



Securing Your Journey
to the Cloud

Trend Micro FY2012.2Q Results

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August 9, 2012

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.

FY2012. 2Q Financial Highlight

(Second quarter ended June 30, 2012)

Consolidated Results

<i>Three months ended June 30,</i>	<i>(in million Yen) (unaudited)</i>		
	2Q2011	2Q2012	YoY growth
Net sales	24,333	23,058	- 5%
Cost of sales	4,343	4,488	+ 3%
Operating expenses	13,334	13,636	+ 2%
Operating income (Margin)	6,655 (27%)	4,934 (21%)	- 26%
Ordinary income	6,874	5,043	- 27%
Net income	3,934	3,285	- 16%

(In accordance with Japan GAAP)

“For reference” Revenue before adjusting deferred revenue

Pre-GAAP	24,725	24,430	- 1%
			(In case of excluding a foreign exchange impact)

+ 3%

(Non-GAAP)

If currency exchange rates used for 2Q2011 were used for 2Q2012

Net sales	24,333	23,953	- 2%
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** The JPY amount for 2Q2012 shown above has been calculated by applying to each foreign currency net sales amount for 2Q2012 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 2Q2011 into a JPY net sales amount for Japan GAAP reporting purposes.*

(Non-GAAP) **TREND MICRO**

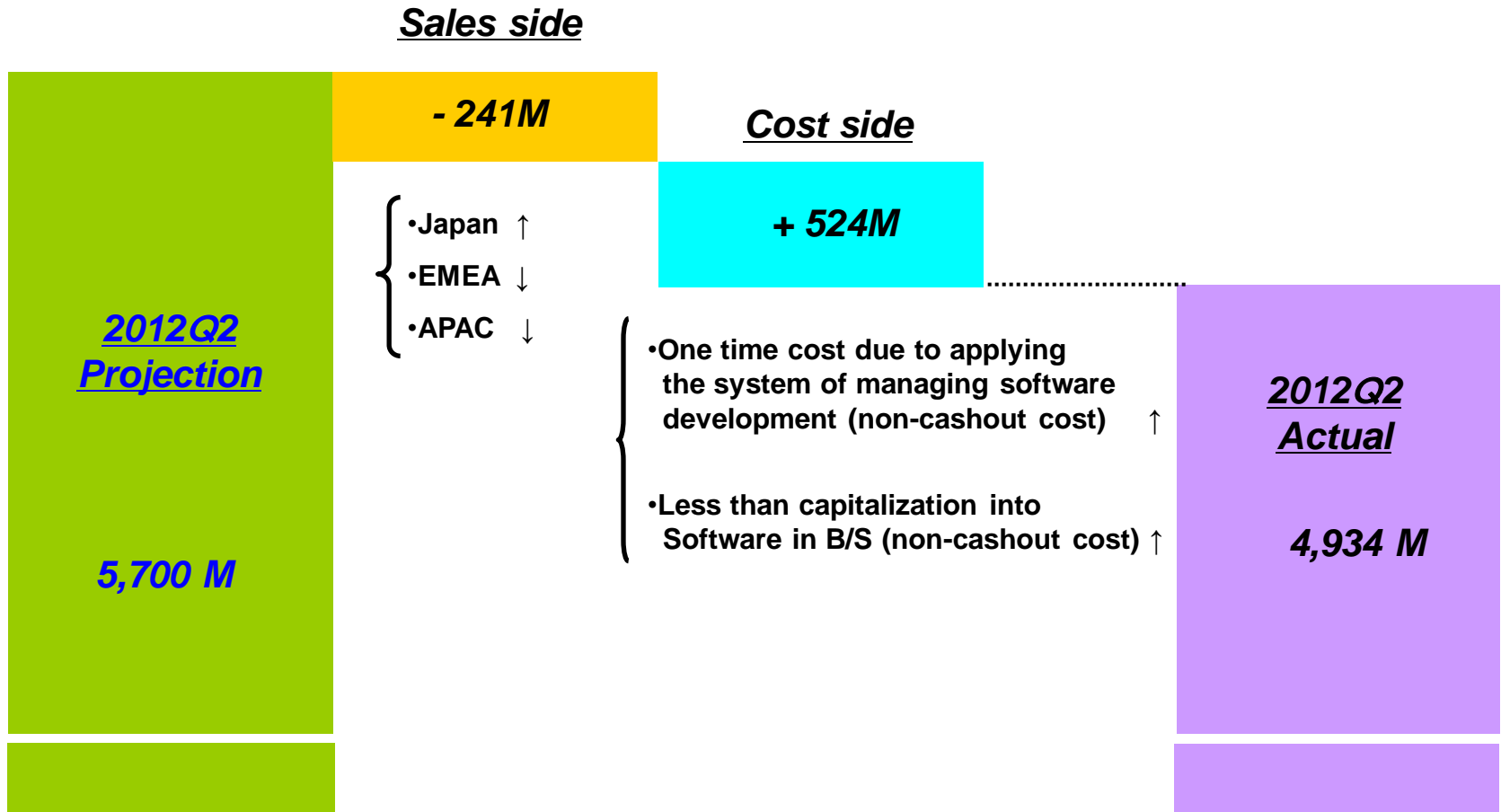
USD based Results (Non-GAAP)

<i>Three months ended June 30,</i>	<i>2Q2011</i>	<i>2Q2012</i>	<i>(unaudited) (in thousand USD) YoY change</i>
Net sales	297,767	287,871	- 3%
Cost of sales	53,145	56,030	+ 5%
Operating expenses	163,177	170,240	+ 4%
Operating income	81,444	61,600	- 24%
Ordinary income	84,122	62,966	- 25%
Net Income	48,145	41,020	- 15%

(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=81.72 JPY for 2Q2011 and 1 USD =80.10 JPY for 2Q2012, 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)

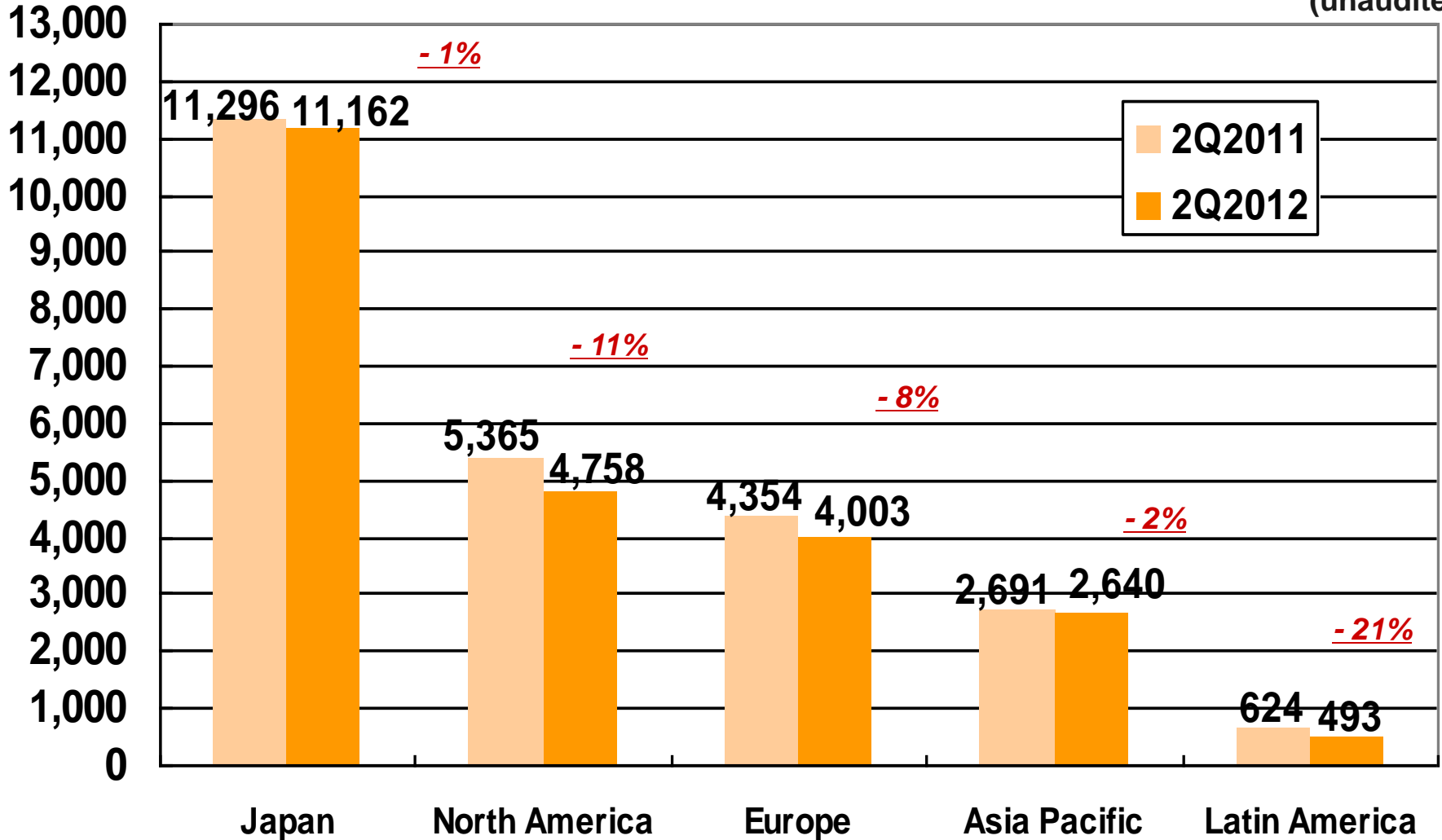


(Non-GAAP)

