

November 12, 2025

Report of Earning Results (Consolidated)
for the Third Quarter of the Fiscal Year
Ending December 31, 2025

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1. Financial Highlights for the Nine Months Ended September 30, 2025

(1) Consolidated Results of Operations

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine Months Ended September 30, 2025	202,753	0.0	44,474	13.3	39,516	3.1	26,942	2.0
Nine Months Ended September 30, 2024	202,658	10.3	39,237	32.5	38,331	20.0	26,418	106.3

(Note) Comprehensive Income: 25,932million yen 0.1 % as of September 30, 2025
(25,907million yen (20.3)% as of September 30, 2024)

	Net Income per share (basic)	Net Income per share (diluted)
	Yen	Yen
Nine Months Ended September 30, 2025	204.86	203.46
Nine Months Ended September 30, 2024	198.48	197.38

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
As of	Million yen	Million yen	%
September 30, 2025	387,768	127,420	32.0
December 31, 2024	400,316	119,446	29.2

(Note) Net Assets after deduction of Share acquisition rights and Non-controlling interest
: 124,188million yen as of September 30, 2025 (116,965million yen as of December 31, 2024)

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, 2024	—	0.0	—	184.0	184.0
December 31, 2025	—	0.0	—		
Projection for FY 2025				—	—

(Note) Revision of the projection of dividend for the third quarter of FY 2025 : No

(Note) The dividend projection for FY2025 annual end has not been determined yet.

3. Forecasts of consolidated financial results for FY 2025

(January 1, 2025 through December 31, 2025)

(Note) For the forecast of FY 2025, please refer to next page.

4. Others

- (1) Significant changes in the scope of consolidation during the period : No
- (2) Application of simplified or specified accounting procedures : Yes
- (3) Changes in accounting principles, accounting estimates and restatement
 - ① Changes under the revision of Accounting Standards : No
 - ② Changes in Accounting Principles other than ① : No
 - ③ Changes in Accounting Estimates : No
 - ④ Restatements : No

(4) Number of shares issued (common shares)

- ① Number of shares issued (including treasury stocks):
 - 140,901,604 shares as of September 30, 2025
 - 140,901,604 shares as of December 31, 2024
- ② Number of treasury stocks :
 - 9,021,334 shares as of September 30, 2025
 - 9,604,812 shares as of December 31, 2024
- ③ Average number of shares outstanding :
 - 131,520,261 shares nine months ended September 30, 2025
 - 133,104,951 shares nine months ended September 30, 2024

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements

by certified public accountants or an audit firm: None

* 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. The review procedures for quarterly consolidated accounts have not finished 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 forecast results, are based on certain assumptions that were deemed rational as well as information currently available to the Company. 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 forecast results.

Forecasts of consolidated financial results for FY 2025

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per share (basic)
FY2025 (January 1, 2025 through December 31, 2025)	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	274,000	0.5	53,600	11.4	45,000	(14.8)	30,200	(12.1)	230.01

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1 Qualitative Information and Financial Statements

(1) Qualitative Information on the Consolidated Business Results

(Unit: million yen)

	Net Sales		
	Nine Months Ending Third Quarter of FY2025	Nine Months Ending Third Quarter of FY2024	Rate of Change
Japan Reg.	65,711	64,030	2.6%
Americas Reg.	40,556	43,628	-7.0%
Europe Reg.	44,440	43,510	2.1%
Asia and Pacific Reg.	52,044	51,489	1.1%
Total	202,753	202,658	0.0%

During this term of fiscal year 2025, from January 1 to September 30, the world economy has been progressing with concerns over the impact of monetary policies in various countries on the economy, as well as geopolitical risks while the uncertainty arising from the U.S. trade policies and so on exists. In addition, the increasing uncertainty is caused by fluctuations in financial and capital markets and other related factors exist, the outlook for the world economy is becoming increasingly opaque.

