



# **Trend Micro FY2026 Q1 Results**

**Mahendra Negi CFO, Representative Director**

**May 14, 2026**

# 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.

# ***FY2026.Q1 Financial Highlight***

***(First quarter ended Mar 31, 2026)***

# ***Quarterly presentation update***

## ***Change in the nature of business***

- Trend AI / Trend Life have diverging strategies, subscription business is prioritized over perpetual licensing – Thus focus shifting to ARR instead of gross sales***
- Investment in new “internal start ups” resulting in increase in cost of incubation – which has impact on overall operating margins***
- We will be discontinuing providing Pre-GAAP revenues, and focusing more on ARR as well as performance of Trend AI / Trend Life. Impact of incubation investments on OP at management PL level will also be provided.***

# Q1 Consolidated Results

(unaudited)  
(in million Yen)

*Three months  
ended Mar 31,*

**1Q2025**

**1Q2026**

**YoY  
growth**

**Net sales**

**67,501**

**73,856**

**+ 9%**

**Total Operating expenses**

**52,495**

**58,297**

**+ 11%**

**Operating income** *(Margin)*

**15,006** *(22%)*

**15,558** *(21%)*

**+ 4%**

**Ordinary income**

**12,408**

**17,651**

**+ 42%**

**Net income**

attributable to owners of the parent

**8,858**

**11,775**

**+ 33%**

***(Constant currency basis)***

**Net sales**

**+ 3%**

**TrendAI ARR growth**

**+ 4%**

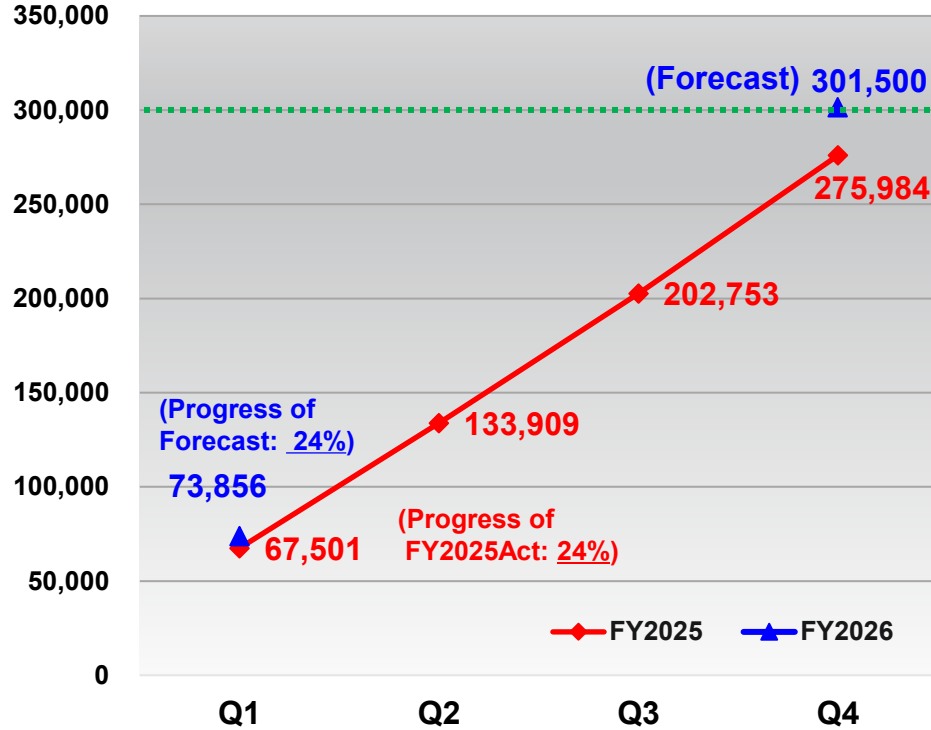
**(\* composing over 99.9% of the total Enterprise ARR)**

(Non-GAAP)

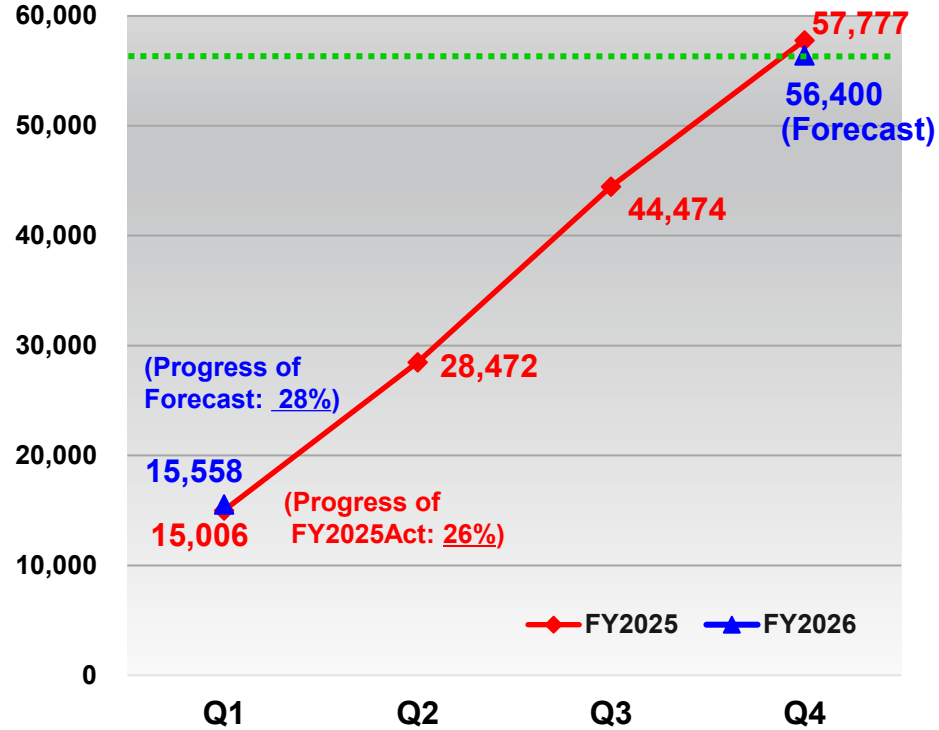
# Progress (3 months)

(in million Yen)

## Revenue



## Operating Income



## **(Reference) Comparison of Operating income after adjusting for stock option related costs due to the stock price decline**

*Due to the significant drop in our stock price from Dec. in 2025 to Mar. in 2026 (from 6,502 yen at the end of 25Q4 to 5,240 yen at the end of 26Q1, Down 1,262 yen), stock option related costs in 26Q1 decreased significantly.*