Net Sales Growth by Region

(in million Yen)

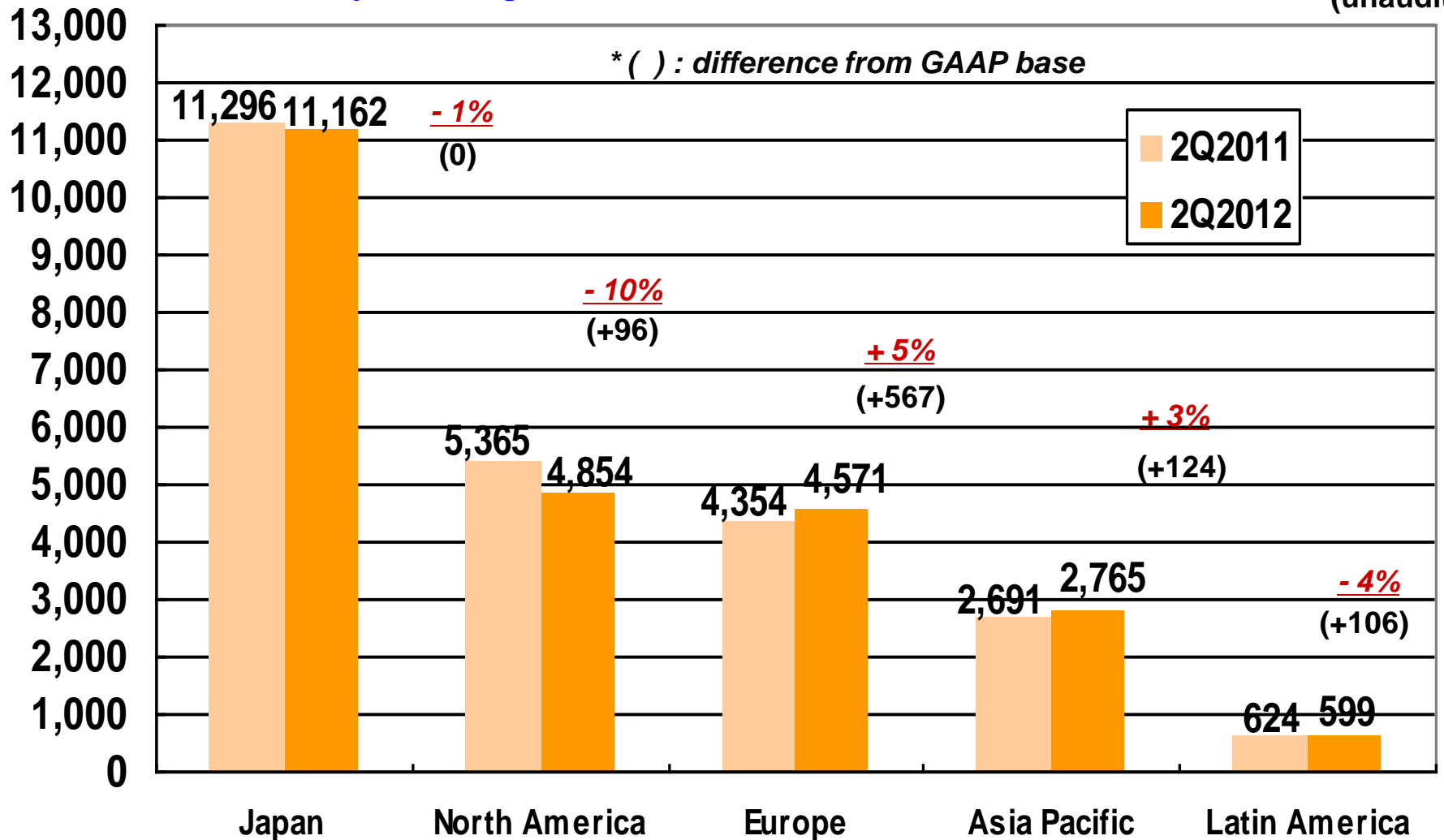
(unaudited)



(In accordance with Japan GAAP)

Net Sales Growth by Region

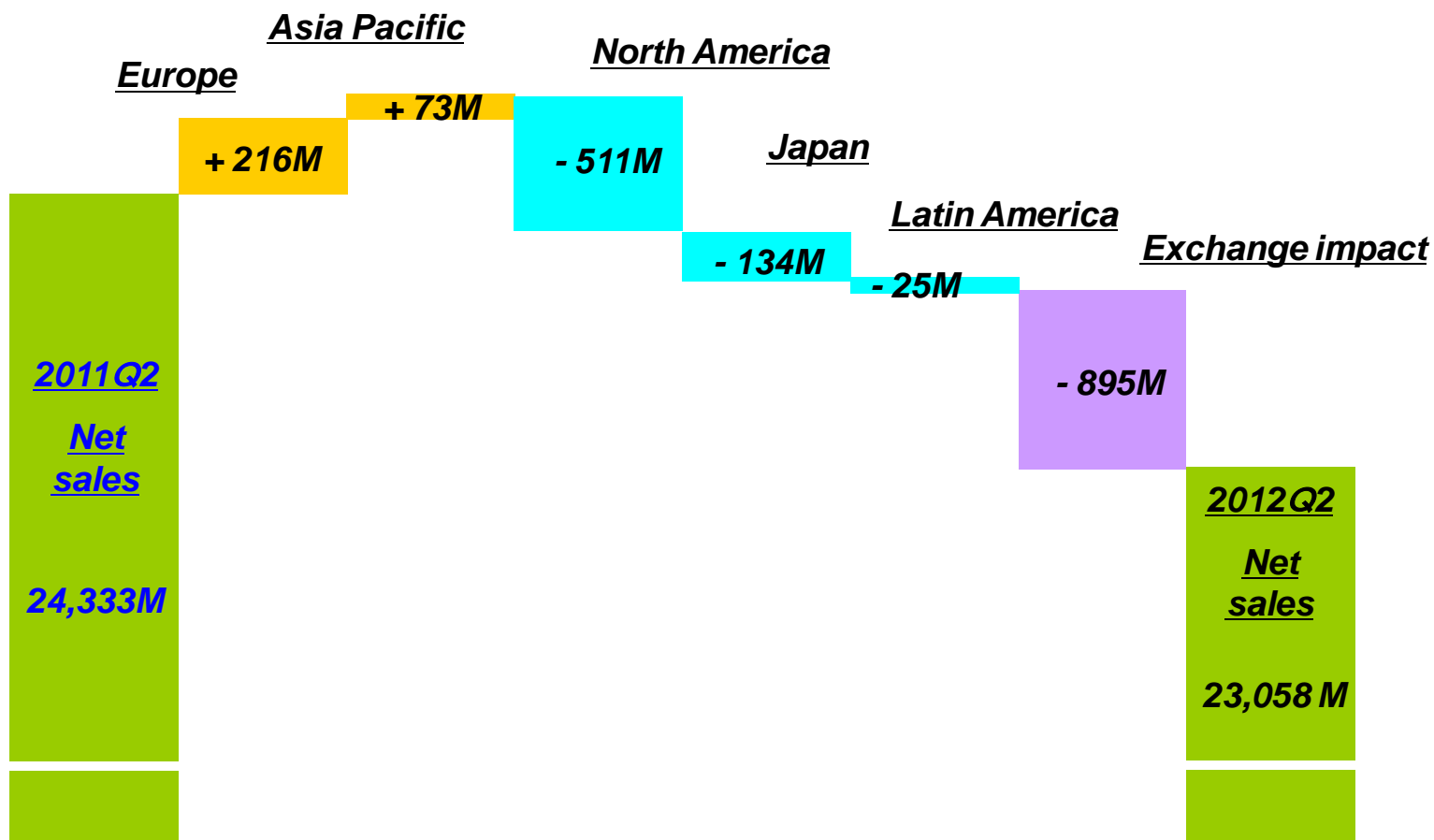
(in million Yen) *If currency exchange rates used for 2Q2011 were used for 2Q2012:* (unaudited)



* Each JPY amount for 2Q2012 shown above has been calculated by applying to the relevant foreign currency net sales amount for 2Q2012 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 2Q2011 into a JPY net sales amount for Japan GAAP reporting purposes.