In the worldwide Information Technology industry, though cloud computing and generative AI (artificial intelligence) continue to be permeating every aspect of our lives, there is a business pause on net-new spending due to a spike in global uncertainty. According to the report by 3rd party, the forecasts worldwide IT spending to grow 7.9% to \$5.43 trillion in 2025.

In the cybersecurity industry, ransomware continues to be a prominent figure in the cyber attack. In addition, with the following those risks, the targeting attacks in national institutions, specific companies, and organizations, the cyber attacking along with leaks of sensitive business information, and new security risks associated with the proliferation of GenAI, are remarkably increase, and leading to a heightened need for security awareness among both businesses and individuals.

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

With regards to sales in Japan region, the enterprise business achieved positive growth. AI-Powered Next-Gen SOC security showed significant growth against the backdrop of Vision One demands. Also, Network security solutions with good growth in contributed to this region's enterprise business sales. Even though PC security remained weak, the consumer business continued to grow due to sustained sales in mobile phone shops. As the result, net sales for this period in Japan region amounted to 65,711 million yen (2.6% increase from the same period in the previous year) increase to.

For Americas region, the enterprise business sales sustained essentially flat year-on-year in local currency terms. There were both, a tendency to restrain new security investments due to increasing uncertainty of U.S. tariff policy and generally sluggish due to significantly affected by the U.S. Department of Government Efficiency (DOGE). Meanwhile, the consumer business had a negative impact due to transition to a new e-commerce payment company. In addition, there was a substantial impact of strong yen, as the result, net sales in this region were 40,556 million yen (7.0% decrease from the same period in the previous year) decrease to.

In Europe region sales, though Network security and Cloud security solutions did not perform well, mainly AI-Powered Next-Gen SOC security and additionally Email security solutions and Endpoint security were growing besides the demands of Vision One. As the results, net sales in this region were 44,440 million yen (2.1% increase from the same period in the previous year) increase to.

In the Asia Pacific region, especially AI-Powered Next-Gen SOC security significantly contributed to this region's enterprise business sales, driven by the demands for Vision One. In addition, Cloud security solutions and Email security solutions were growing besides. On the other hand, the consumer business experienced negative growth due to the impact of transitioning to a new e-commerce payment company. Locally, Middle East, Taiwan, and Singapore area led this region's sales. In spite of a significantly affected by the impact of the stronger yen, as the result, net sales for this period in Asia Pacific region amounted to 52,044 million yen (1.1% increase from the same period in the previous year) increase to.

As a result, the consolidated net sales for this period (this term of the fiscal year 2025, from January 1 to September 30,) marked 202,753

million yen (0.0% increase from the same period in previous year.) flat year-on-year.

For the costs, overall expenses were controlled entirely mainly a people cost, and significantly decrease in both outsourcing expenses and a cloud cost. Thus, cost of sales and operating expenses for this period totaled 158,279 million yen (3.1% decrease from the same period in previous year) decrease in. As the result, consolidated operating income for this period was 44,474 million yen (13.3% increase from the same period in previous year) increase to.

And the consolidated ordinary income for this period was 39,516 million yen (3.1% increase from the same period in previous year) despite increase in foreign exchange loss, etc. For this period, the net income attributable to owners of the parent for this period was 26,942 million yen (2.0% increase from the same period in previous year) increased despite the disappearance of gain on change in equity, etc.

Operating income based on Pre-GAAP (revenue before adjusting deferred revenue, etc.) serves as the important management indicators for our company. It for this period was 35,609 million yen, a decrease of 831 million yen (2.3% decrease from the same period in previous year.) While overall costs were kept under control and decreased, this decrease in Pre-GAAP sales amount turned out to be even more due to its weakness of Americas region sales in the enterprise business and the impact of transition to a new e-commerce payment in consumer business.

(2) Consolidated Financial Positions

At the end of this period, cash and bank deposits at the end of this period amounted to 210,633 million yen and increased to 40,576 million yen from FY2024 annual closing.