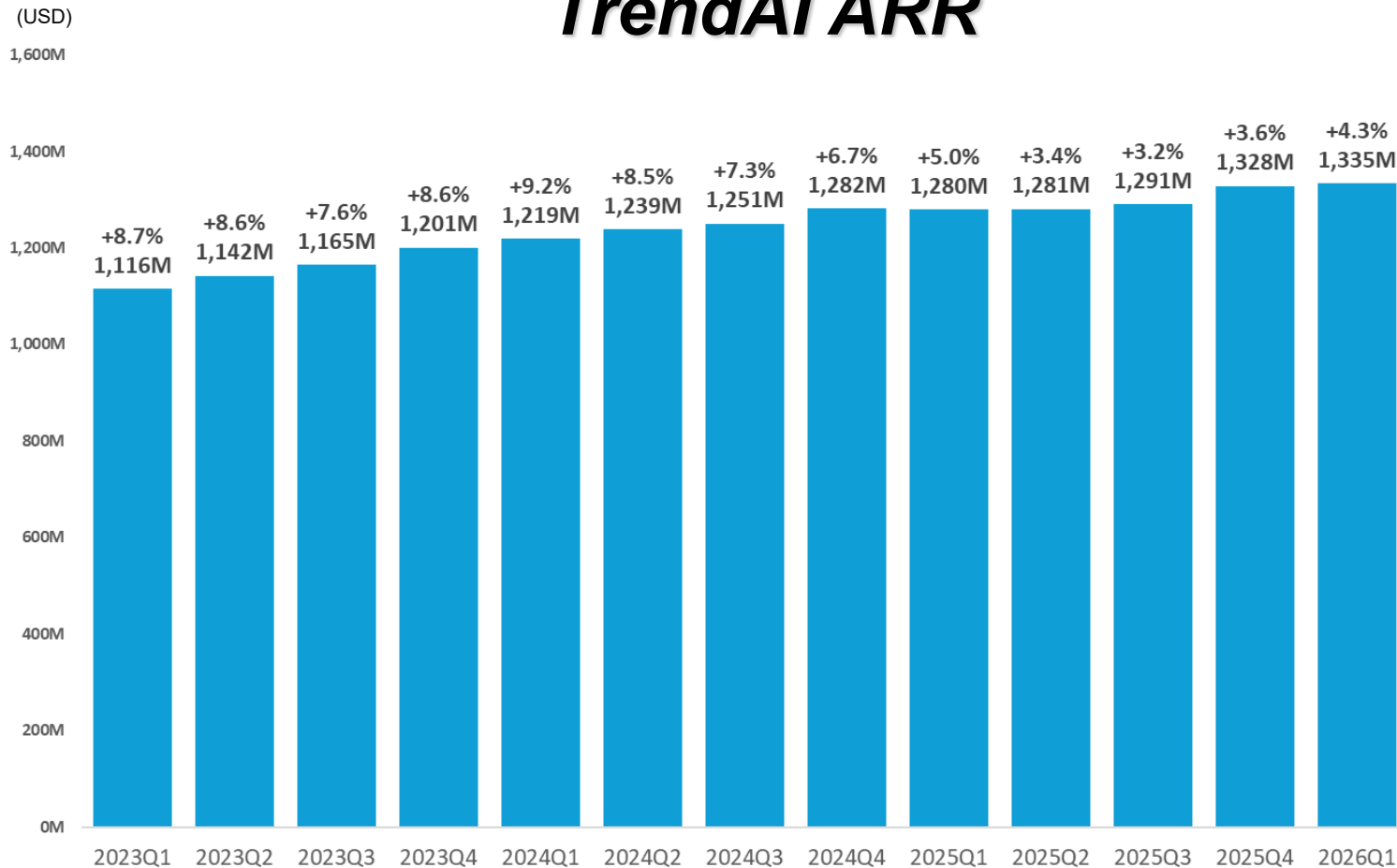
*The following is a reference comparison excluding the cost decrease due to the stock price decline.*

(in million Yen)

	<b>1Q2025</b>	<b>1Q2026</b>	<b>YoY</b>
<b>Reported Operating income</b>	<b>15,006</b>	<b>15,558</b>	<b>+ 4%</b>
<b>Estimated decrease in stock option costs due to the stock price decline in Dec. – Mar.</b>		<b>- 1,224</b>	
<b>Operating income excluding impact of stock price decline</b>	<b>15,006</b>	<b>14,334</b>	<b>- 4%</b>

# TrendAI ARR

(Non-GAAP)



\*ARR at constant currency: (1USD= 155.95yen as the company internal budget exchange rate for FY2026). The amounts are updated annually each fiscal year. Non-GAAP and reference for internal management. Therefore, they may be subject to so changes hereafter. TrendAI composes over 99.9% of the total Enterprise ARR.

# TrendAI ARR by Region

(Non-GAAP)

	25Q1	25Q4	26Q1	QoQ	YoY
Japan	\$243M	\$248M	\$249M	+0%	+2%
Americas	\$293M	\$291M	\$290M	-0%	-1%
Europe	\$381M	\$392M	\$397M	+1%	+4%
AMEA	\$363M	\$397M	\$399M	+1%	+10%
<b>Total</b>	<b>\$1,280M</b>	<b>\$1,328M</b>	<b>\$1,335M</b>	<b>+0%</b>	<b>+4%</b>

\*ARR at constant currency: (1USD= 155.95yen as the company internal budget exchange rate for FY2026). The amounts are updated annually each fiscal year. Non-GAAP and reference for internal management. Therefore, they may be subject to so changes hereafter. TrendAI composes over 99.9% of the total Enterprise ARR.

# Cash flows

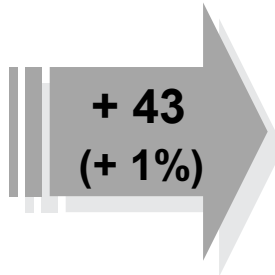
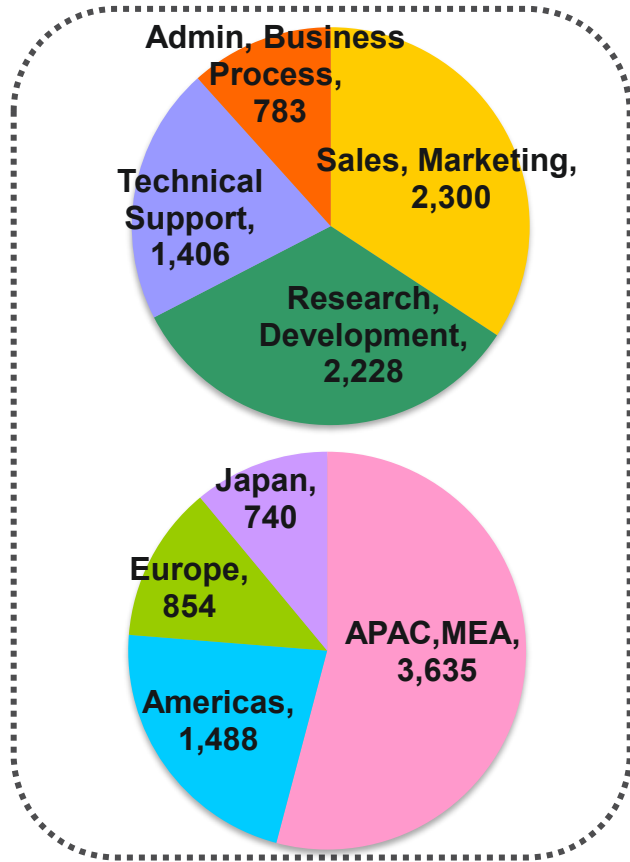
(unaudited)  
(in million Yen)

	1Q2025	1Q2026	YoY growth
<b>Cash flows from operating activities</b>	<b>18,793</b>	<b>29,583</b>	<b>+ 57%</b>
<b>Cash flows from investing activities</b>	<b>- 19,243</b>	<b>- 19,243</b>	<b>—</b>
<b>Cash flows from financing activities</b>	<b>- 20,669</b>	<b>- 28,277</b>	<b>—</b>
Effect of exchange rate changes on cash and cash equivalents	- 4,718	2,612	—
Net increase (decrease) in cash and cash equivalents	- 25,838	- 15,325	—
Cash and cash equivalents at beginning of this quarter period	187,392	230,458	+ 23%
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	—	—
Cash and cash equivalents at end of this quarter period	161,554	215,133	+ 33%

