



Trend Micro Announces Record Third Quarter Results

Sales climb 42% YoY and ordinary income rises 22% in 3Q 2001

For Immediate Release

TOKYO, Japan, October 25, 2001 -- Trend Micro Inc. (TSE: 4704; Nasdaq: TMIC), a worldwide leader in antivirus and Internet content security solutions, reported consolidated sales of 7,548 million yen (63 million US \$) and ordinary income of 2,305 million yen (19 million US \$) for the third quarter of fiscal 2001, ended September 30, 2001. The figures reflect gains of 41.6% in sales and 22.1% in ordinary income compared with the same period a year ago. This increase was driven by solid, well-balanced growth in all three major markets: Japan, North America, and Europe. Europe led all regions with rapid sales growth of 85% over 3Q 2000. Japan remained the largest market, with sales rising 32% to 2,921 million yen from 2,217 million yen in 2000. Major account wins in Q3 included IBM, Sprint, Sony HSBC, US Deptt of Justice and Transportation, and City of San Francisco.

If the results were not adjusted in accordance with a new revenue recognition policy, sales would have shown annual growth of 49.6% to 7,973 million yen (66US \$), and ordinary income would have risen 44.6% to 2,730 million yen (22million US \$) in the quarter.

(Exchange rate 1US\$= 119.40 JPY)

Further details can be obtained at https://www.trendmicro.com/en_us/about/investor-relations.html

Third Quarter FY 2001 (July 1 through September 30, 2001) unaudited

Consolidated Unaudited Results of Operations for Three Quarters Ending September 30, 2001

1. Consolidated Results of Operations

	2001 (Note)2				2000 (Note)1,2	
	Current third quarter From July 1, 2001 To September 30,2001	Growth Rate	Year-to-date results From January 1, 2001 To September 30,2001	Growth Rate	Previous third quarter From July 1, 2000 To September 30,2000	Year-to-date results From January 1, 2000 To September 30,2000
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
Sales	7,548	41.6	20,488	37.2	5,330	14,930
Cost of sales	370	82.3	1,102	36.6	203	807
Gross profit	7,178	40.0	19,385	37.3	5,126	14,123
Selling, general and administrative expenses	4,512	37.2	13,820	49.1	3,288	9,268
Operating income	2,665	45.0	5,564	14.6	1,838	4,854
Non-operating income	30	-84.2	559	48.7	190	376

Non-operating expense	390	180.6	814	120.6	139	369
Ordinary income	2,305	22.1	5,309	9.2	1,888	4,861
Unusual gains	-	-	-	-100.0	-	1,033
Unusual losses	17	-	5,145	171,400.0	-	3
Income before taxes	2,288	21.2	163	-97.2	1,888	5,890

<Note> Change in accounting principle: Please] see "Note on Change in Accounting Principle" below.

2. Geographic segment information

Sales to third parties

	2001 (Note)2		2000 (Note)1,2	
	Current third quarter From July 1, 2001 To September 30,2001	Year-to-date results From January 1, 2001 To September 30,2001	Previous third quarter From July 1, 2000 To September 30,2000	Year-to-date results From January 1, 2000 To September 30,2000
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Japan	2,921	7,408	2,217	5,873
North America	2,197	6,215	1,522	4,300
Taiwan	443	1,326	500	1,332
Europe	1,516	4,312	816	2,686
Others	470	1,224	274	737
Total	7,548	20,488	5,334	14,930

- <Note>
1. Classification of countries and regions is based on geographical proximity.
 2. Classification of countries and regions into each geographic segment.

North America: U.S.A.
Europe : Italy, Germany, France, UK
Others : Korea, Australia, Brazil,Hong Kong, Malaysia, Mexico, New Zealand, China

3. Affiliated companies:

Number of consolidated subsidiaries: 18

Number of unconsolidated subsidiaries: 0

Financial data for the third quarter of FY 2000 is provided solely for comparison purposes, as the Company did not prepare quarterly earnings statements last year. Moreover, the figures for Q1 FY 2001 and Q1 FY 2000 have not been audited by the Company's certified public accountants or independent auditors, and the financial results described in this release were prepared in accordance with Japanese generally accepted accounting principles (GAAP).

Note on Change in Accounting Principle

Until the end of FY 2000, the Company and Trend Micro Incorporated (Taiwan) booked revenue for Premium Support and other post-contract customer support services at the beginning of the support period. Effective from FY 2001, the method of recognizing this revenue recognition has been changed and sales revenues from customer support are deferred over the relevant support period.

The table below shows the year-on-year growth after restating the 2001 third quarter numbers to the revenue recognition policy in use during the corresponding quarter of Fiscal 2000.

	2001 (Note)2		2000 (Note)1,2	
	Current third quarter From July 1, 2001 To September 30,2001	Year-to-date results From January 1, 2001 To September 30,2001	Previous third quarter From July 1, 2000 To September 30,2000	Year-to-date results From January 1, 2000 To September 30,2000
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Sales	7,973	49.6	21,405	43.4
Ordinary income	2,730	44.6	6,227	28.1
Income before taxes	2,713	43.7	4,090	-30.6

- (Note)
1. Quarterly financial information was not disclosed in 2000. The figures for the third quarter of Fiscal Year 2000 in above table are prepared for management purpose and disclosed for reference only.
 2. The figures for the third quarter of Fiscal Year 2001 and Fiscal Year 2000 are not audited.

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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