Mainly due to a significant decrease in Marketable securities and Notes and Accounts receivable, trade and contract assets, etc., total assets at the end of this period were 387,768 million yen, 12,548 million yen decrease from FY2024 annual closing.

Total liabilities at the end of this period were 260,348 million yen, 20,521 million yen decrease from FY2024 annual closing mainly due to a decrease in deferred revenue, and a decrease in Allowance for bonuses, etc.

Total net assets at the end of this period were 127,420 million yen, 7,973 million yen increase from FY2024 annual closing. This decline is primarily caused by a decrease in Treasury stock, at cost and an increase in retained earnings, etc.

(3) Consolidated Earnings Forecast

As of now, we do not revise our consolidated results forecast for the full fiscal year ending December 31, 2025 (released on August 7, 2025).

Business forecast for the Annual of FY2025 (January 1, 2025 – December 31, 2025)

Consolidated net sales	274,000 million yen
Consolidated operating income	53,600 million yen
Consolidated ordinary income	45,000 million yen
Net income attributable to owners of the parent	30,200 million yen

In development of the business forecasts the main assumed exchange rates for the Annual of FY2025 (January 1, 2025 – December 31, 2025) as follows.

1 US \$	147 yen
1 Euro	172 yen

2. Others

(1) Movement of Significant Subsidiaries

N/A

(2) Application of Simplified or Special Accounting Procedures

(Calculation of income tax expenses)

Multiply net income before tax for this period (9 months) by effective tax rate, which is rationally calculated based on projected annual profit and its taxes taking into consideration of deferred tax accounting. In addition, deferred tax expense is included in income taxes.

However, if the calculation of tax expenses using the effective tax rate results in a markedly unreasonable outcome, tax expenses are calculated by using the statutory effective tax rate after adding and subtracting important differences that do not fall under temporary differences to and from profit before income taxes.

3. 【CONSOLIDATED FINANCIAL STATEMENTS】

(1) 【Consolidated Balance Sheets】

(Million yen)

Account	December 31, 2024	September 30, 2025
(Assets)		
Current assets		
Cash and bank deposits	170,056	210,633
Notes and Accounts receivable, trade and contract assets	74,795	48,047
Marketable securities	40,839	15,921
Inventories	8,455	10,196
Others	13,950	14,863
Allowance for bad debt	(268)	(156)
Total current assets	307,829	299,505
Non-current assets		
Property and equipment		
(1) Buildings and structures, net	3,236	2,632
(2) Office furniture & equipment	2,158	2,227
(3) Others	154	0
Total property and equipment	5,548	4,860
Intangibles		
(1) Software	17,904	17,534
(2) Goodwill	2,268	1,643
(3) Others	11,220	9,139
Total intangibles	31,393	28,317
Investments and other non-current assets		
(1) Investment securities	4,520	4,287
(2) Investments in subsidiaries and affiliates	1,236	32
(3) Deferred tax assets	47,638	47,930
(4) Others	2,148	2,833
Total investments and other non-current assets	55,544	55,084
Total non-current assets	92,486	88,262
Total assets	400,316	387,768

(Million yen)

Account	December 31, 2024	September 30, 2025
(Liabilities)		
Current liabilities		
Accounts payable and Notes payable, trade	3,627	2,338
Accounts payable, other	7,952	7,665
Accrued expenses	11,291	10,263
Accrued income and other taxes	5,300	2,883
Allowance for bonuses	7,410	3,286
Deferred revenue(Current and Non-current)	221,386	212,447
Others	10,305	6,805
Total current liabilities	267,274	245,688
Non-current liabilities		
Net defined benefit liability	7,677	7,174
Others	5,918	7,484
Total non-current liabilities	13,595	14,659
Total liabilities	280,870	260,348
(Net assets)		
Shareholders' equity		
Common stock	19,926	19,926
Capital surplus	27,857	28,986
Retained earnings	90,541	93,325
Treasury stock, at cost	(66,781)	(62,725)
Total shareholders' equity	71,543	79,513
Accumulated other comprehensive income		
Net unrealized gain (loss) on debt and equity securities	336	544
Foreign currency translation adjustments	44,826	44,107
Remeasurements of defined benefit plans	259	22
Total accumulated other comprehensive income	45,422	44,674
Stock acquisition rights	2,480	2,715
Non-controlling interests	—	516
Total net assets	119,446	127,420
Total liabilities and net assets	400,316	387,768