# Headcount

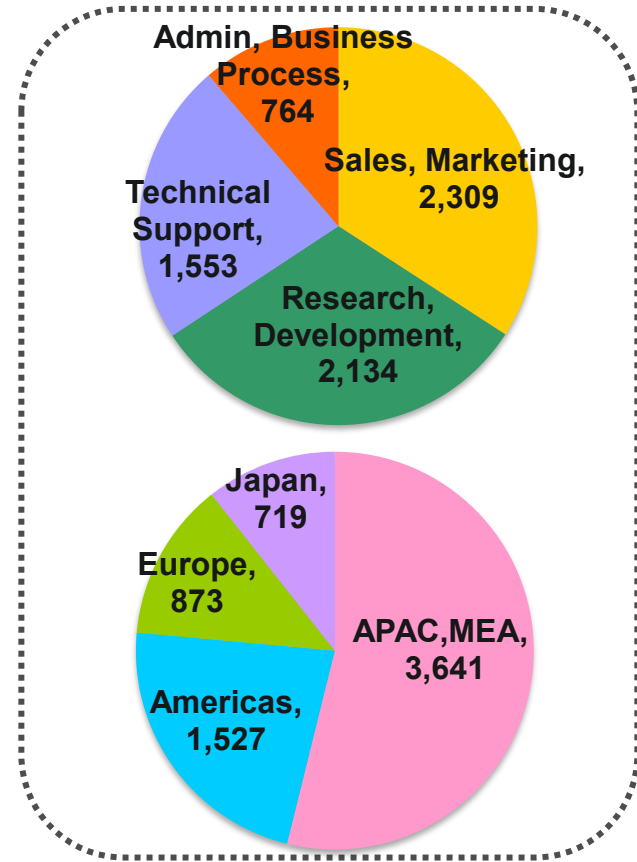
**Dec - 2025**

**6,717**



**Mar - 2026**

**6,760**

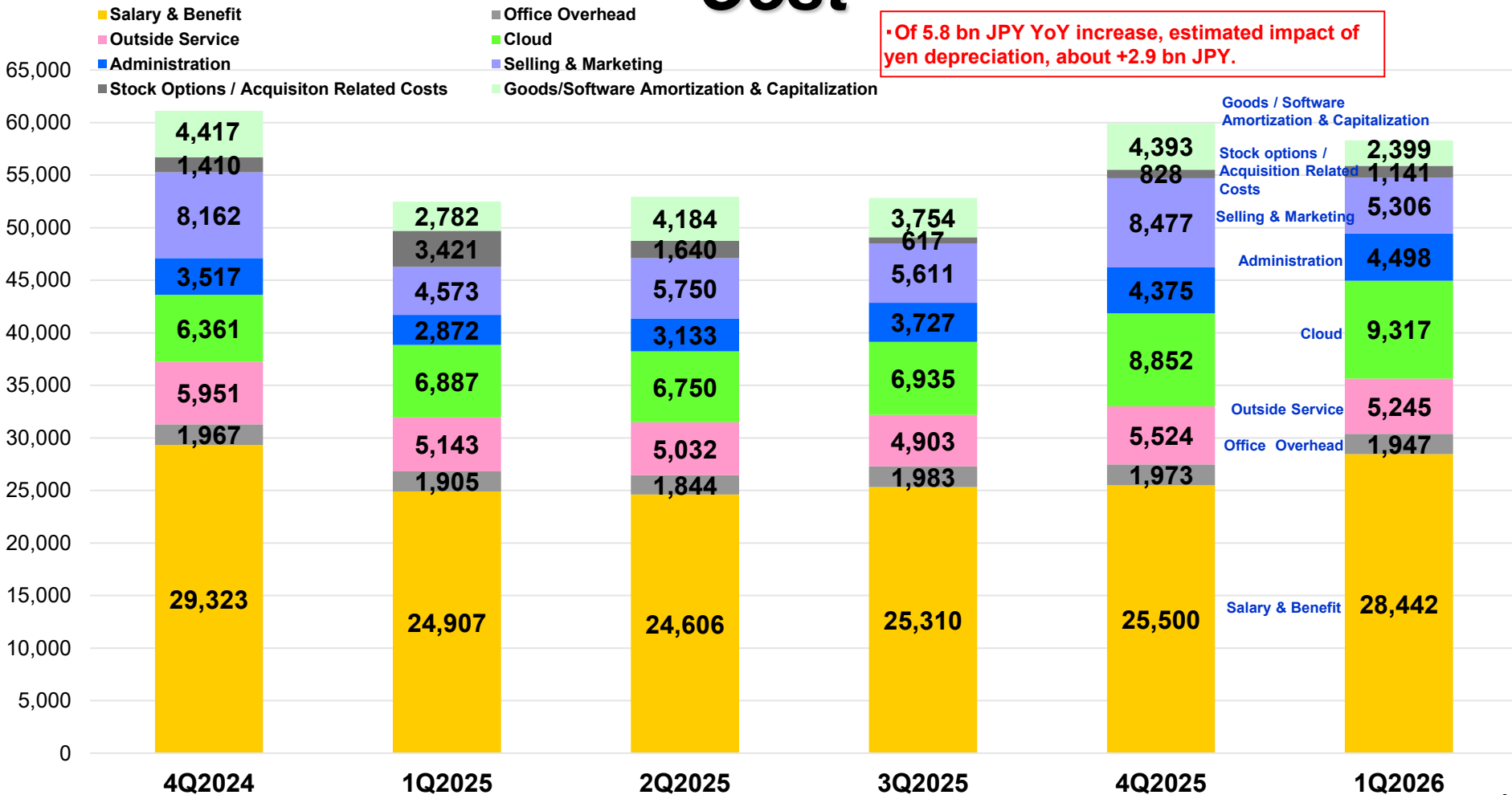


(in million Yen)

# Cost

(Non-GAAP) (unaudited)

-Of 5.8 bn JPY YoY increase, estimated impact of yen depreciation, about +2.9 bn JPY.



# ***Q1 Highlights***

- ***Highest-ever Quarterly Net Sales***
- ***Highest ever Q1 Operating income and Net income***

# ***FY2026 Guidance***

# Guidance for FY2026 Annual **(Unchanged)**

(in million Yen)

	<u>For FY2026</u> <u>Jan - Dec, 2026</u>	<u>Expected</u> <u>YoY growth</u>
<b>Net Sales</b>	<b>301,500</b>	<b><u>+ 9%</u></b>
<b>Operating Income</b> <i>“Margin”</i>	<b>56,400</b> <i>“19%”</i>	<b><u>- 2%</u></b>
<b>Ordinary Income</b>	<b>55,100</b>	<b><u>+ 2%</u></b>
<b>Net Income</b> attributable to owners of the parent	<b>36,600</b>	<b><u>+ 6%</u></b>

*(Estimated annual exchange rate 1USD=156 yen, 1EUR=183 yen)*

*“Reference” actual exchange rate up to 26Q1: 1USD=156 yen, 1EUR=183 yen*

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

**Net Sales**

**+ 6%**

(Non-GAAP)

# *Appendix for FY2026.Q1*

# Q1 USD based Results (Non-GAAP)

(unaudited)

(in thousand USD)

<i>Three months ended Mar 31,</i>	<i>1Q2025</i>	<i>1Q2026</i>	<i>YoY change</i>
<b>Net sales</b>	<b>442,345</b>	<b>470,663</b>	<b>+ 6%</b>
<b>Cost of sales</b>	<b>107,582</b>	<b>106,367</b>	<b>- 1%</b>
<b>Operating expenses</b>	<b>236,421</b>	<b>265,145</b>	<b>+ 12%</b>
<b>Operating income</b>	<b>98,341</b>	<b>99,149</b>	<b>+ 1%</b>
<b>Ordinary income</b>	<b>81,316</b>	<b>112,487</b>	<b>+ 38%</b>
<b>Net Income</b>	<b>58,047</b>	<b>75,038</b>	<b>+ 29%</b>

