Trend Micro
FY2003. 1Q Results

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TREND MICRO

Forward Looking Statements

Certain statements that we make in this presentation are forward-looking statements. These forward-looking statements include statements regarding:

- The business potential of the Internet
- Our ability to profitably develop and sell Internet-related products and services
- Trends in our future operating results and other financial results
- Our investments in Internet-related companies, and the success of those investments

Many important factors could cause our actual results to differ materially from those expressed in our forward-looking statements. These factors include:

- Customer acceptance of our new products and services
- The impact of competing products and services
- Difficulties in adapting our products and services to the Internet
- Difficulties in addressing new virus and other computer security problems
- The potential lack of attractive investment targets and difficulties in successfully executing our investment strategy
- Declining prices for our products and services

We assume no obligation to update any forward-looking statements.

For more details regarding risk factors relating to our future performance, please refer to our filings with the SEC.

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Consolidated Results

(unaudited)
(in million Yen)

Three months ended Mar 31,	*1Q2003*	*1Q2002*	*YoY growth*
Net sales	10,918	9,752	12%
Cost of sales	804	596	35%
Gross profit	10,114	9,156	11%
SGA	7,153	6,128	17%
Operating income	2,961	3,028	- 2%
Operating income margin	*27%*	*31%*	
Net Income	1,740	1,705	2%
If same currency exchange rate is applied.			
Net sales	11,124	9,752	14%

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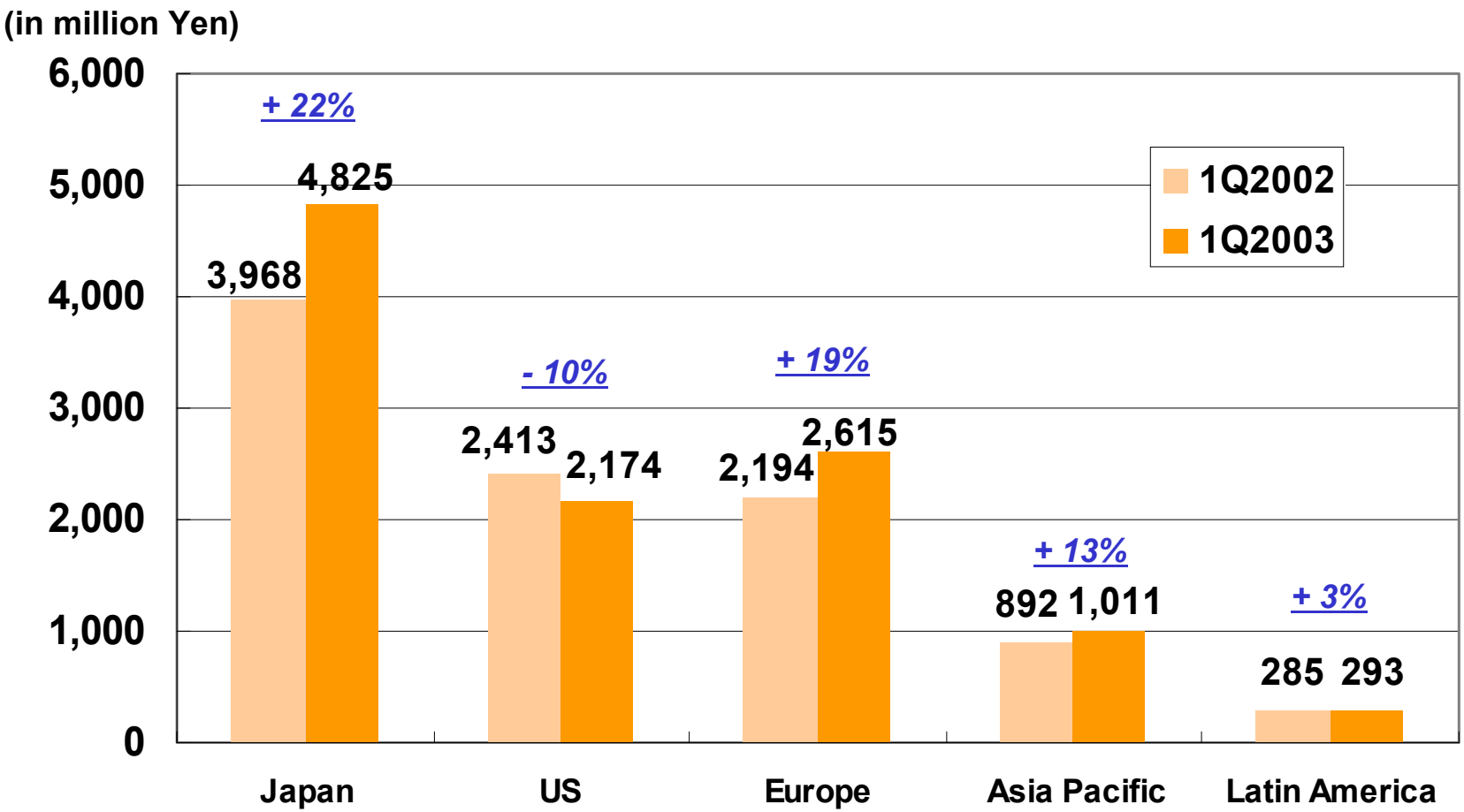
(In accordance with US GAAP)