(2) 【Consolidated Statements of Income and Consolidated Statements of Comprehensive Income】

Consolidated Statements of Income

(Million yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net sales	202,658	202,753
Cost of sales	48,475	47,385
Gross profit	154,183	155,368
Operating expenses	114,945	110,894
Operating income	39,237	44,474
Non-operating income		
Outsourcing service income	21	7
Interest income	1,922	2,527
Gain on sales of marketable securities	438	11
Other income	107	73
Total non-operating income	2,490	2,618
Non-operating expenses		
Foreign exchange loss	1,500	6,704
Equity in losses of affiliated companies	1,666	810
Loss on disposal of fixed assets	165	9
Other expenses	64	51
Total non-operating expenses	3,396	7,576
Ordinary income	38,331	39,516
Extraordinary gain		
Gain on business transfer	587	—
Gain on change in equity	2,145	—
Total extraordinary gain	2,732	—
Extraordinary loss		
Loss on valuation of investment securities	—	160
Total extraordinary loss	—	160
Net income before taxes	41,063	39,355
Income taxes	13,475	12,673
Income taxes for prior periods	994	—
Net income	26,593	26,682
Net income(loss) attributable to non-controlling interests	175	(260)
Net income attributable to owners of the parent	26,418	26,942

Consolidated Statements of Comprehensive Income

(Million yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net income	26,593	26,682
Other comprehensive income		
Valuation difference on available-for-sale securities	(131)	208
Foreign currency translation adjustment	(395)	(329)
Remeasurement of defined benefit plans	63	(236)
Share of other comprehensive income of associates accounted for using equity method	(222)	(392)
Total other comprehensive income	(685)	(749)
Comprehensive income	25,907	25,932
Comprehensive income attributable to owners of the parent	25,731	26,195
Comprehensive income attributable to non-controlling interests	176	(263)

(3) 【Consolidated Statements of Cash Flows】

(Million yen)

Account	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Cash flows from operating activities:		
Net income before taxes	41,063	39,355
Depreciation and amortization	20,593	19,658
Stock compensations	922	879
Amortization of goodwill	1,471	495
Increase (decrease) in allowance for bad debts	(212)	(99)
Increase (decrease) in net defined benefit liability	(105)	(468)
Interest income	(1,922)	(2,527)
Equity in (earnings)/loss of affiliated companies	1,666	810
(Gain) loss on sale of businesses	(587)	—
(Gain) loss on change in equity	(2,145)	—
(Gain) loss on disposal of Fixed assets	165	9
(Gain) loss on sale of marketable securities	(438)	(11)
(Gain) loss on valuation of investment securities	—	160
(Increase) decrease in notes and accounts receivable and contract assets	18,796	23,958
(Increase) decrease in inventories	(1,614)	(2,124)
Increase (decrease) in notes and accounts payable	(20)	(1,211)
Increase (decrease) in accounts payable, other & accrued expenses	(6,964)	(590)
Increase (decrease) in deferred revenue	(12,667)	(9,662)
Increase (decrease) in virtual share bonus plan	456	(578)
Others	(5,023)	(2,503)
Subtotal	53,433	65,549
Proceeds from interest and dividend received	1,772	2,602
Payment for income tax	(20,719)	(16,143)
Net cash provided by operating activities	34,486	52,007
Cash flows from investing activities:		
(Payments for)/Proceeds from time deposits	(8,805)	(14,482)
Payments for purchases of marketable securities and securities investments	(243)	(54)
Proceeds from sale or redemptions of marketable securities and securities investments	24,479	20,367
Payments for purchases of property and equipment	(1,092)	(903)
Payments for purchases of other intangibles	(18,345)	(16,715)
Proceeds from sales of businesses	291	—
Net cash provided by investing activities	(3,715)	(11,789)
Cash flows from financing activities:		
Proceeds from issuance of common shares	119	—
Payment for purchase of treasury stock	(40,000)	(0)
Receipt from disposal of treasury stock	4,900	3,219
Dividends paid	(96,286)	(23,487)
Repayments to non-controlling shareholders	(210)	(176)
Proceeds from paid-up by non-controlling shareholders	1	2,278
Net cash used in financing activities	(131,476)	(18,165)
Effect of exchange rate changes on cash and cash equivalents	(157)	(852)
Net increase (decrease) in cash and cash equivalents	(100,862)	21,199
Cash and cash equivalents at beginning of period	261,265	187,392
Cash and cash equivalents at end of period	160,403	208,592