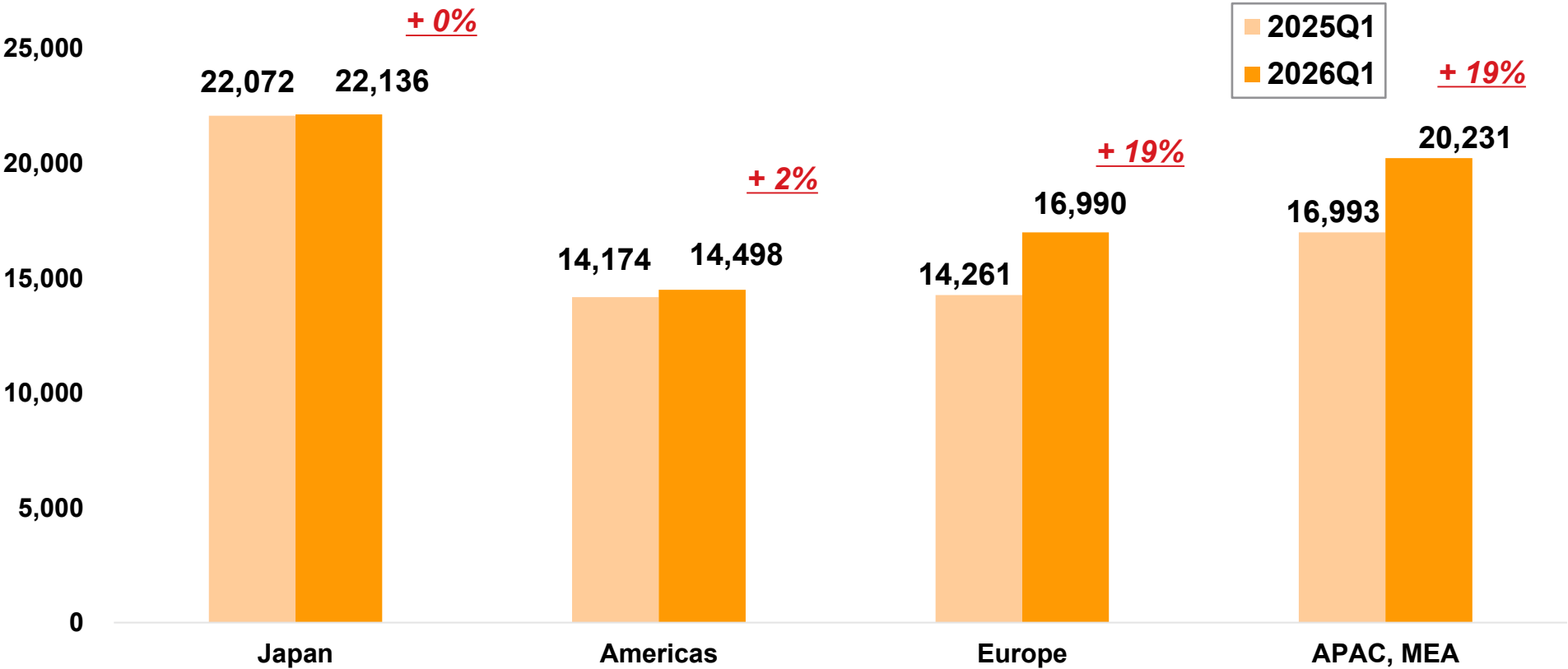
attributable to owners of the parent

(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=152.60 JPY for 1Q2025 and 1 USD =156.92 JPY for 1Q2026, respectively, which are the respective weighted average exchange rates used to convert USD net sales to JPY for these quarters.*

(in million Yen)

# Net Sales Growth by Region

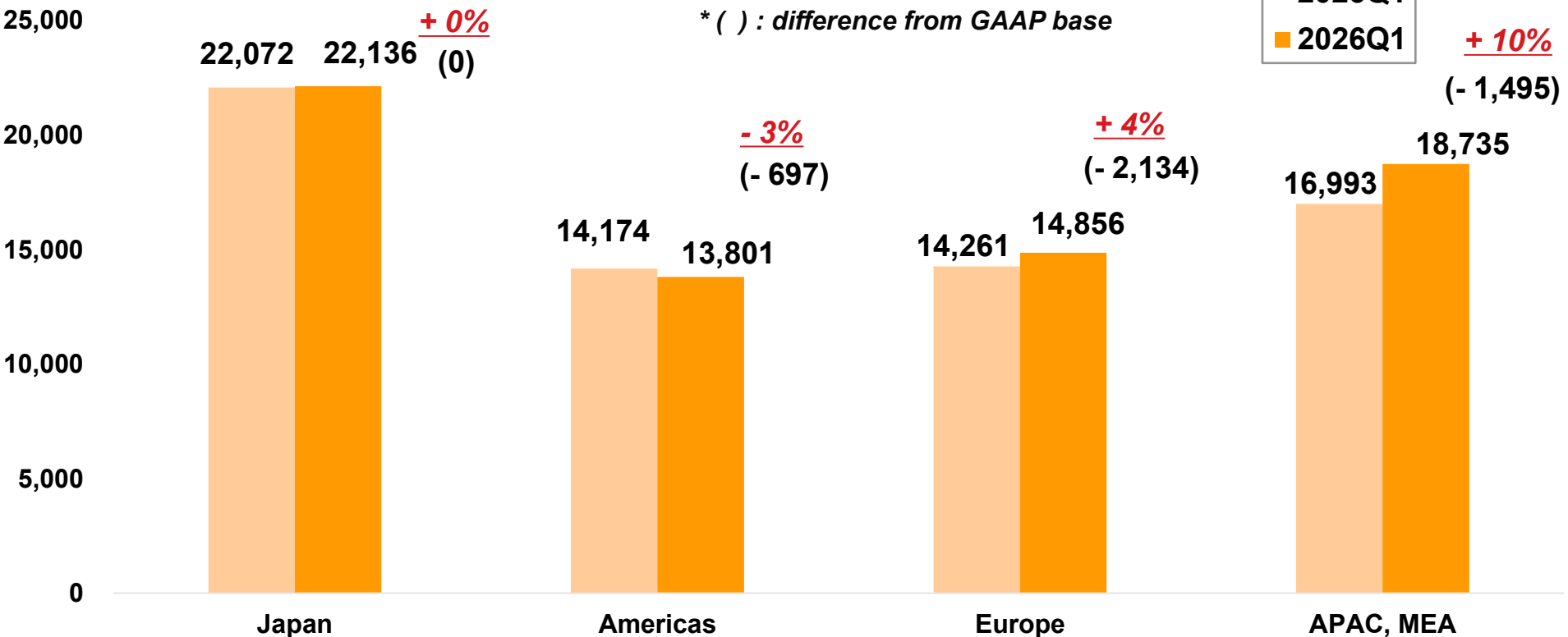


# Net Sales Growth by Region

(in million Yen)

*If currency exchange rates used for 1Q2025 were used for 1Q2026:*

(unaudited)



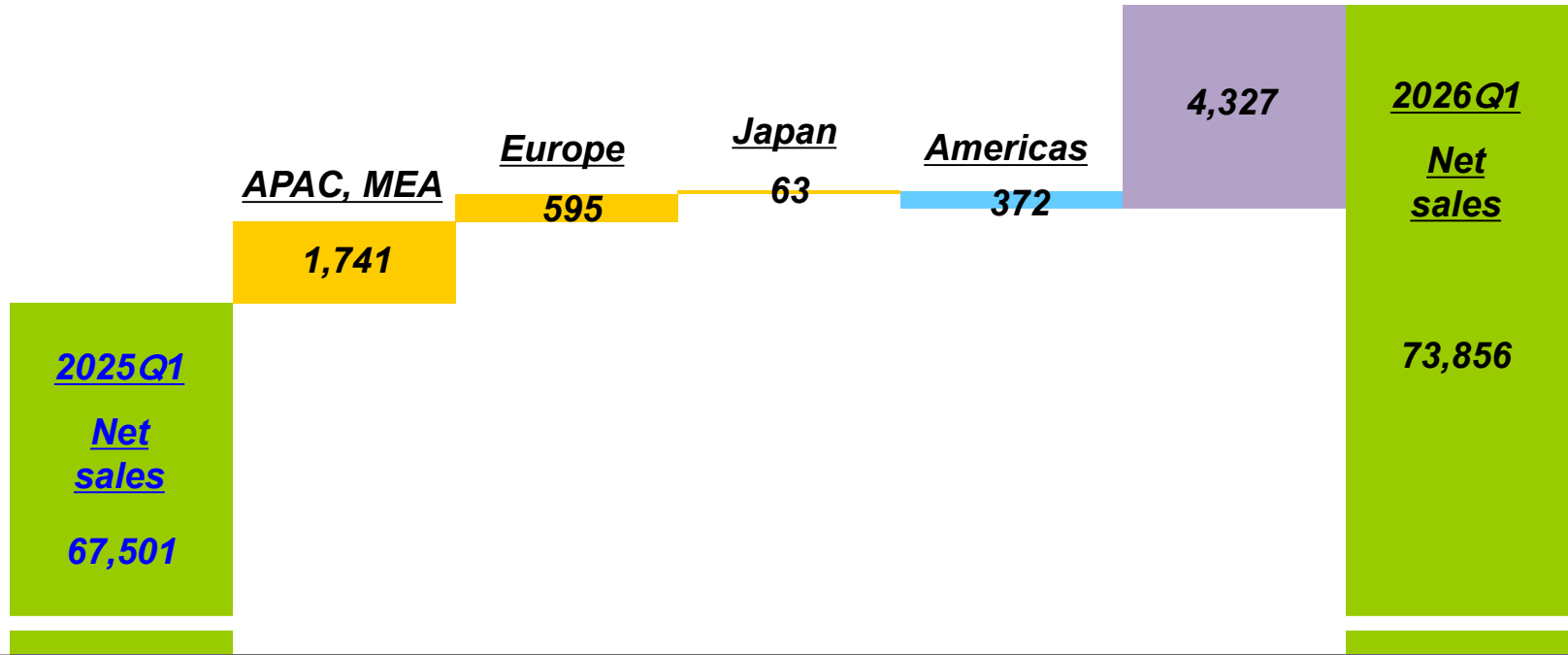
(Non-GAAP)