Decomposition of Revenue (vs. last year)

(unaudited)

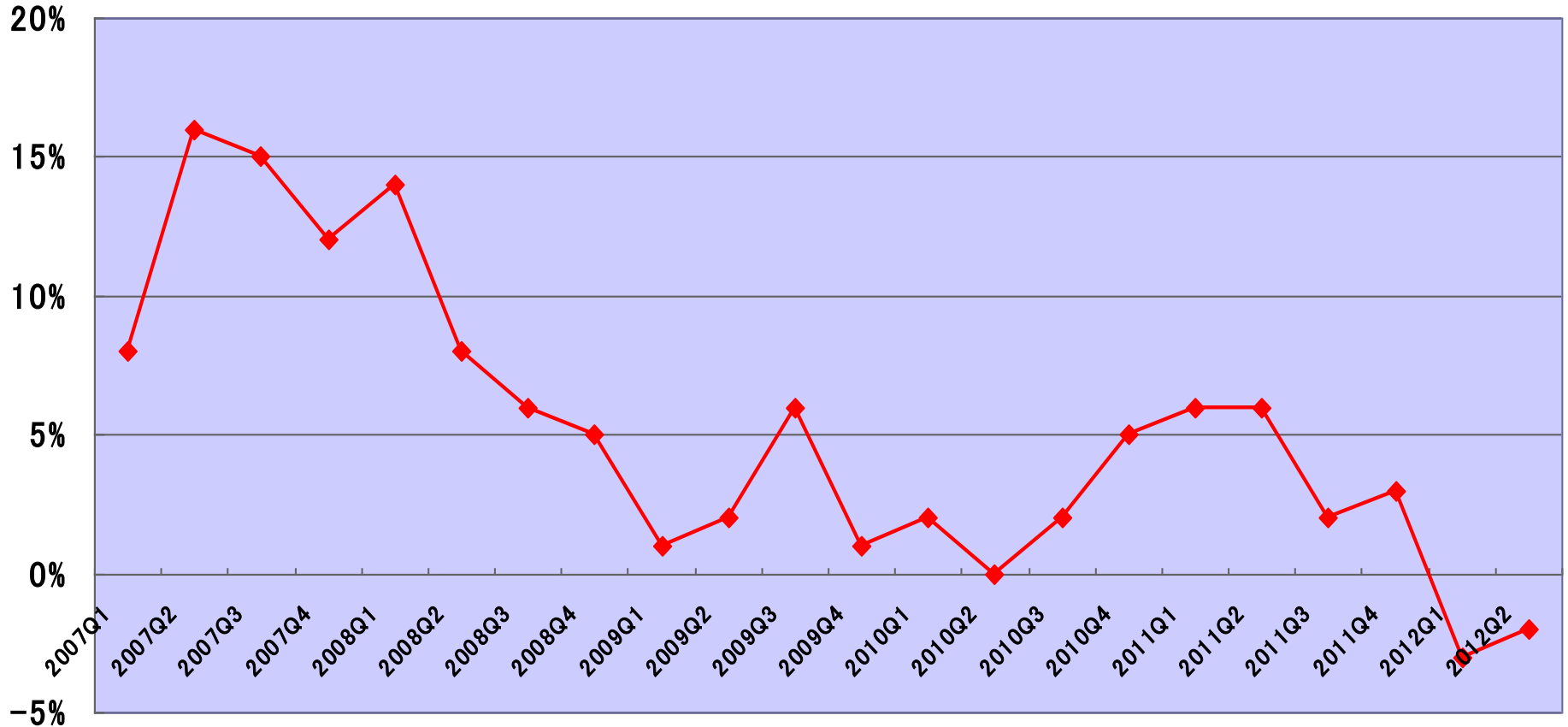


(Non-GAAP)

Constant currency Revenue growth

(unaudited)

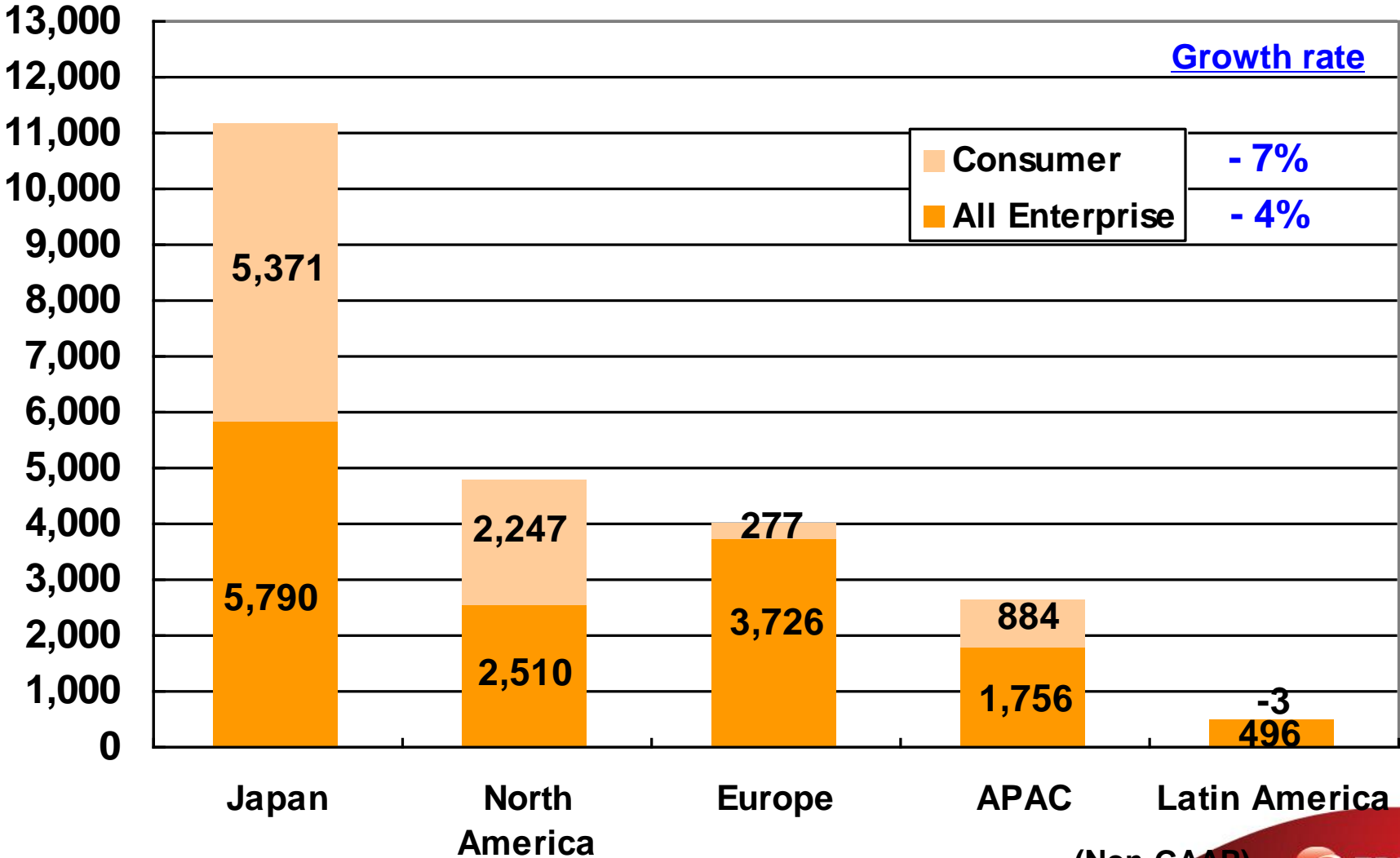
(YoY)



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)

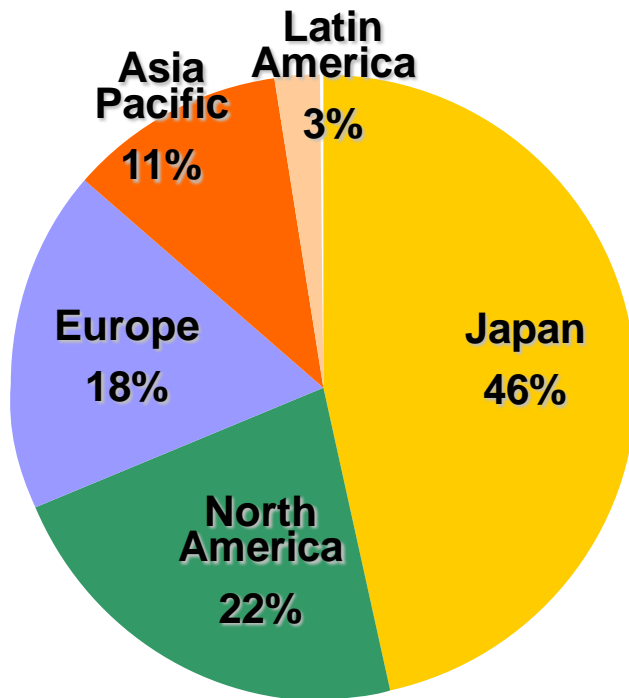


% share by region

(unaudited)

