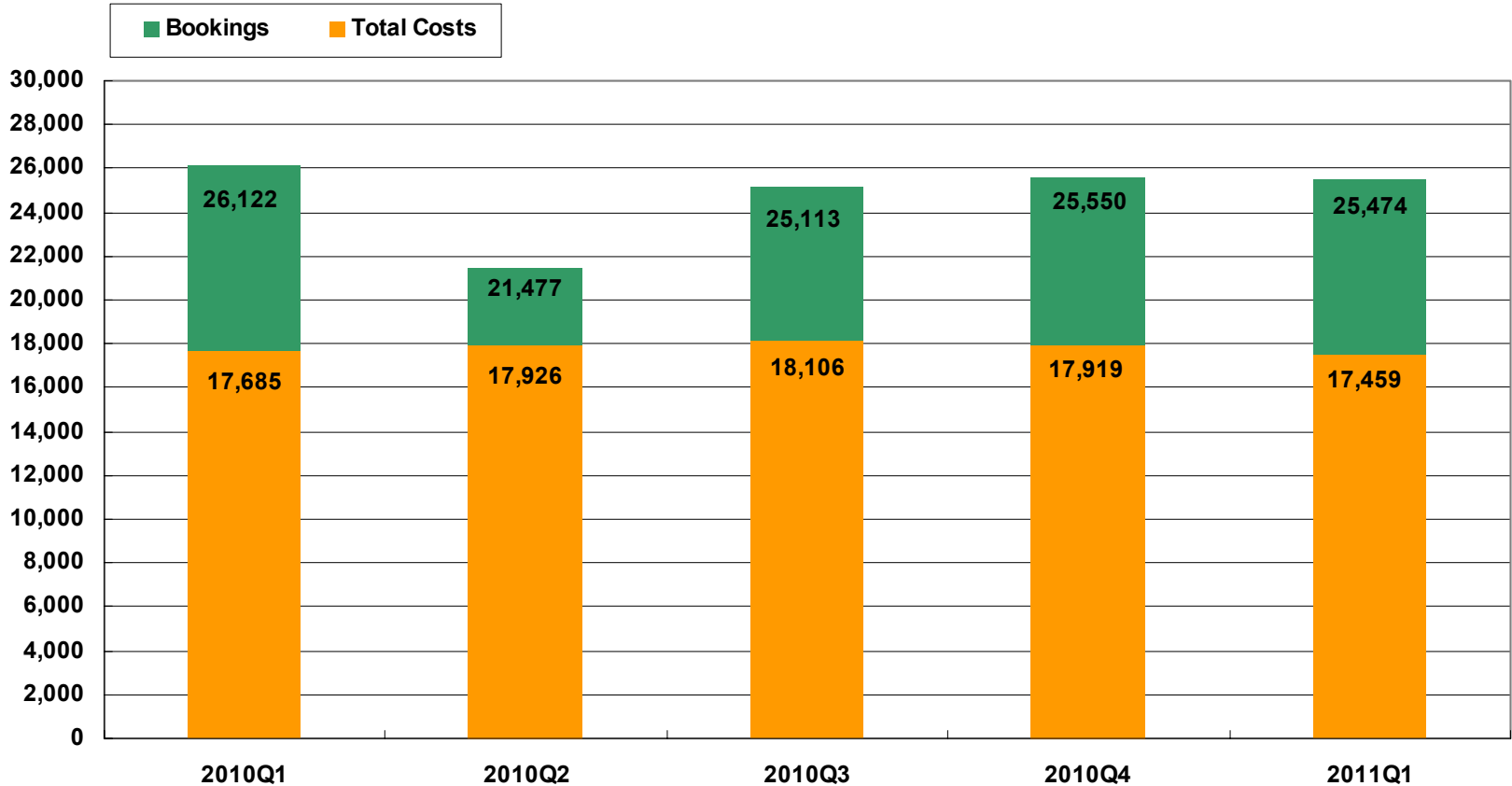


(Non-GAAP)

Bookings vs Total costs

(in million Yen)

(unaudited)



* "Total costs" means COGS + SGA.