# Decomposition of Revenue (vs. last year)

(in million Yen)

(unaudited)

Exchange impact

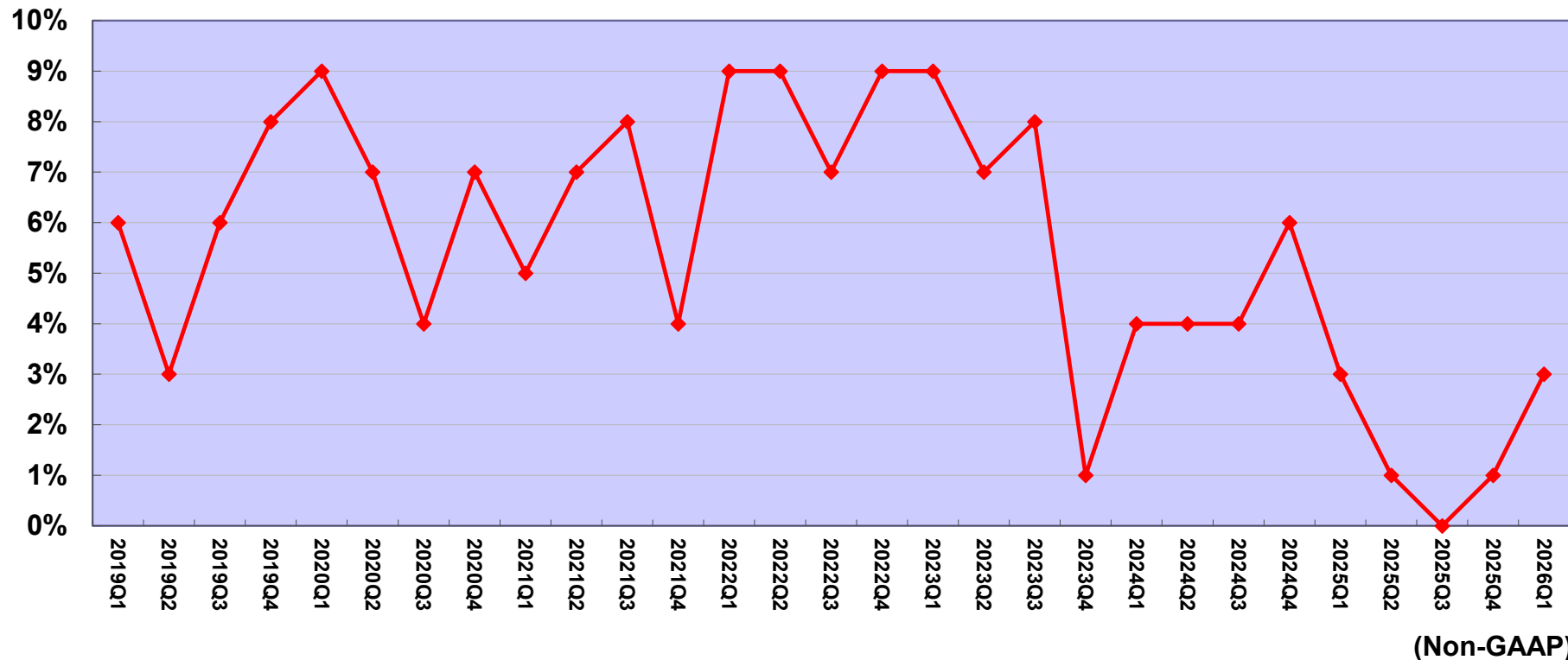


(Non-GAAP)

# Constant currency Revenue growth

(YoY)

(unaudited)



(Non-GAAP)

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

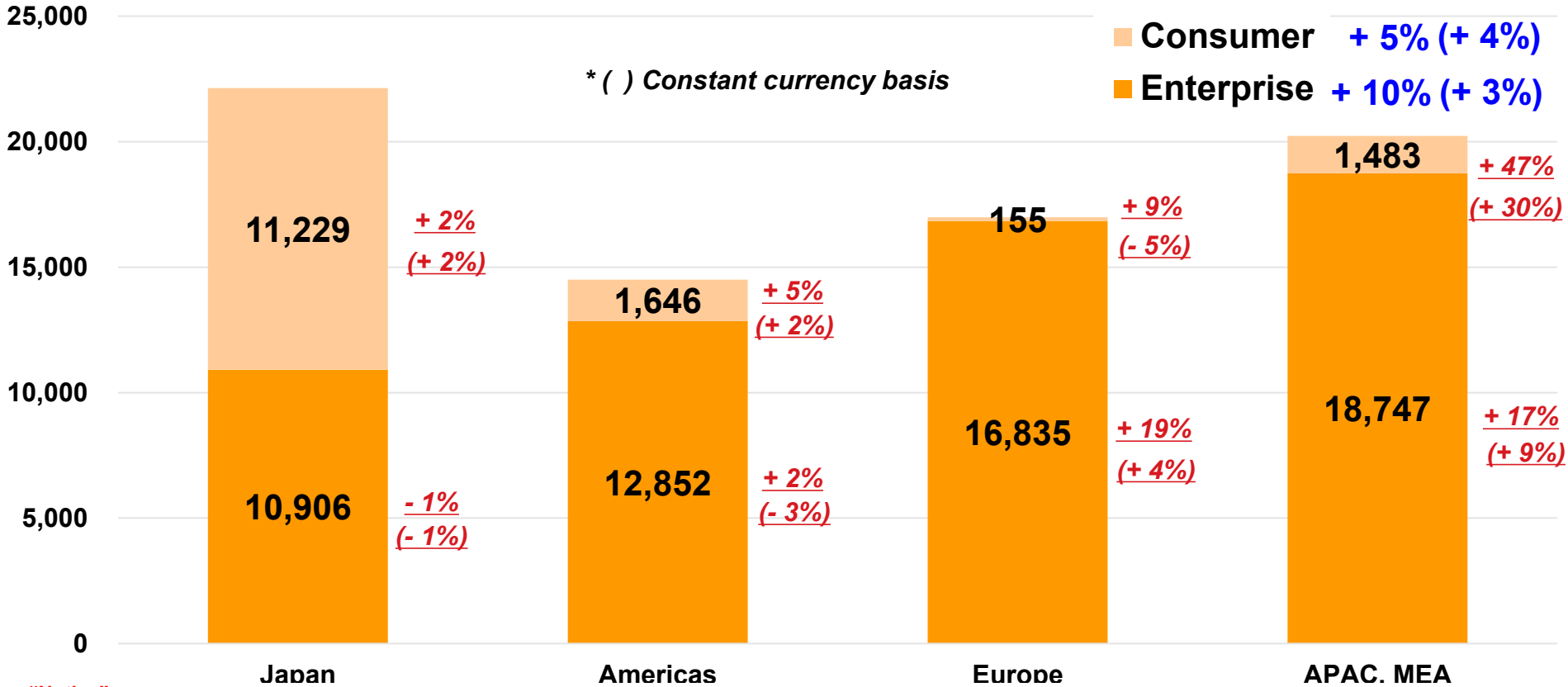
# Net sales by Segment

(in million Yen)

YoY Growth rate

■ Consumer + 5% (+ 4%)  
■ Enterprise + 10% (+ 3%)

\* ( ) Constant currency basis



**“Notice”**

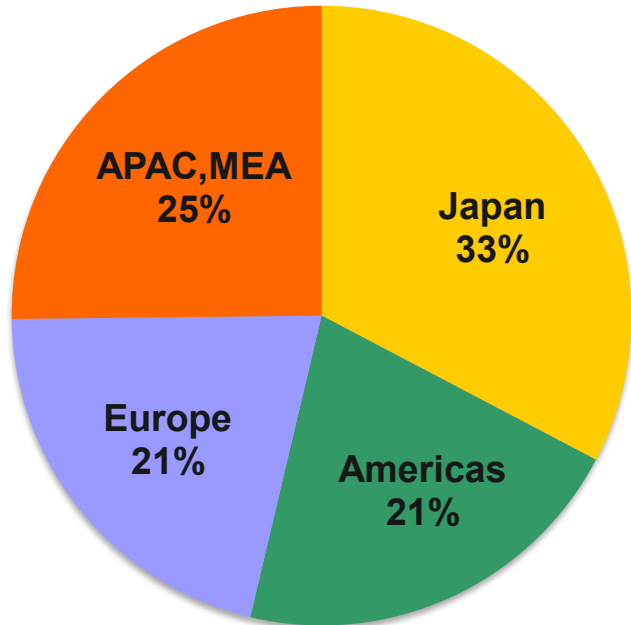
- As Sales by Segment numbers are just for internal use, they may be subject to some changes hereafter.
- The product (CloudEdge), which was included in the Enterprise segment until 2025, has been transferred to the Consumer segment starting from 2026. The growth rates mentioned above are compared to last year's figures, adjusted for this impact.
- “Enterprise” above includes TrendAI and Incubation.