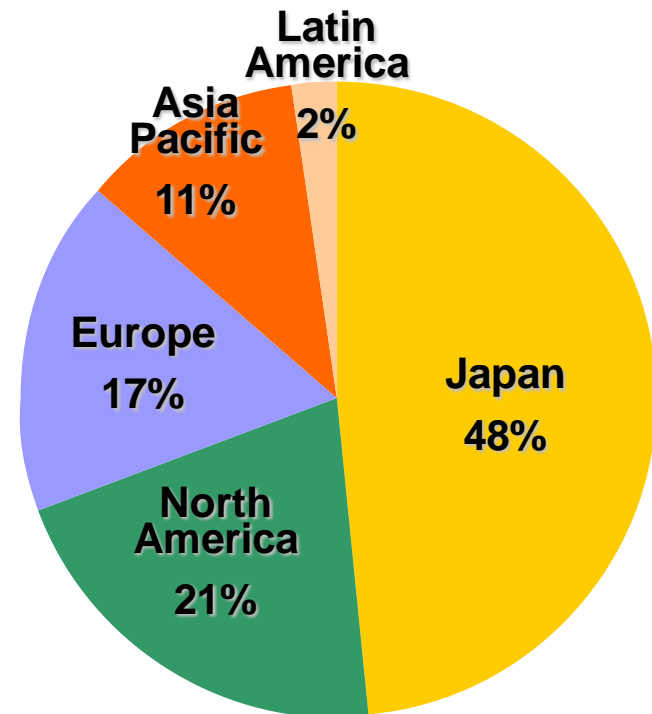
2Q2011

24,333 million Yen



2Q2012

23,058 million Yen



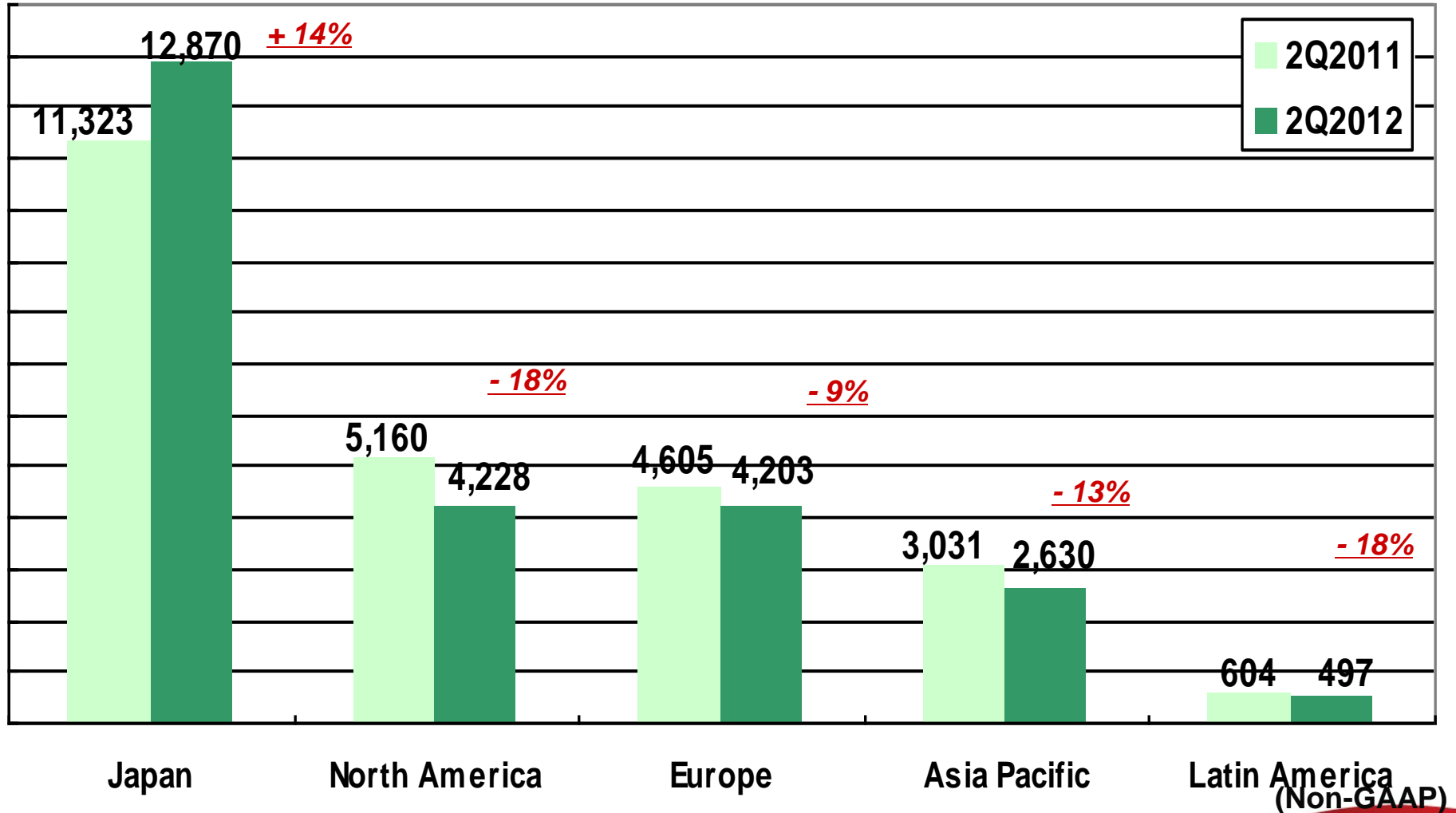
(In accordance with Japan GAAP)

“For reference”

Pre-GAAP (Revenue before adjusting Deferred revenue)

(in million Yen)

(unaudited)



“Notice”

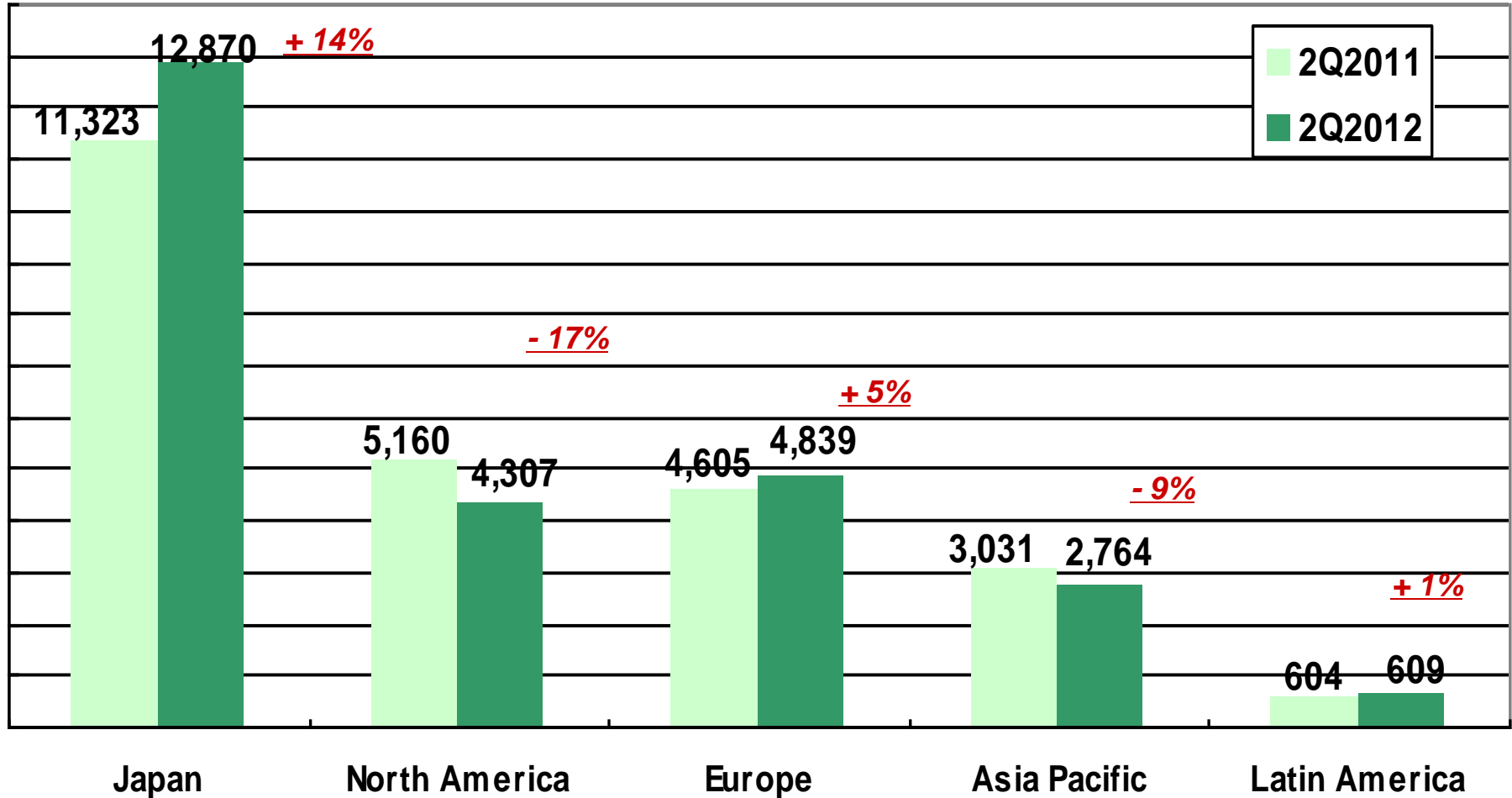
Pre-GAAP means Revenue before adjusting deferred revenue and sales return allowance. As these numbers are just for internal use, they may be subject to some changes hereafter.

