

May 9, 2013

Report of Earning Results (Consolidated)
for the First Quarter of the Fiscal Year
Ending December 31, 2013

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Expected date of the submission of quarterly security reports ("Shihanki Hokokusho")
: May 14, 2013

1. Financial Highlights for Three Months Ended March 31, 2013

(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	%
Three Months Ended March 31, 2013	25,783	13.9	7,338	31.8	7,646	31.7	4,820	46.8
Three Months Ended March 31, 2012	22,630	(5.6)	5,568	(14.6)	5,804	(7.3)	3,283	(17.8)

(Note) Comprehensive Income: 8,411 million yen (27.5%) as of March 31, 2013
(6,597 million yen (10.9%) as of March 31, 2012)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Three Months Ended March 31, 2013	36.60	36.57
Three Months Ended March 31, 2012	24.96	-

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2013	219,292	112,412	49.4
December 31, 2012	219,007	113,492	49.9

(Note) Net Assets after deduction of Share acquisition rights and Minority interest
: 108,404 million yen as of March 31, 2013 (109,270 million yen as of December 31, 2012)

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, 2012	-	0.00	-	67.00	67.00
December 31, 2013	-				
Projection for FY 2013		0.00	-	-	-

(Note) Revision of the projection of dividend for the first quarter of FY 2013 : No

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

3. Forecasts of Consolidated Financial Results for FY 2013

(January 1, 2013 through December 31, 2013)

(Note) For the forecast of FY 2013, please refer to next page.

4. Others

- (1) Change in the basis of Consolidation and Application of equity method : No
- (2) Application of simplified or specified accounting procedures : Yes
- (3) Changes in accounting principles, procedures and the way of disclosure

- ① Change under the revision of Accounting Standards : Yes
- ② Changes in Accounting principles other than ① : No
- ③ Changes in Accounting Estimates : Yes
- ④ Restatement : No

(Note) Please refer to "Appendix contents 2. Others (3) Changes in accounting principles, procedures, the way of disclosure".

(4) Number of shares issued (common shares)

- ① Number of shares issued (including treasury stocks):
 - 140,293,004 shares as of March 31, 2013
 - 140,293,004 shares as of December 31, 2012
- ② Number of treasury stocks :
 - 8,981,135 shares as of March 31, 2013
 - 8,732,135 shares as of December 31, 2012
- ③ Average number of shares outstanding :
 - 131,704,268 shares three months ended March 31, 2013
 - 131,554,802 shares three months ended March 31, 2012

* Statement relating to the status of the quarterly review procedures

This quarterly report is not subject to the quarterly review procedures, which are based on the Financial Instruments and Exchange Law. However, the review procedures for quarterly consolidated accounts does not finish at the point of the announcement of the quarterly financial results.

* Explanation for the proper use of projection and other notes

Any forward-looking statement in this report including results forecasts, are based on certain assumptions that were deemed rational as well as information currently available to the Company at this time. However, various factors could cause actual results to differ materially. Please refer to (3) Qualitative Information on the Consolidated Earnings Forecast on page 3 of the Attachment for conditions serving as assumptions for results forecasts.

Forecasts of consolidated financial results for FY 2013

	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
FY2013 (January 1, 2013 through December 31, 2013)	107,200	14.2	26,400	17.8	28,100	24.0	17,100	27.2	130.22

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1 Qualitative Information and Financial Statements

(1) Qualitative Information on the Consolidated Business Results

(Unit: million yen)

	Net Sales		
	1Q FY Dec. 2013	1Q FY Dec. 2012	Rate of Change
Japan	11,742	10,874	8.0%
North America Reg.	5,480	4,369	25.4%
Europe Reg.	4,779	4,193	14.0%
Asia and Pacific Reg.	3,143	2,615	20.2%
Latin America Reg.	637	577	10.5%

During this term of fiscal year 2013, from January 1 to March 31, the world economy continued to show uptick more in business confidence. However, it's centered around the US economy which remains economically uncertain due to financial problems, the persistent European financial crisis, and emerging countries which have been slowing down in economic growth. Future outlook of the world economy still remains uncertain.

On the other hand, despite weakness in some areas, Japan's economy has continued to show it's picking up recently due to positive effect of government's active economic policies. Although there is still world economy concern and trade deficit, corporate profits, mainly among large firms, show signs of improvement and private consumption holds firm. Japan's economy shows some signs of a recovery due to governmental efforts to overcome deflation as early as possible and correction of the yen appreciation.