(Non-GAAP)

# % share by region

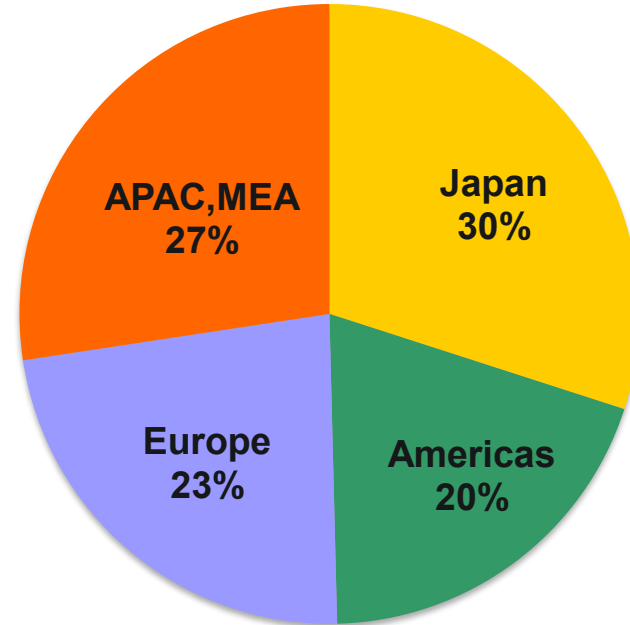
**1Q2025**

**67,501 million Yen**



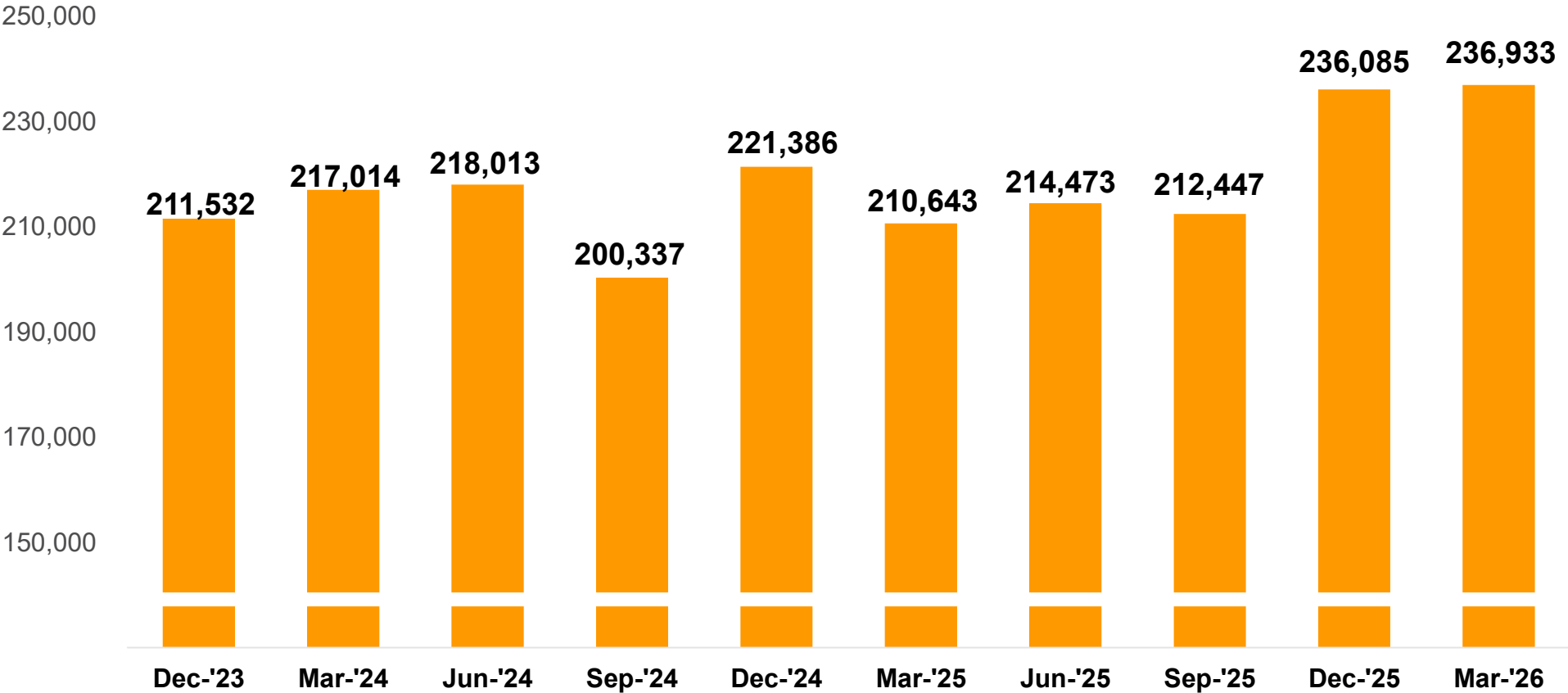
**1Q2026**

**73,856 million Yen**



# Deferred Revenue

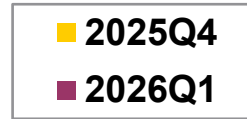
(in million Yen)



# Deferred Revenue by Region

(in million Yen)

(unaudited)