“For reference”

Pre-GAAP (Revenue before adjusting Deferred revenue)

If currency exchange rates used for 2Q2011 were used for 2Q2012: (unaudited)

(in million Yen)



“Notice”

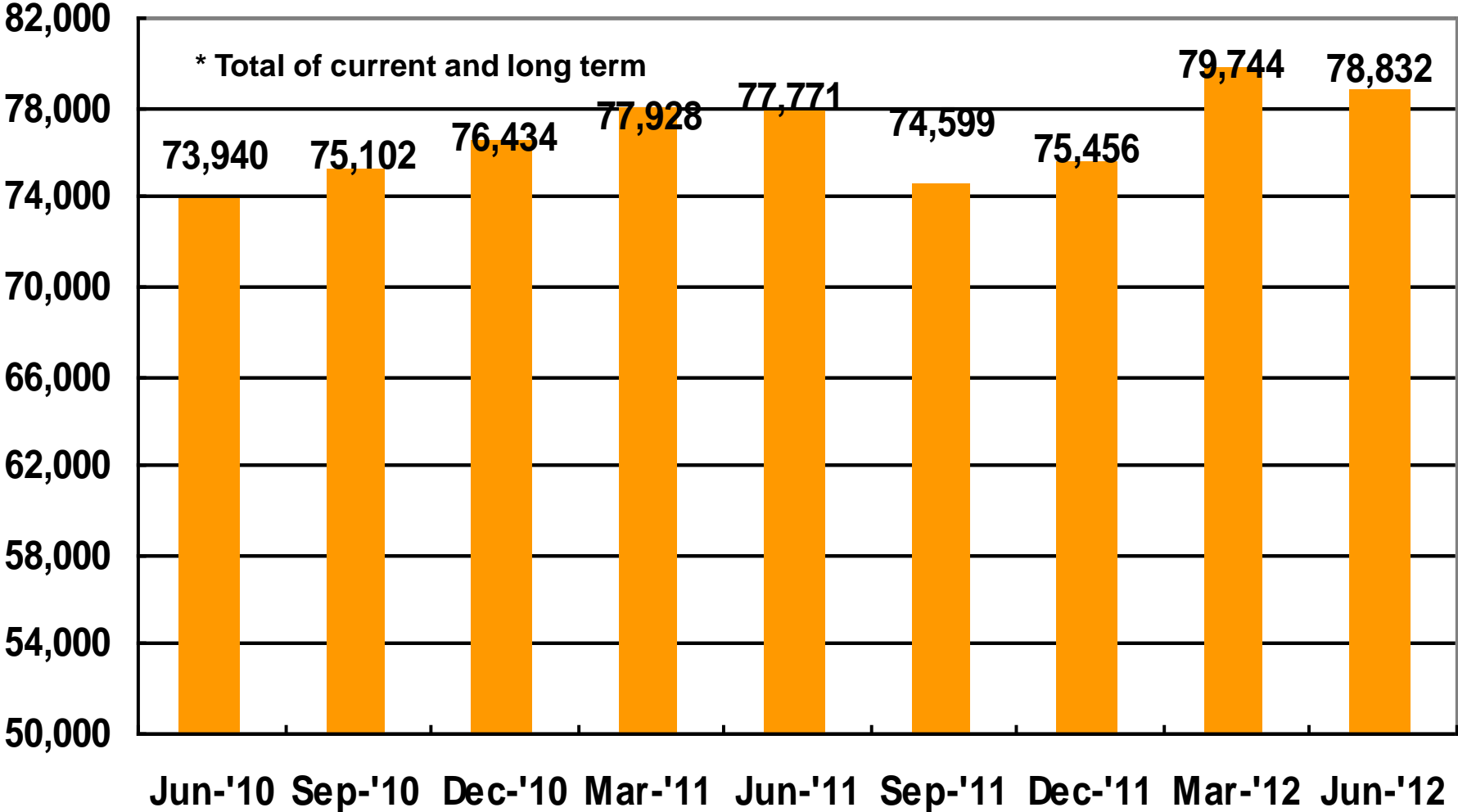
Pre-GAAP means Revenue before adjusting deferred revenue and sales return allowance. As these numbers are just for internal use, they may be subject to some changes hereafter.

(Non-GAAP)

Deferred Revenue

(in million Yen)

(unaudited)



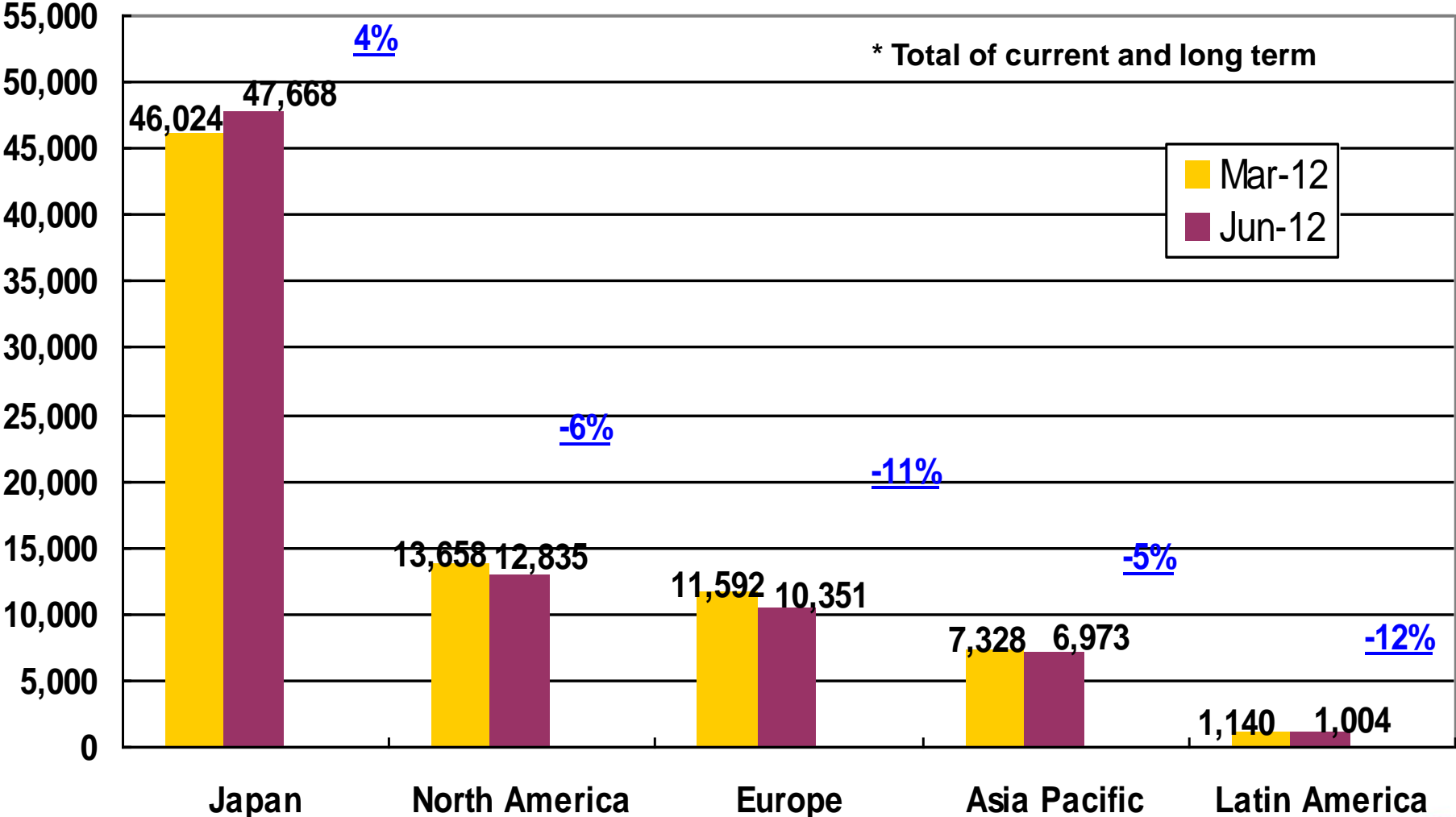
(In accordance with Japan GAAP)