(4) Footnotes on Consolidated Financial Statements

(Footnote on Going Concern)

N/A

(Notes on Significant Changes in Stockholders' Equity)

N/A

(Additional information)

(Matters concerning consolidated subsidiaries)

We invest in Trend Forward Capital I, L.P. (hereinafter TFI), which operates a venture capital business in the United States as a limited partnership. Business execution powers of TFI were held by Wael Mohamed who was our board until March 2020, while we are only limited partners and have no authority or intention to participate in the management of TFI.

However, we have contributed more than half of the total amount invested in TFI and have not been able to prove that Wael is not a close member in accordance with “the Practical Handling of the Application of Control and Influence Standards to Investment Partnerships” (Practical Handling Report No. 20). Therefore, we have included TFI in our consolidation scope in accordance with “the Practical Handling Report No.20” and” the Accounting Standards for Consolidated Financial Statements “(ASBJ Statement No. 22).

(Segment Information)

Information on sales, profit/loss by reporting segments

For the previous fiscal year (from January 1, 2024 to September 30, 2024)

1. Information on net sales and profits by reporting segment

(Million Yen)

	Japan	Americas	Europe	Asia Pacific	Total	Adj (*) ³	Amt in Con P&L (*) ⁴
Sales							
(1) Net sales to external customers	64,030	43,628	43,510	51,489	202,658	—	202,658
(2) Intercompany sales	47	8,409	6,820	42,869	58,146	(58,146)	—
Total	64,077	52,037	50,330	94,358	260,805	(58,146)	202,658
Segment income	12,904	6,534	9,798	10,154	39,392	(154)	39,237

(Note)

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

2 Major countries other than Japan:

Americas U.S.A.

Europe Ireland, Germany, Italy, France, UK

Asia Pacific Taiwan, Australia, Singapore, UAE

3 Consolidation Adjustment in segment income (154)million yen comes from the elimination between segments transaction.

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

For the current fiscal year (from January 1, 2025 to September 30, 2025)

1. Information on net sales and profits by reporting segment

(Million Yen)

	Japan	Americas	Europe	Asia Pacific	Total	Adj (*) ³	Amt in Con P&L (*) ⁴
Sales							
(1) Net sales to external customers	65,711	40,556	44,440	52,044	202,753	—	202,753
(2) Intercompany sales	58	9,394	6,534	25,493	41,480	(41,480)	—
Total	65,770	49,951	50,975	77,537	244,234	(41,480)	202,753
Segment income	16,265	7,437	9,970	10,252	43,925	548	44,474

(Note)

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

2 Major countries other than Japan:

Americas U.S.A., Brazil

Europe Ireland, Germany, Italy, France, UK

Asia Pacific Taiwan, Australia, Singapore, UAE

3 Consolidation Adjustment in segment income 548 million yen comes from the elimination between segments transaction.

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