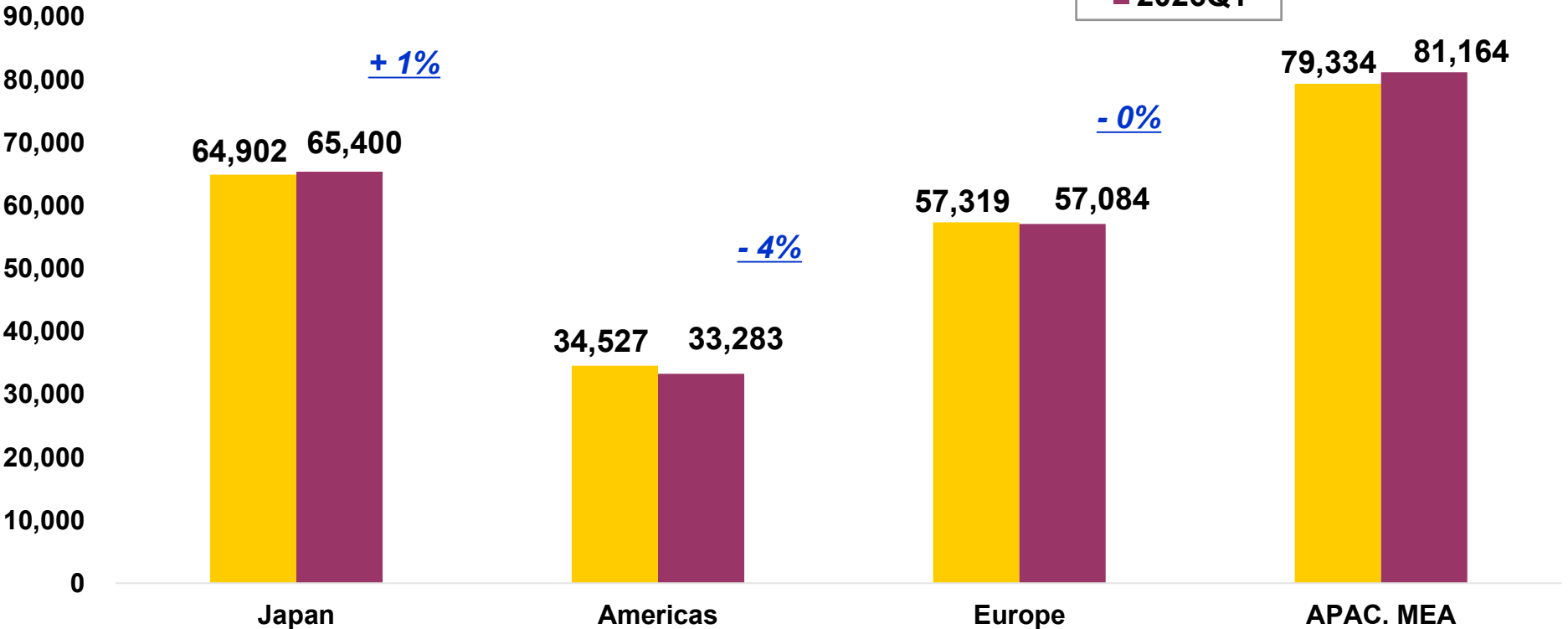


+ 2%

+ 1%

- 0%

- 4%



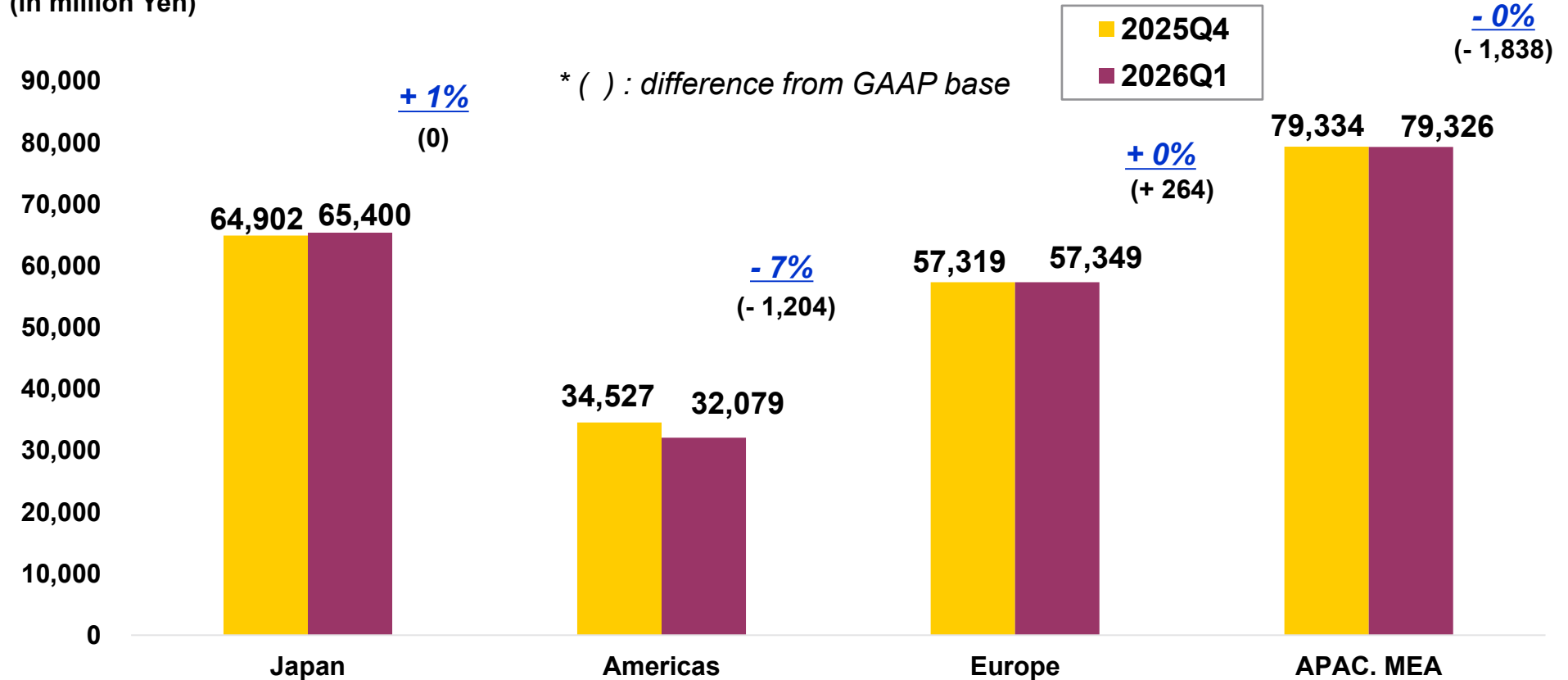
(Non-GAAP)

# Deferred Revenue by Region

(unaudited)

*If currency exchange rates used as of the end of 4Q2025 were used as of the end of 1Q2026:*

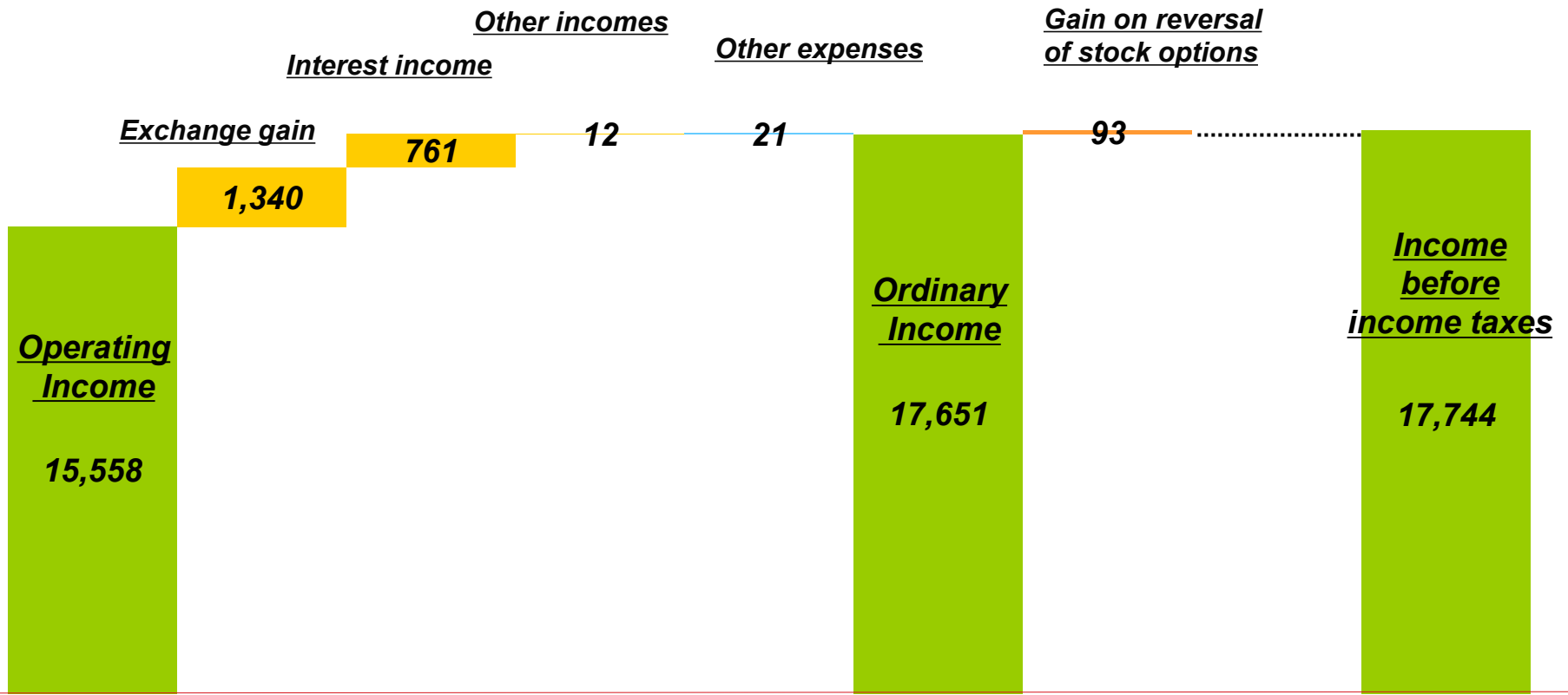
(in million Yen)



# Non-operating & Extra-ordinary Items

(in million Yen)

(unaudited)



# Balance Sheet

(unaudited)