Deferred Revenue by Region

(in million Yen)

(unaudited)



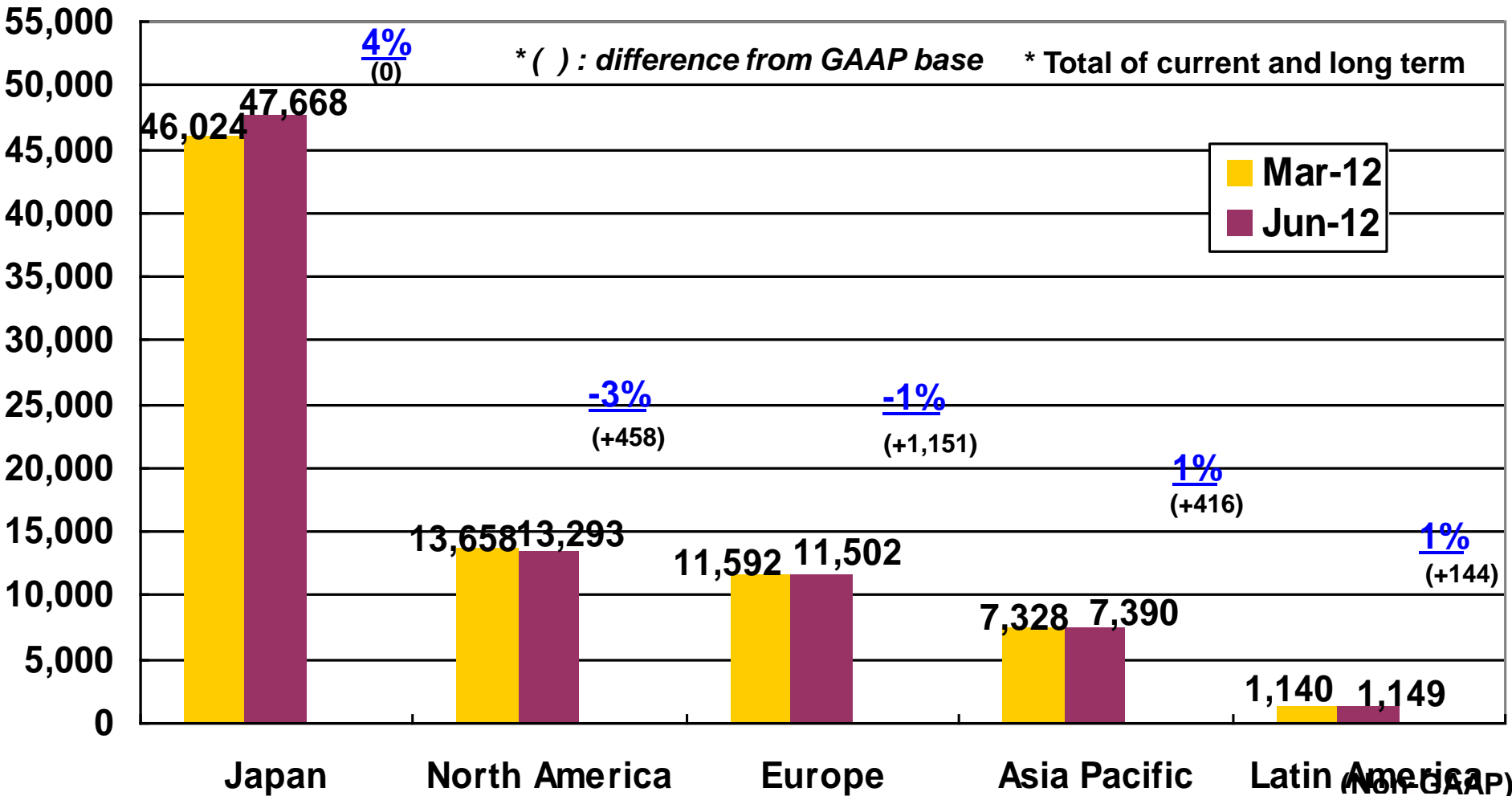
(In accordance with Japan GAAP)

Deferred Revenue by Region

If currency exchange rates used as of the end of 1Q2012 were used as of the end of 2Q2012:

(in million Yen)

(unaudited)



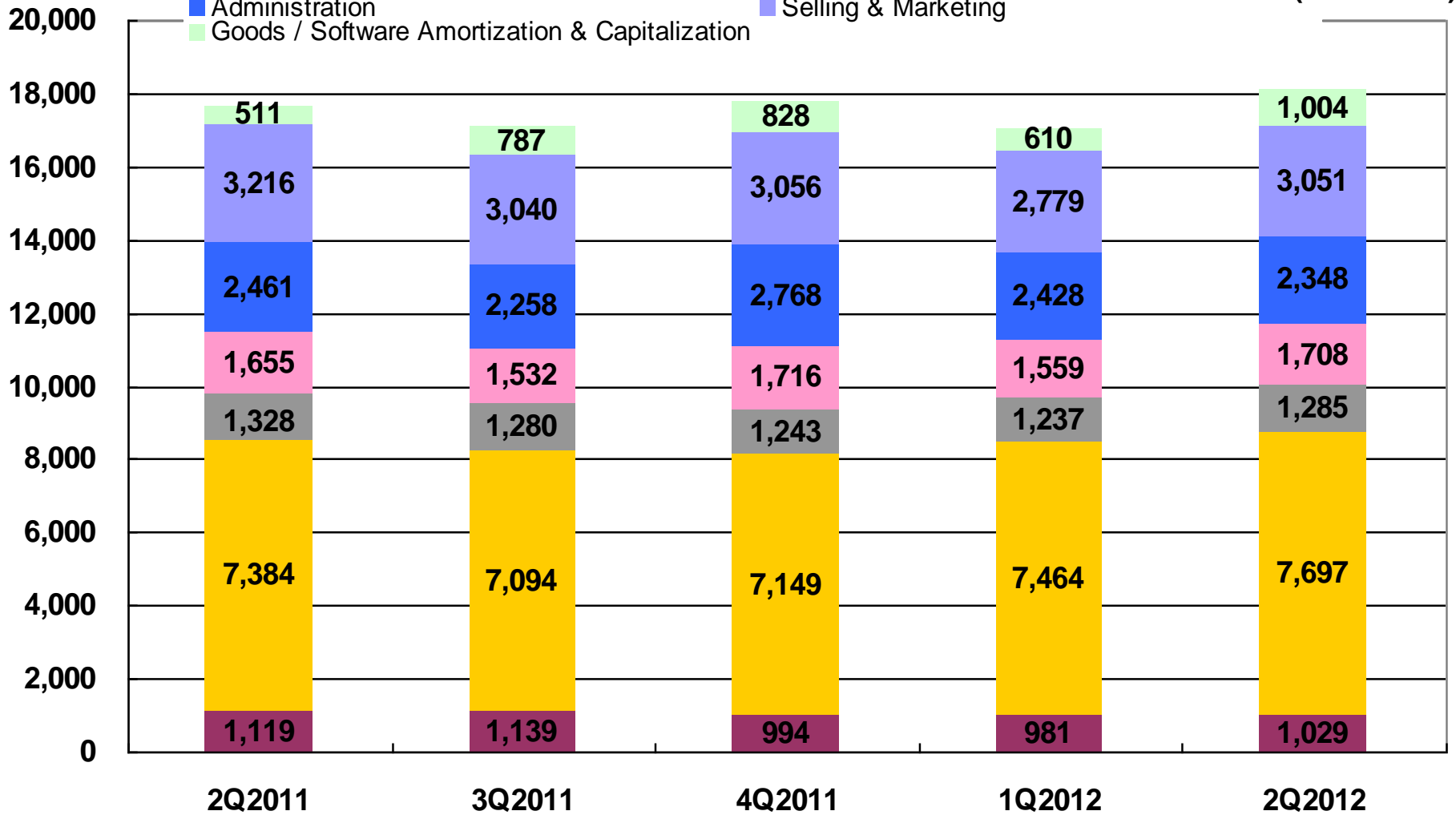
* Each JPY amount as of the end of 2Q2012 shown above has been calculated by applying to the relevant foreign currency deferred revenue amount as of the end of 2Q2012 the exchange rate between such foreign currency and JPY that was used to convert the deferred revenue amount denominated in such foreign currency as of the end of 1Q2012 into a JPY deferred revenue amount for Japan GAAP reporting purposes.