Growth by Region

(unaudited)



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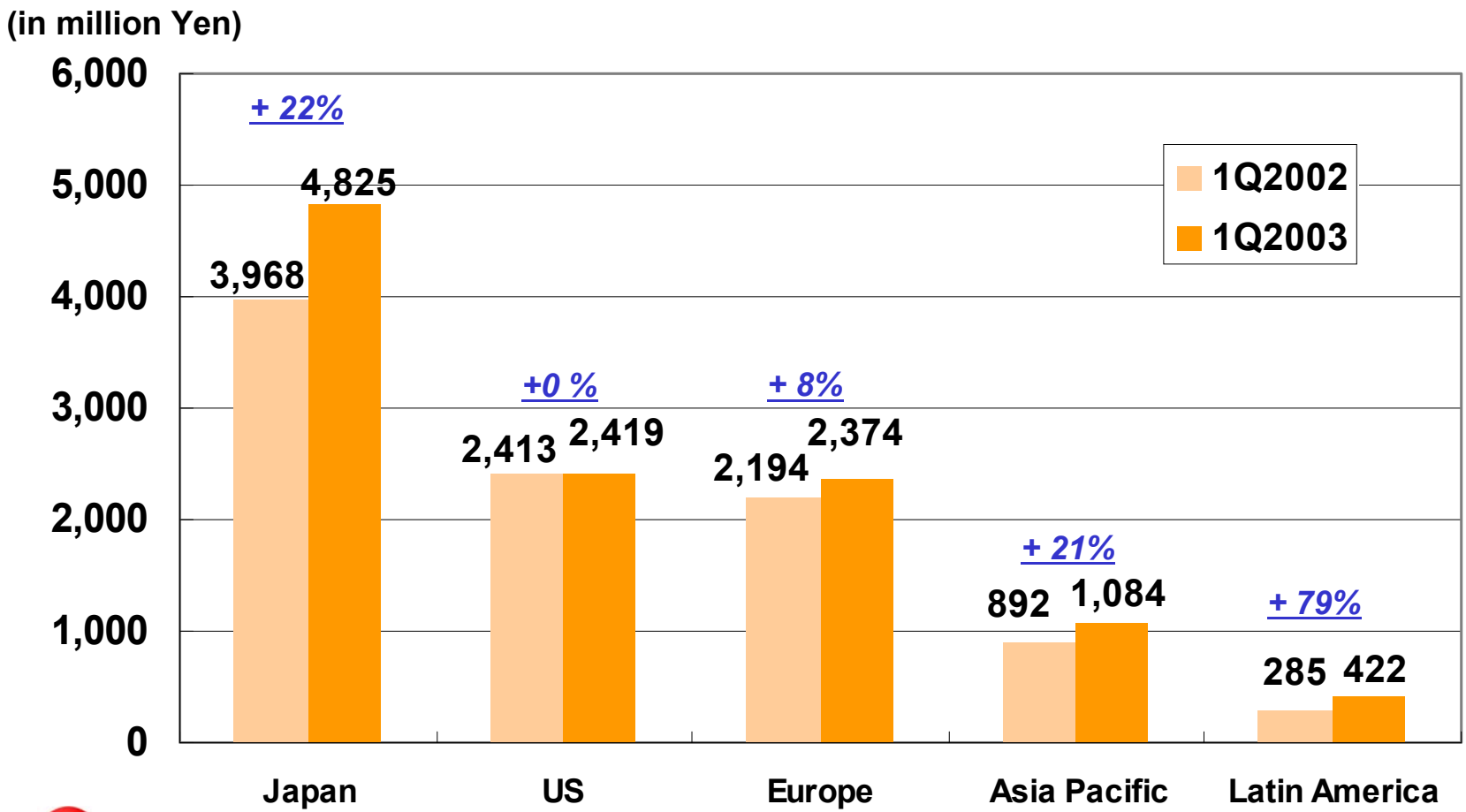
(In accordance with US GAAP)