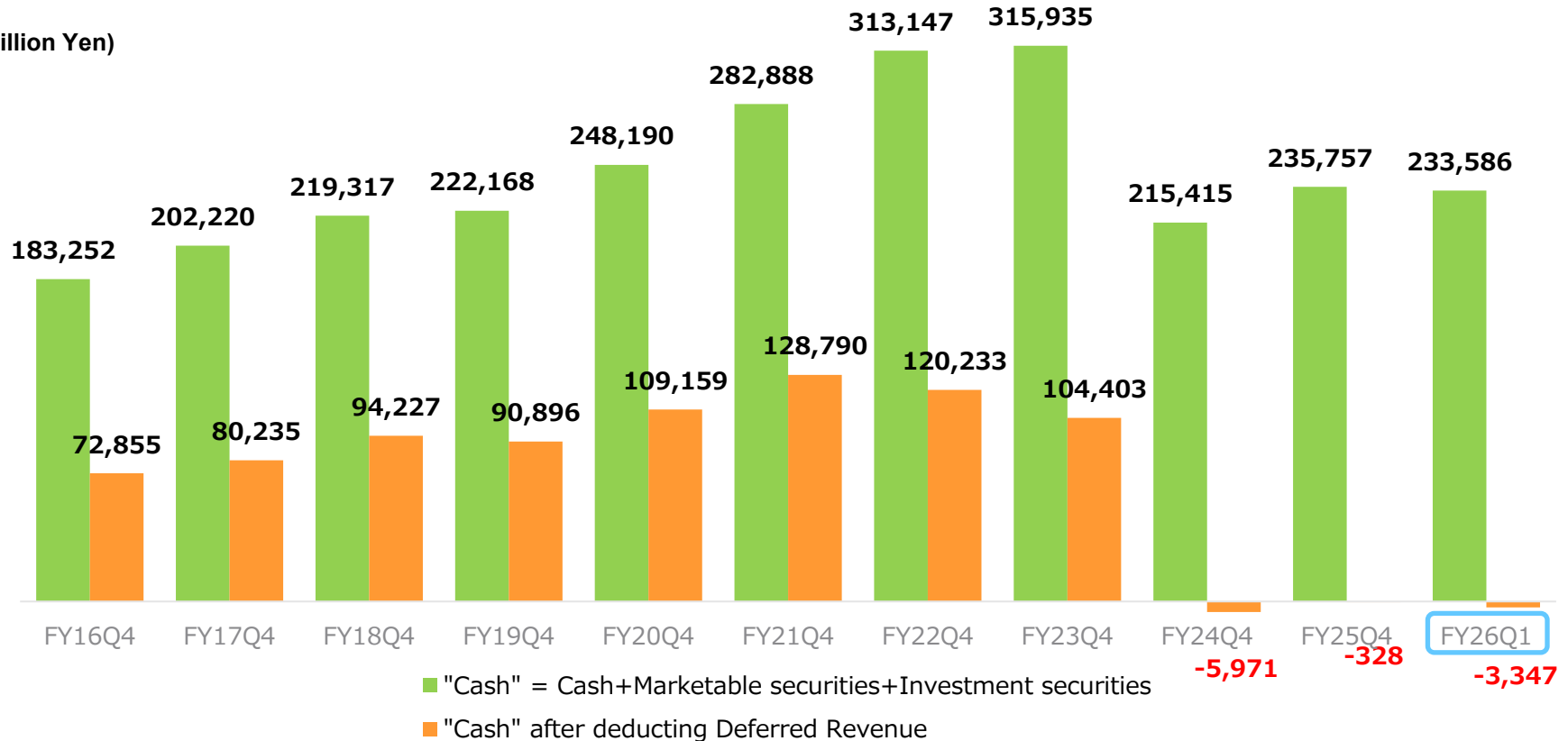
(in million Yen)

	<i>Dec-2025</i>	<i>change</i>	<i>Mar-2026</i>
<b><u>Assets</u></b>			
<i>Cash &amp; cash equivalents</i>	220,092	- 4,751	215,341
<i>Account receivable</i> <i>(less allowance for doubtful accounts)</i>	76,125	- 20,192	55,933
<i>Marketable securities &amp; Securities investments</i>	15,665	+ 2,580	18,245
<i>Software</i>	17,380	+ 415	17,795
<b><u>Liabilities</u></b>			
<i>Deferred revenue</i>	236,085	+ 848	236,933
<b><u>Shareholders' Equity</u></b>			
<i>Common Stock &amp; Additional paid in capital</i>	48,728	+ 3	48,731
<i>Retained earnings (less Treasury Stock)</i>	29,041	- 17,207	11,834

# Shrinking "holding Cash"

The holding "Cash," after deducting Deferred revenue (which is the consideration for future service obligations), has currently shrunk to a net-zero level.

(Million Yen)





# Thank You

# Appendix

## Quarterly Chart (1)

(unaudited)

(in million Yen)

	FY2025				FY2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Net Sales</b>	67,501	66,407	68,844	73,230	73,856			
<b>COGS</b>	16,417	15,520	15,447	16,331	16,691			
<b>SG&amp;A</b>	36,077	37,420	37,395	43,595	41,606			
<b>Operating Income</b>	15,006	13,465	16,001	13,303	15,558			
<b>Ordinary Income</b>	12,408	9,066	18,041	14,463	17,651			
<b>Net Income (attributable to owners of parent)</b>	8,858	5,478	12,606	7,580	11,775			
<b>(Total Cost breakdown)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Goods / Software Amortization</b>	2,782	4,184	3,754	4,393	2,399			
<b>Stock option cost</b>	2,746	996	-39	160	469			
<b>Acquisition related costs</b>	675	643	656	667	671			
<b>Selling &amp; Marketing</b>	4,573	5,750	5,611	8,477	5,306			
<b>Administration</b>	2,872	3,133	3,727	4,375	4,498			
<b>Cloud</b>	6,887	6,750	6,935	8,852	9,317			
<b>Outside service</b>	5,143	5,032	4,903	5,524	5,245			
<b>Office overhead</b>	1,905	1,844	1,983	1,973	1,947			
<b>Salary &amp; Benefit</b>	24,907	24,606	25,310	25,500	28,442			
<b>Total</b>	52,495	52,941	52,843	59,927	58,297			
<b>Headcount</b>	6,819	6,813	6,740	6,717	6,760			
<b>Applied rate (USD)</b>	152.60	144.61	147.47	154.22	156.92			
<b>Applied rate (Euro)</b>	160.58	163.85	172.34	179.48	183.65			

# Appendix

(unaudited)

## Quarterly Chart (2)

(in million Yen)

	FY2025				FY2026			
(Net Sales by Region & by Segment) *	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan (All Enterprise)	11,027	10,735	10,717	10,855	10,906			
Japan (Consumer)	11,045	11,086	11,099	11,273	11,229			
<b>Japan Total</b>	<b>22,072</b>	<b>21,822</b>	<b>21,816</b>	<b>22,129</b>	<b>22,136</b>			
Americas (All Enterprise)	12,600	11,553	12,219	13,253	12,852			
Americas (Consumer)	1,573	1,298	1,310	1,377	1,646			
<b>Americas Total</b>	<b>14,174</b>	<b>12,852</b>	<b>13,530</b>	<b>14,631</b>	<b>14,498</b>			
Europe (All Enterprise)	14,118	14,647	15,279	16,854	16,835			
Europe (Consumer)	142	124	128	143	155			
<b>Europe Total</b>	<b>14,261</b>	<b>14,771</b>	<b>15,407</b>	<b>16,998</b>	<b>16,990</b>			
APAC, MEA (All Enterprise)	15,983	16,049	17,079	18,337	18,747			
APAC, MEA (Consumer)	1,009	911	1,010	1,134	1,483			
<b>APAC, MEA Total</b>	<b>16,993</b>	<b>16,961</b>	<b>18,089</b>	<b>19,471</b>	<b>20,231</b>			
<b>Total</b>	<b>67,501</b>	<b>66,407</b>	<b>68,844</b>	<b>73,230</b>	<b>73,856</b>			
(Net Sales by Segment) *	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Enterprise	53,730	52,986	55,296	59,301	59,341			
Consumer	13,771	13,420	13,547	13,929	14,515			
<b>Total</b>	<b>67,501</b>	<b>66,407</b>	<b>68,844</b>	<b>73,230</b>	<b>73,856</b>			

### “Notice”

**Due to the transfer of the product (CloudEdge), which was included in the Enterprise segment until 2025, to the Consumer segment starting from 2026, we have retrospectively adjusted the segment Net sales for 2025.**