In the worldwide Information Technology Industry, worldwide PC shipment recorded the lowest year-on-year decline. On the other hand, demands of cloud computing including server virtualization, and corresponding IT services, mobile environment, etc. have been still expanding its worldwide growth and it will be expects to lead future IT spending. In the domestic market, security including information leakage has been placed a higher priority, and IT spending of small and medium-sized enterprises are expected to hold firm.

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

In Japan region, both the enterprise and the consumer sales achieved revenue growth. Especially consumer business in Japan has increased due to withdrawal of temporary commission related to ISP business. As the result, sales for this period in Japan was 11,742 million yen (8.0% increase from the same period in previous year.)

In the North America region, partly influenced by weak Japanese yen, both the enterprise and the consumer sales achieved revenue growth. Especially consumer business shows growth, due to a greatly reduced commission for over-the-counter sales stores. This consumer sales increase contributed much to cover the enterprise business sales which did not performed well. As a result, net sales in this region showed a double-digit increase to 5,480 million yen (25.4% increases from the same period in previous year).

EMEA region sales, including both the enterprise and the consumer, have been largely affected by weak Japanese yen to show double digit growth. However the enterprise business, which has been dominating in this region sales revenue, couldn't perform well in local currency as of Euro. In this region, the future challenge is to expand the consumer business unit, which is still in its early stages of development. As the result, sales for this period in EMEA was 4,779 million yen (14.0% increase from the same period in previous year).

The Asia and Pacific region has also showed double digit growth in both the enterprise and the consumer sales. Australia, which had been in deceleration of growth, has showed signs of recovery and leads this regions sales with China, has continued to be good condition. As the result, the net sales for this period in APAC came to 3,143 million yen (20.2% increase from the

same period in previous year).

In Latin America region, though Brazil has been going well, Mexico has not performed well. However partly influenced by weak Japanese yen, net sales in this region were 637 million yen (10.5% increases from the same period in previous year).

As a result, the consolidated net sales for the First Quarter fiscal year end of 2013 came to 25,783 million yen (13.9% increase from the same period in previous year).

Cost of sales and operating expenses totaled 18,444 million yen (8.1% increase from the same period in previous year.) Even though marketing costs and stock option related expenses, etc, decreased, mainly people cost increased due to weak Japanese yen. As a result, consolidated operating income for this period was 7,338 million yen (31.8% increase from the same period in previous year).

The consolidated ordinary income for this period was 7,646 million yen (31.7% increase from the same period in previous year), and the consolidated net income for this period was 4,820 million yen (46.8% increase from the same period in previous year).

(2) Qualitative Information on the Consolidated Financial Positions

Cash and bank deposits at the end of this period amounted to 63,421 million yen, an increase of 8,689 million yen from FY 2012 annual closing. Although both marketable securities and investment securities decreased, total assets at the end of this period were 219,292 million yen, 284 million yen increase from FY 2012 annual closing due to an increase cash and bank deposits etc.

In spite of decrease in Accrued income and other taxes, total liabilities at the end of this period were 106,879 million yen, 1,364 million yen increase from FY 2012 annual closing mainly due to increase of deferred revenue etc.

As a result, total net assets at the end of this period were 112,412 million yen, a decrease of 1,079 million yen. This decrease is mainly due to reduce both the dividends paid and minus of foreign currency translation adjustments.

(3) Qualitative Information on the Consolidated Earnings 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. However, forecasts of net sales for FY 2013 was assumed that Japan increases by around 5%, US and Europe increase by around 20% respectively from the same period in previous year. In consideration of such a condition, we have decided to announce the earnings on an annually basis in the fiscal year ending in December 2013 as followings.

Business forecast for the Annual of FY2013 (January 1, 2013 - December 31, 2013)

Consolidated net sales	107,200 million yen
Consolidated operating income	26,400 million yen
Consolidated ordinary income	28,100 million yen
Consolidated net income	17,100 million yen

In development of the business forecasts the main assumed exchange rates for the Annual of FY2013(January 1, 2013 - December 31, 2013) as follows.

1 US \$	97 yen
1 Euro	127 yen

2. Others

(1) Movement of significant subsidiaries

N/A

(2) Application of simplified or special accounting procedures

(Calculation of income tax expenses)

We multiply net income before tax for this period (3 months) 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, procedures, the way of disclosure

(Changes of depreciation method)

From this first quarter of the current fiscal year, due to the amendment of tax law, the Company has adopted new depreciation method for the tangible fixed assets acquired from January 1st 2013 and thereafter.