(Non-GAAP)

Cash flows

(unaudited)
(in million Yen)

項目	1Q2010	1Q2011	YoY growth
Cash flows from operating activities	6,217	4,514	- 27%
Cash flows from investing activities	3,473	- 1,021	—
Cash flows from financing activities	- 11,192	- 12,033	—
Effect of exchange rate changes on cash and cash equivalents	560	877	+ 57%
Net increase (decrease) in cash and cash equivalents	- 940	- 7,662	—
Cash and cash equivalents at beginning of this quarter period	58,023	64,136	+ 11%
Cash and cash equivalents at end of this quarter period	57,082	56,473	- 1%

Q1 Highlights

- ***Growth in both revenues and operating earnings***
- ***Double digit Bookings growth continues in North America***
- ***Continuing success with Strategic products, especially Deep Security***

Q1 Lowlights

- ***Impact of the earthquake on Japan Bookings***
- ***Continued pricing pressure on AV products***
- ***Forex losses on Euro MMF***

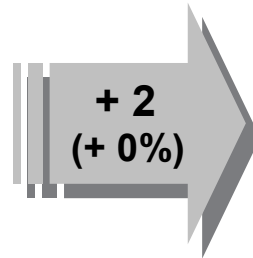
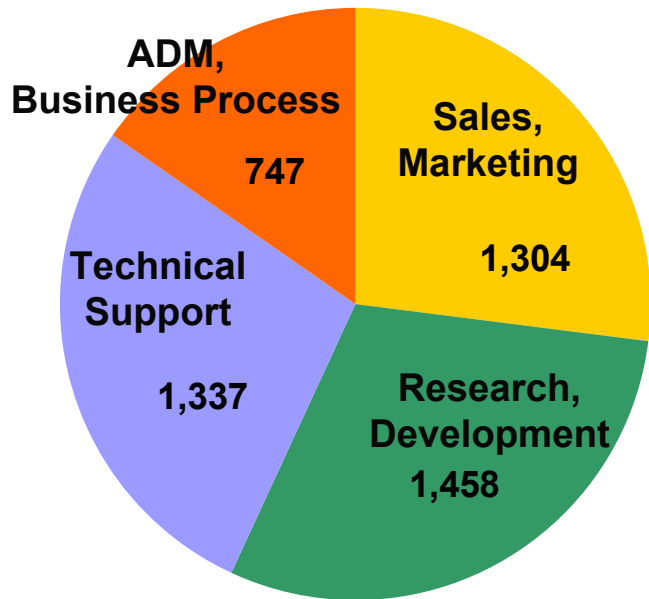
Impact of earthquake disaster in Japan

- **The impact of our facilities and business sustainability**
 - None, since we are globally distributed and major services are delivered from outside Japan
- **Negative business impact during Short term**
 - Consumer business (Retail shop), Renewal contract delay for Enterprise Business
- **Negative business impact during Long term**
 - Difficult to assess at this point (there may actually be acceleration of investment in Cloud computing)