Growth by Region

If same currency exchange rate is applied.

(unaudited)



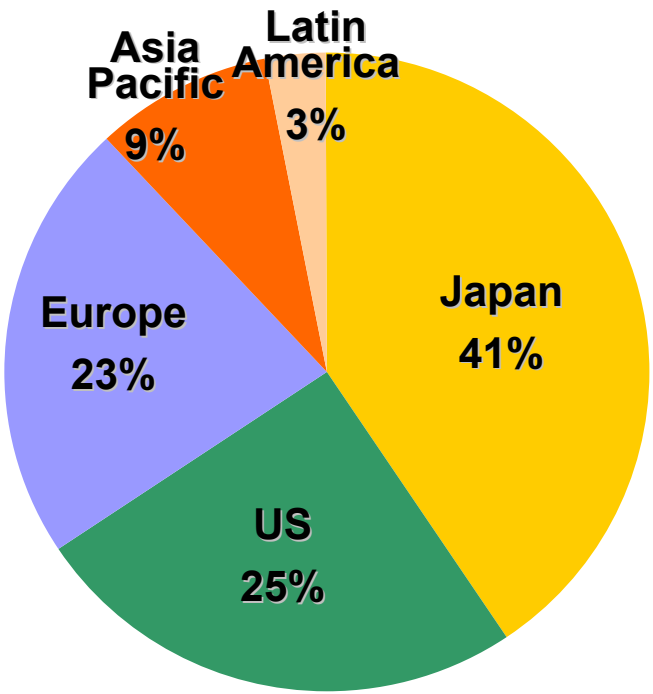
(In accordance with US GAAP)

% share by Region

(unaudited)

