



Trend Micro Reports Record FY 1999 Earnings

Internet-based product sales surge, net income growth exceeds 130%

TOKYO, Japan, February 17, 2000 -- Trend Micro Incorporated (Nasdaq:TMIC, Japanese OTC:4704), a leading provider of Internet virus protection, today announced net sales for 1999 of 13,740 million yen, a new record, up 34.5% over 1998. Net income for 1999 was up 134% from 1998 as Trend Micro achieved continued gains in its Internet-related product lines.

(in millions, except share data)	Full Year		Change
	FY 99	FY 98	
Net sales	¥13,740	¥10,210	34.5%
Operating Income	¥4,253	¥2,426	75.3%
Ordinary Income	¥4,465	¥12,412	85.1%
Net income	¥2,466	¥1,053	134.1%
Earnings per share	¥38.82	¥55.50	

The Company continued its strong and profitable growth in global sales, as sales of Internet-based product and services surged. Net sales in Europe increased 124.3% over 1998, which offset a 20.2% decline in Taiwan sales over 1998. US sales attained a solid growth rate of 104.7%. Japanese full year revenue increased 18.2%.

Trend Micro was also successful in decreasing its cost of sales for 1999 by approximately 13.0%, JPY 73 million, due to cost savings from an increase of license fees via system integrators and efficiency improvements from the Internet-based business model.

"The results reflect our solid customer base and the strong demand for our enterprise solutions," said Steve Chang, chairman and CEO of Trend Micro. "My team members and I are very excited to have the opportunity to leverage our knowledge base and use the Internet as a vehicle to create new value for our customers. 1999 was an exciting year and we are looking forward to our year 2000 initiatives."

Highlights for the fiscal year 1999

In July 1999, Trend Micro successfully conducted an initial public offering of its American Depositary Shares, which became listed for trading on the Nasdaq National Market. As of the close of trading on February 16th the company's market capitalization on the Japanese OTC market exceeded 1.5 trillion yen.

In 1999, Trend Micro divided its business into three major divisions: the Core Business Division, concentrating on channel sales; the Internet Outsourcing Services (IOS) Division, created to establish Trend Micro's Internet outsourcing services; and the New Business Division, focusing on business development activities in Japan.

In the enterprise product line, Trend Micro continued to see strong demand for its Internet-based products. Internet-based product sales in 1999 totaled 50% of all sales, up from 30% in 1998, reflecting a higher corporate demand for InterScan VirusWall and ScanMail managed services.

Trend Micro also expanded its global presence in 1999 by forming alliances with several multinational companies, including Lucent Technologies, Cisco Systems and Compaq.

Deploying its Internet Outsourcing Services (IOS) strategy, Trend Micro signed agreements with numerous Internet service and managed service providers, including UUNET, the Internet services division of MCI WORLDCOM, Sprint, BT, US West and USI. These agreements enable the companies to offer Trend Micro's virus scanning and other value added services to their customers. Further information on these strategic relationships can be found at www.trendmicro.com.

Trend Micro also launched its eDoctor Global Network in the US. The eDoctor Global Network builds malicious code protection into the Internet infrastructure, enabling customers to obtain virus protection and content filtering.

In 1999 Trend Micro was granted three patents by the US Patent and Trademark Office covering macro virus detection, decoding and treating modules used in all of the Company's antivirus software products.

In addition, the Company invested 60 million yen into NTT Data Security, a venture with NTT Data, Cisco Systems Japan and other venture participants that provides enterprises with comprehensive network security services.

Trend Micro's 1999 financial results described in this release were prepared in accordance with Japanese generally accepted accounting principles (GAAP).

Legal Notice Regarding Forward-Looking Statements

Forward-looking statements in this release include, but are not limited to, statements regarding the use of the Internet to create value for Trend Micro's customers and economic success for Trend Micro, Trend Micro's initiatives for the fiscal year 2000, and the effect of Trend Micro's strategic relationships with partners such as UUNET, Sprint and BT. The forward-looking statements involve risks and uncertainties including, but not limited to, the effectiveness of Trend Micro's products in protecting against computer viruses, rapid technological change in the antivirus software market, the lack of market acceptance for new products, and other risks indicated in the Risk Factors section of Trend Micro's prospectus dated October 18, 1999 relating to the recent offering of Trend Micro's shares in connection with the US option program of Trend Micro's 1999 Incentive Plan. The prospectus is on file with the SEC. Actual results could differ materially. Trend Micro assumes no obligation to update this information.

About Trend Micro

Trend Micro Incorporated (TSE: 4704), a global cloud security leader, creates a world safe for exchanging digital information with its Internet content security and threat management solutions for businesses and consumers. A pioneer in server security with over 20 years' experience, we deliver top-ranked client, server and cloud-based security that fits our customers' and partners' needs, stops new threats faster, and protects data in physical, virtualized and cloud environments. Powered by the [Trend Micro™ Smart Protection Network™](#) cloud security infrastructure, our industry-leading cloud-computing security technology, products and services stop threats where they emerge, on the Internet, and are supported by 1,000+ threat intelligence experts around the globe.

Additional information about Trend Micro Incorporated and the products and services are available at [Trend Micro.com](#) This Trend Micro news release and other announcements are available at <http://trendmicro.mediaroom.com/> and as part of an RSS feed at www.trendmicro.com/rss Or follow our news on Twitter at [@TrendMicro](#).

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