Cost

(unaudited)

(in million Yen)

- Stock options / Acquisition related costs
 - Office overhead
 - Administration
 - Goods / Software Amortization & Capitalization
- Salary & Benefit
 - Outside service
 - Selling & Marketing



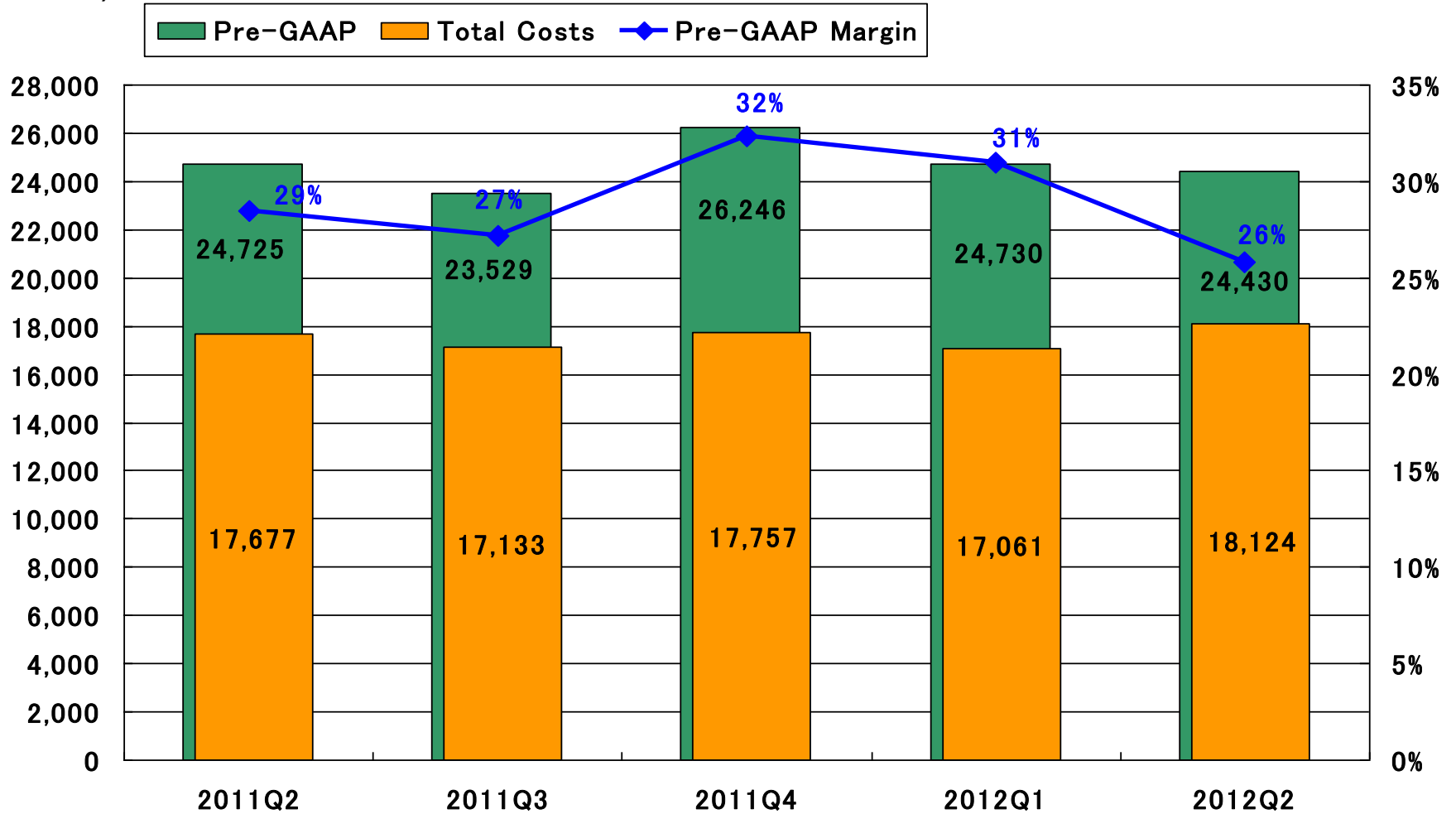
(Non-GAAP)



Pre-GAAP v s Total Costs

(未監査)

(in million Yen)



(Non-GAAP)

* "Total costs" means COGS + SGA.

Cash flows

(unaudited)

(in million Yen)

項目	2Q2011	2Q2012	YoY growth
Cash flows from operating activities	8,841	10,167	+ 15%
Cash flows from investing activities	- 379	- 5,058	—
Cash flows from financing activities	- 1,551	- 274	—
Effect of exchange rate changes on cash and cash equivalents	- 384	- 3,199	—
Net increase (decrease) in cash and cash equivalents	6,526	1,635	- 75%
Cash and cash equivalents at beginning of this quarter period	56,473	65,425	+ 16%
Cash and cash equivalents at end of this quarter period	62,999	67,061	+ 6%

Q2 Highlights

- ***Continued growth in Strategic products***
- ***Europe and Japan continue to show despite challenging macro environment***

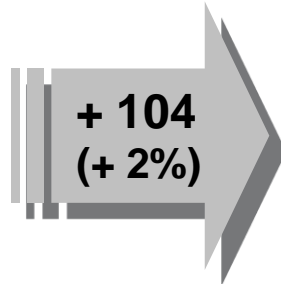
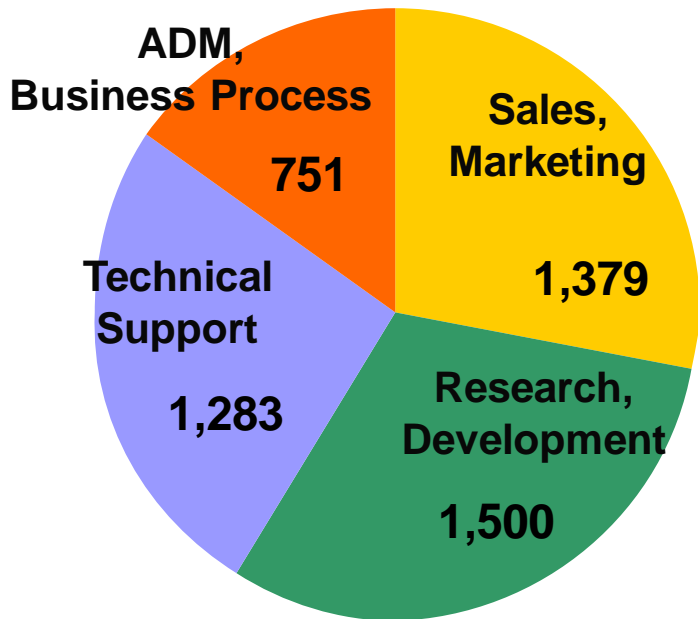
Q2 Lowlights

- ***Higher than expected cost of customer acquisition in US retail***
- ***Change in R&D capitalization impacts earnings***
- ***Pricing pressure continues on traditional AV products***