Headcount

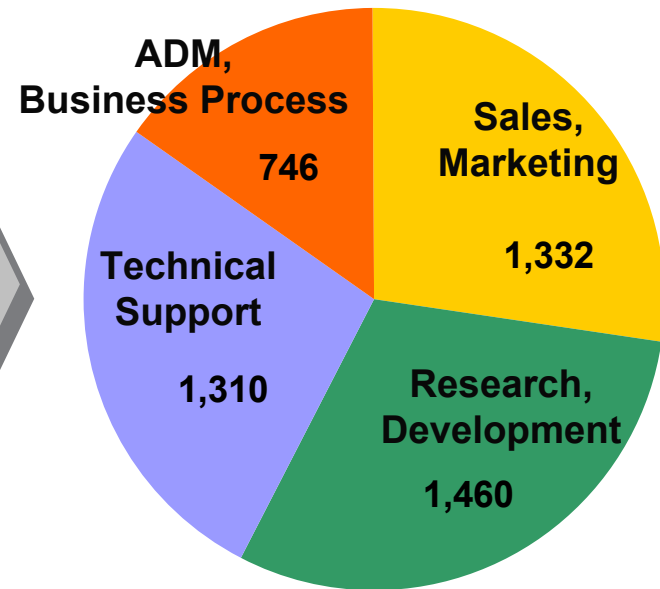
Dec - 2010

4,846



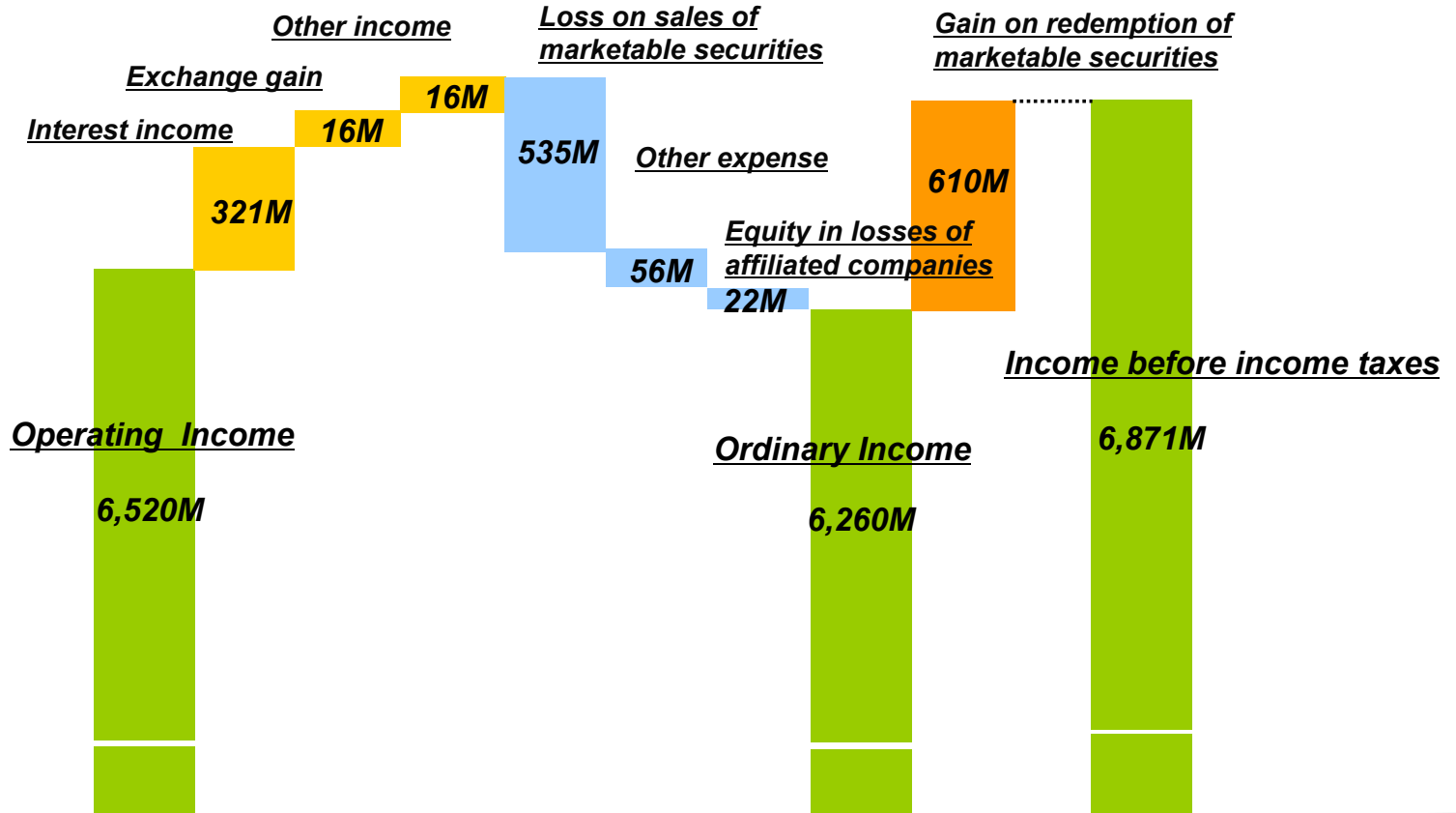
Mar - 2011

4,848



Non-operating & Extra-ordinary Items

(unaudited)



(In accordance with Japan GAAP)