The effect of this change is immaterial.

(4) Additional information

N/A

3. 【CONSOLIDATED FINANCIAL STATEMENTS】

(1) 【Consolidated Balance Sheets】

(Million yen)

Account	December 31, 2012	March 31, 2013
(Assets)		
Current assets		
Cash and bank deposits	54,732	63,421
Notes and Accounts receivable, trade	20,999	22,078
Marketable securities	64,110	55,779
Inventories	370	355
Deferred tax assets	14,775	14,538
Others	4,375	5,276
Allowance for bad debt	(104)	(103)
Total current assets	159,259	161,345
Non-current assets		
Property and equipment		
(1) Office furniture & equipment	3,364	3,238
(2) Others	1,073	1,041
Total Property and equipment	4,437	4,280
Intangibles		
(1) Software	5,740	5,701
(2) Goodwill	960	951
(3) Others	1,169	1,151
Total intangibles	7,870	7,804
Investments and other non-current assets		
(1) Investment Securities	35,292	33,820
(2) Investments in subsidiaries and affiliates	190	189
(3) Deferred tax assets	10,739	10,514
(4) Others	1,217	1,337
Total investments and other non-current assets	47,440	45,862
Total non-current assets	59,748	57,947
Total assets	219,007	219,292

(Million yen)

Account	December 31, 2012	March 31, 2013
(Liabilities)		
Current liabilities		
Accounts payable and Notes payable, trade	727	1,038
Accounts payable, other	3,758	3,775
Accrued expenses	4,844	4,401
Accrued income and other taxes	5,678	1,982
Allowance for bonuses	840	1,137
Allowance for sales returns	602	700
Deferred revenue	59,286	62,529
Others	2,306	3,033
Total current liabilities	78,044	78,597
Long-term liabilities		
Deferred revenue	24,464	24,851
Allowance for retirement benefits	2,371	2,585
Others	634	844
Total long-term liabilities	27,471	28,282
Total liabilities	105,515	106,879
(Net assets)		
Shareholders' equity		
Common stock	18,386	18,386
Additional paid-in capital	21,111	21,170
Retained earnings	102,451	98,457
Treasury stock, at cost	(26,440)	(26,962)
Total Shareholders' equity	115,509	111,052
Accumulated Other Comprehensive Income		
Net unrealized gain (loss) on debt and equity securities	572	1,239
Foreign currency translation adjustments	(6,810)	(3,887)
Total of accumulated other comprehensive income	(6,238)	(2,647)
Stock acquisition rights	4,213	3,999
Minority interest	7	8
Total net assets	113,492	112,412
Total liabilities and net assets	219,007	219,292

(2) 【Consolidated Statements of Income

Consolidated Statements of Comprehensive Income】

Consolidated Statements of Income

(Million yen)

	Three months ended March 31, 2012	Three months ended March 31, 2013
Net Sales	22,630	25,783
Cost of sales	4,058	5,048
Gross profit	18,572	20,735
Operating expenses	13,003	13,396
Operating income	5,568	7,338
Non-operating income		
Interest income and dividend received	356	342
Gain on sales of marketable securities	254	90
Equity in gains of affiliated companies	1	-
Other income	33	34
Total non-operating income	646	468
Non-operating expenses		
Interest expenses	0	3
Loss on sales of marketable securities	78	0
Impairment loss on marketable securities	51	-
Foreign exchange loss	230	122
Equity in loss of affiliated companies	-	1
Other expenses	49	32
Total non-operating expenses	410	160
Ordinary income	5,804	7,646
Extraordinary gain		
Gain on Reversal of stock option	-	46
Total extraordinary gain	-	46
Net income before taxes	5,804	7,692
Income taxes	2,521	2,872
Net Income before minority interest	3,283	4,820
Minority interest in income (loss) of consolidated subsidiaries	(0)	0
Net income	3,283	4,820

Consolidated Statements of Comprehensive Income

(Million yen)

	Three months ended March 31, 2012	Three months ended March 31, 2013
Income before minority interests	3,283	4,820
Other comprehensive income		
Valuation difference on available-for-sales securities	811	666
Foreign currency translation adjustment	2,502	2,924
Share of other comprehensive income of associates accounted for using equity method	(0)	-
Total other comprehensive income	3,314	3,591
Comprehensive income	6,597	8,411
Comprehensive income attributable to owners of the parent	6,583	8,410
Comprehensive income attributable to minority interests	13	0

(3) 【Consolidated Statements of Cash Flows】

(Million yen)