Headcount

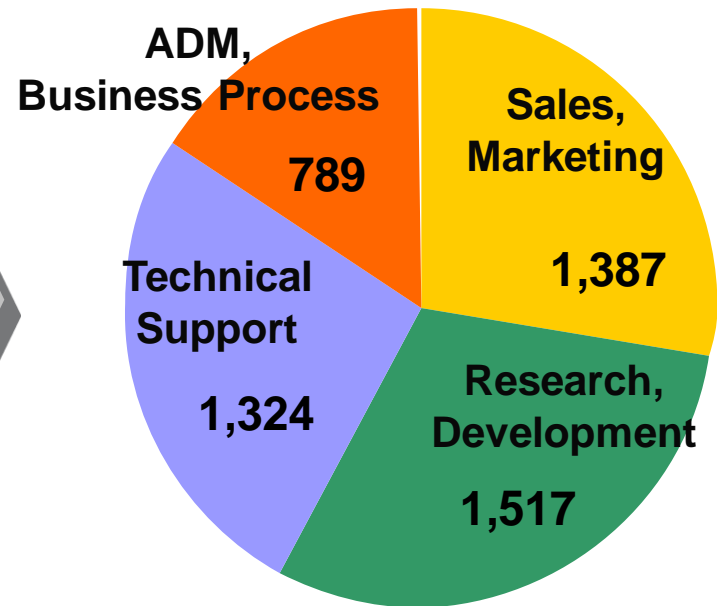
Mar - 2012

4,913



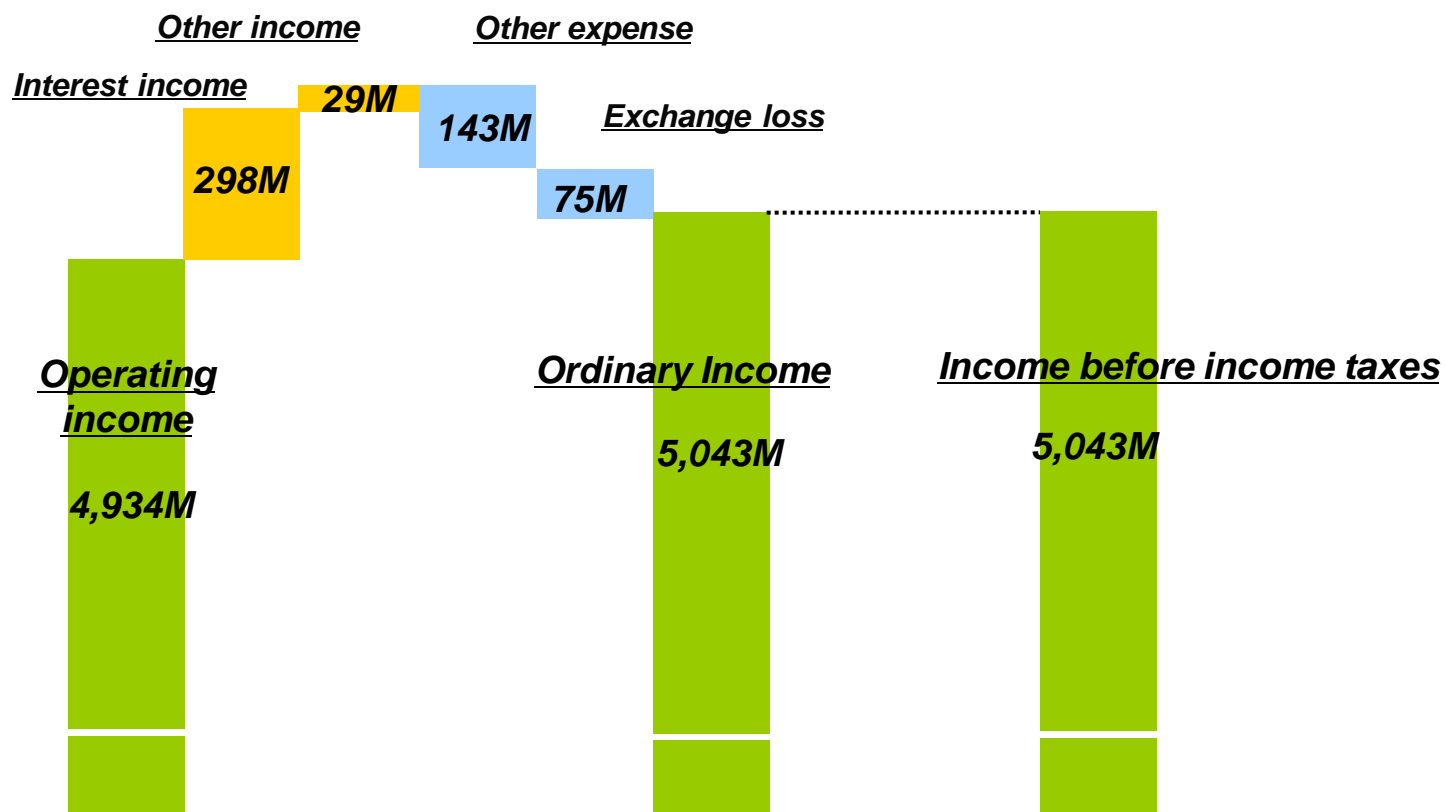
Jun - 2012

5,017



Non-operating & Extra-ordinary Items

(unaudited)



(Non-GAAP)

Balance Sheet

(unaudited)
(in million Yen)

	<i>Mar-2012</i>	<i>change</i>	<i>Jun-2012</i>
<u>Assets</u>			
<i>Cash & cash equivalents</i>	66,698	+ 3,003	69,701
<i>Account receivable (less allowance for doubtful accounts)</i>	21,291	- 2,092	19,199
<i>Marketable securities & Securities investments</i>	65,761	+ 904	66,665
<u>Liabilities</u>			
<i>Deferred revenue (total of current and long-term)</i>	79,744	- 912	78,832
<u>Shareholders' Equity</u>			
<i>Common Stock & Additional paid in capital</i>	39,498	0	39,498
<i>Treasury Stock</i>	- 26,448	+ 1	- 26,447

(In accordance with Japan GAAP)

Q3 forecast assumptions

- ***Japan and Europe are flat YoY respectively, US decreases by mid-teen***
- ***Stock option expenses will be 0.7Bn yen***
- ***Estimated exchange rate:***
 - 1USD = 78 yen (last year: 78 yen)***
 - 1EUR = 96 yen (last year: 110 yen)***

Q3 Extraordinary forecast assumptions

(Extraordinary)

<i>Reversal of Stock option (buying back and cancellation)</i>	<i>+ 3,500 million Yen</i>
<i>Prospect of loss on sales of Euro MMF in Q3</i>	<i>- 1,800 million</i>
<i>Extraordinary income</i>	<i>+ 1,700 million</i>

Projection for 3Q2012

(unaudited)

	<u>For 3Q2012</u> <u>Jul - Sep, 2012</u>	<u>Expected</u> <u>YoY growth</u>	(in million Yen)
Net Sales	23,700	<u>- 1%</u>	
Operating Income	5,700	<u>- 17%</u>	
Ordinary Income	6,000	<u>- 31%</u>	
Net Income	4,000	<u>- 28%</u>	

(In accordance with Japan GAAP)

In case of excluding a foreign exchange impact (a rule of thumb)

Net Sales

+ 2%

(Non-GAAP)

Thank you!

Appendix

(unaudited)

Quarterly Chart (1)

(in million Yen)

	FY2011				FY2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	23,980	24,333	24,015	24,064	22,630	23,058		
Cost of sales	4,412	4,343	4,620	4,519	4,058	4,488		
Operating expenses	13,046	13,334	12,513	13,237	13,003	13,636		
Operating income	6,520	6,655	6,881	6,306	5,568	4,934		
Ordinary income	6,260	6,874	8,705	6,850	5,804	5,043		
Net income	3,995	3,934	5,540	3,871	3,283	3,285		
(Costs)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Goods / Software Amortization & Capitalization	779	511	787	828	610	1,004		
Selling & Marketing	2,964	3,216	3,040	3,056	2,779	3,051		
Administration	2,275	2,461	2,258	2,768	2,428	2,348		
Outside service	1,807	1,655	1,532	1,716	1,559	1,708		
Office overhead	1,317	1,328	1,280	1,243	1,237	1,285		
Salary & Benefit	7,369	7,384	7,094	7,149	7,464	7,697		
Stock option cost	664	696	711	650	625	688		
Acquisition related costs	280	423	427	344	356	340		
Total	17,459	17,677	17,133	17,757	17,061	18,124		
The number of employees	4,848	4,882	4,954	4,942	4,913	5,017		
Applied rate to yen (US\$)	82.31	81.72	77.82	77.35	79.43	80.10		
Applied rate to yen (Euro)	112.51	117.36	109.99	104.13	103.96	102.79		

Appendix

Quarterly Chart (2)

(unaudited)

(in million Yen)

	FY2011				FY2012			
(Sales by region)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	11,023	11,296	11,722	12,028	10,874	11,162		
US	5,315	5,365	4,968	4,803	4,369	4,758		
Europe	4,435	4,354	4,206	4,151	4,193	4,003		
Asia Pacific	2,570	2,691	2,528	2,540	2,615	2,640		
Latin America	635	624	590	540	577	493		
Total	23,980	24,333	24,015	24,064	22,630	23,058		
(Sales by segment)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Enterprise	15,251	14,938	14,814	15,113	15,025	14,280		
Consumer	8,728	9,394	9,200	8,951	7,605	8,777		
Total	23,980	24,333	24,015	24,064	22,630	23,058		
(Pre-GAAP by region)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	11,494	11,323	11,574	11,648	12,628	12,870		
US	5,714	5,160	5,074	5,103	4,981	4,228		
Europe	4,060	4,605	3,540	6,166	4,013	4,203		
Asia Pacific	2,525	3,031	2,831	2,744	2,488	2,630		
Latin America	608	604	509	583	618	497		
Total	24,402	24,725	23,529	26,246	24,730	24,430		

“Notice”

**Pre-GAAP means Revenue before adjusting deferred revenue and sales return allowance.
As these numbers are just for internal use, they may be subject to some changes hereafter.**