Balance Sheet

(unaudited)
(in million Yen)

	Dec-2010	change	Mar-2011
<u>Assets</u>			
Cash & cash equivalents	73,960	- 6,300	67,660
Account receivable <i>(less allowance for doubtful accounts)</i>	22,033	- 1,026	21,007
Marketable securities & Securities investments	60,083	- 3,603	56,480
<u>Liabilities</u>			
Deferred revenue <i>(total of current and long-term)</i>	76,434	+ 1,494	77,928
<u>Shareholders' Equity</u>			
Common Stock & Additional paid in capital	39,498	- 1	39,497
Treasury Stock	- 21,834	- 3,313	- 25,147

(In accordance with Japan GAAP)

Q2 forecast assumptions

- ***Japan increases by single digit, US and Europe decrease by single digit respectively***
- ***Stock option expenses will be 0.7Bn yen***
- ***Estimated exchange rate:***
 - 1USD = 81 yen (last year: 92 yen)***
 - 1EUR = 115 yen (last year: 117 yen)***

Projection for 2Q2011

(unaudited)

	<u>For 2Q2011</u> <u>Apr - Jun, 2011</u>	<u>Expected</u> <u>YoY growth</u>	(in million Yen)
Net Sales	23,800	<u>+ 1%</u>	
Operating Income	6,000	<u>+ 8%</u>	
Ordinary Income	6,000	<u>+ 4%</u>	
Net Income	3,400	<u>+ 5%</u>	

(In accordance with Japan GAAP)

• Including both stock option expenses and amortization of goodwill (about 1.0Bn Yen)

In case of excluding a foreign exchange impact

Net Sales

+ 6%

(Non-GAAP)





THANK YOU!

Appendix

(unaudited)

Quarterly Chart (1)

(in million Yen)

	FY2010				FY2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	23,728	23,493	23,950	24,218	23,980			
Cost of sales	4,032	4,025	4,446	4,222	4,412			
Operating expenses	13,653	13,900	13,660	13,697	13,046			
Operating income	6,042	5,567	5,843	6,298	6,520			
Ordinary income	6,207	5,744	5,859	6,023	6,260			
Net income	3,529	3,237	2,781	3,172	3,995			
(Costs)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Goods / Software Amortization & Capitalization	611	383	545	498	779			
Selling & Marketing	3,973	3,966	3,998	3,542	2,964			
Administration	2,494	2,492	2,429	2,752	2,275			
Outside service	1,797	1,821	2,043	1,887	1,807			
Office overhead	1,179	1,267	1,295	1,300	1,317			
Salary & Benefit	6,784	7,002	6,846	6,982	7,369			
Stock option cost	667	673	662	676	664			
Acquisition related costs	177	318	284	279	280			
Total	17,685	17,926	18,106	17,919	17,459			
The number of employees	4,575	4,727	4,831	4,846	4,848			
Applied rate to yen (US\$)	90.73	91.94	85.78	82.68	82.31			
Applied rate to yen (Euro)	125.66	116.78	110.67	112.09	112.51			

Appendix

Quarterly Chart (2)

(unaudited)

(in million Yen)

	FY2010				FY2010			
(Sales by region)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	9,782	9,990	11,451	11,100	11,023			
US	5,999	6,118	5,485	5,124	5,315			
Europe	5,005	4,408	4,173	4,671	4,435			
Asia Pacific	2,254	2,314	2,202	2,684	2,570			
Latin America	685	662	637	637	635			
Total	23,728	23,493	23,950	24,218	23,980			
(Sales by segment)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Enterprise	15,680	15,168	15,055	15,569	15,251			
Consumer	8,047	8,325	8,895	8,649	8,728			
Total	23,728	23,493	23,950	24,218	23,980			
(Bookings by region)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	13,078	11,175	12,564	11,334	11,204			
US	5,850	4,916	4,735	5,162	5,877			
Europe	3,787	2,817	4,549	5,422	5,040			
Asia Pacific	2,520	2,106	2,679	2,994	2,683			
Latin America	886	461	584	637	668			
Total	26,122	21,477	25,113	25,550	25,474			

* "Bookings" means amount of contracts concluded.