Account	Three months ended March 31, 2012	Three months ended March 31, 2013
Cash flows from operating activities:		
Net income before taxes	5,804	7,692
Depreciation and amortization	1,556	1,797
Stock compensations	625	116
Gain on reversal of stock option	-	(46)
Amortization of Goodwill	185	80
Increase (decrease) in Allowance for bad debts	8	(8)
Increase (decrease) in Allowance for sales returns	238	76
Increase in Allowance for retirement benefits	95	190
Interest income	(356)	(342)
Interest expenses	0	3
Equity in earnings of affiliated companies	(1)	1
(Gain) loss on sales of marketable securities	(175)	(90)
(Gain) loss on valuations of marketable securities	51	-
(Increase) decrease in notes and accounts receivable	353	(219)
(Increase) decrease in inventories	110	39
Increase (decrease) in notes and accounts payable	49	259
Increase (decrease) in accounts payable, other & accrued expenses	(967)	(561)
Increase (decrease) in deferred revenue	2,111	1,152
Virtualshare bonus plan	-	25
Others	43	203
Subtotal	9,731	10,369
Proceeds from interest and dividend received	334	348
Payment for interest expenses	(0)	(3)
Payment for income tax	(2,500)	(6,445)
Net cash provided by operating activities	7,564	4,269
Cash flows from investing activities:		
(Payments for)/Proceeds from time deposits	(298)	(854)
Payments for purchases of marketable securities and securities investments	(26,171)	(23,612)
Proceeds from sales or redemptions of marketable securities and securities investments	21,729	34,035
Payments for purchases of property and equipment	(219)	(347)
Payments for purchases of other intangibles	(822)	(868)
Net cash used in/provided by investing activities	(5,782)	8,353
Cash flows from financing activities:		
Payment for purchase of treasury stock	-	(1,848)
Receipt from disposal of treasury stock	10	1,101
Dividends paid	(10,519)	(8,222)
Net cash used in financing activities	(10,508)	(8,969)
Effect of exchange rate changes on cash and cash equivalents	2,984	3,238
Net increase (decrease) in cash and cash equivalents	(5,741)	6,891
Cash and cash equivalents at beginning of period	71,167	50,446
Cash and cash equivalents at end of period	65,425	57,337

(4) Footnote on going concern
N/A

(5) Segment Information

【Segment information】

Information of the amount of sales, profit/loss by reporting segments

For the previous fiscal year (from January 1, 2012 to March 31, 2012)

(Millions of Yen)

	Japan	North America	Europe	Asia Pacific	Latin America	Total	Adj (*)3	Amt in Con P&L (*)4
Sales								
(1) Net sales to external customers	10,874	4,369	4,193	2,615	577	22,630	—	22,630
(2) Intercompany sales	1,124	224	191	2,965	2	4,508	(4,508)	—
total	11,998	4,594	4,385	5,581	579	27,139	(4,508)	22,630
Segment income	4,439	241	357	450	160	5,649	(80)	5,568

(Note)

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

2 Major countries other than Japan:

North America U.S.A., Canada

Europe Ireland, Germany, Italy, France, UK

Asia pacific Taiwan, Korea, Australia, China, The Philippines, Singapore, Malaysia, Thailand, India

Latin America Brazil, Mexico

3 The amount of "Adj" in segment income (80M) is that of intercompany elimination

4 Total amount of segment income is adjusted to operating income in consolidated statement of income

For the current fiscal year (from January 1, 2013 to March 31, 2013)

(Millions of Yen)

	Japan	North America	Europe	Asia Pacific	Latin America	Total	Adj (*)3	Amt in Con P&L (*)4
Sales								
(1) Net sales to external customers	11,742	5,480	4,779	3,143	637	25,783	—	25,783
(2) Intercompany sales	949	586	222	3,570	3	5,333	(5,333)	—
total	12,692	6,067	5,001	6,714	641	31,116	(5,333)	25,783
Segment income	4,944	1,058	765	482	122	7,373	(34)	7,338

(Note)

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

2 Major countries other than Japan:

North America U.S.A., Canada

Europe	Ireland, Germany, Italy, France, UK
Asia pacific	Taiwan, Korea, Australia, China, The Philippines, Singapore, Malaysia, Thailand, India
Latin America	Brazil, Mexico

3 The amount of "Adj" in segment income (34M) is that of intercompany elimination

4 Total amount of segment income is adjusted to operating income in consolidated statement of income

(6) Notes on significant changes in stockholders' equity

N/A

(7) Major subsequent events

N/A