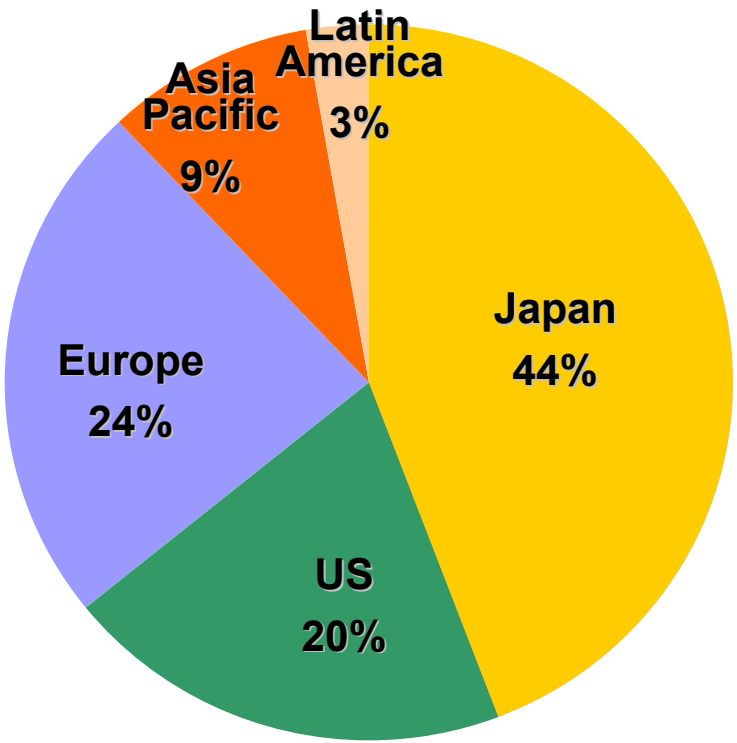
1Q2002

9,752 million Yen



1Q2003

10,918 million Yen

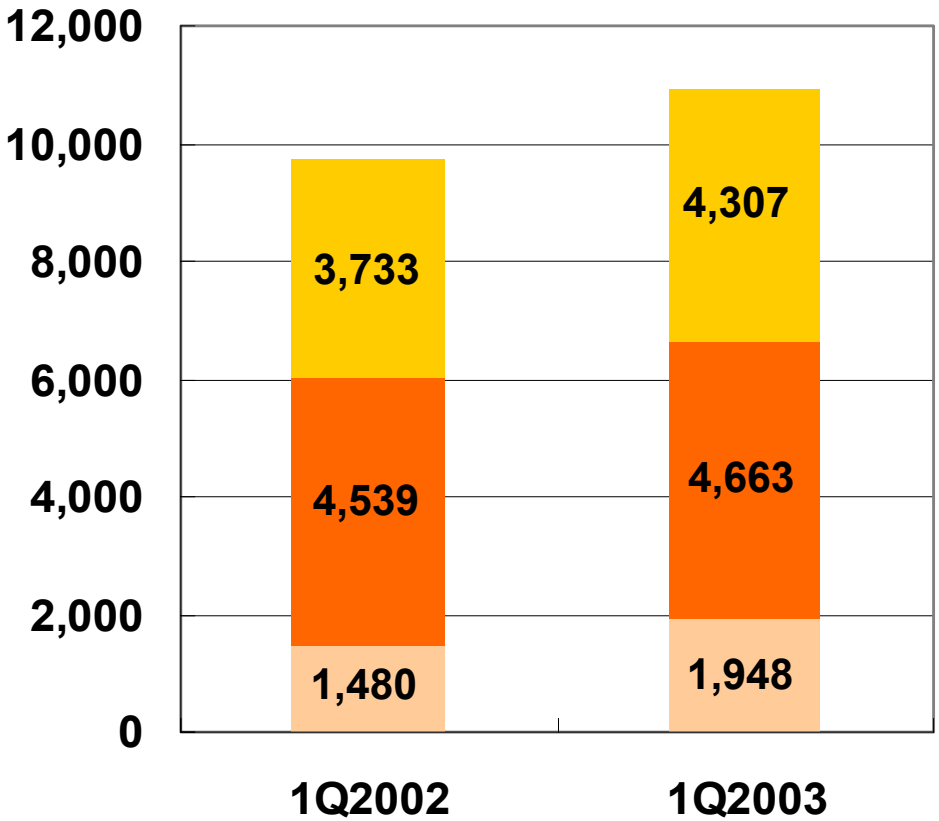


(In accordance with US GAAP)

Sales by Product

(unaudited)

(in million Yen)



	1Q2002	1Q2003
Internet Server	38%	39%
Client/Server Solution, others	47%	43%
Consumer PC	15%	18%
Total	100%	100%

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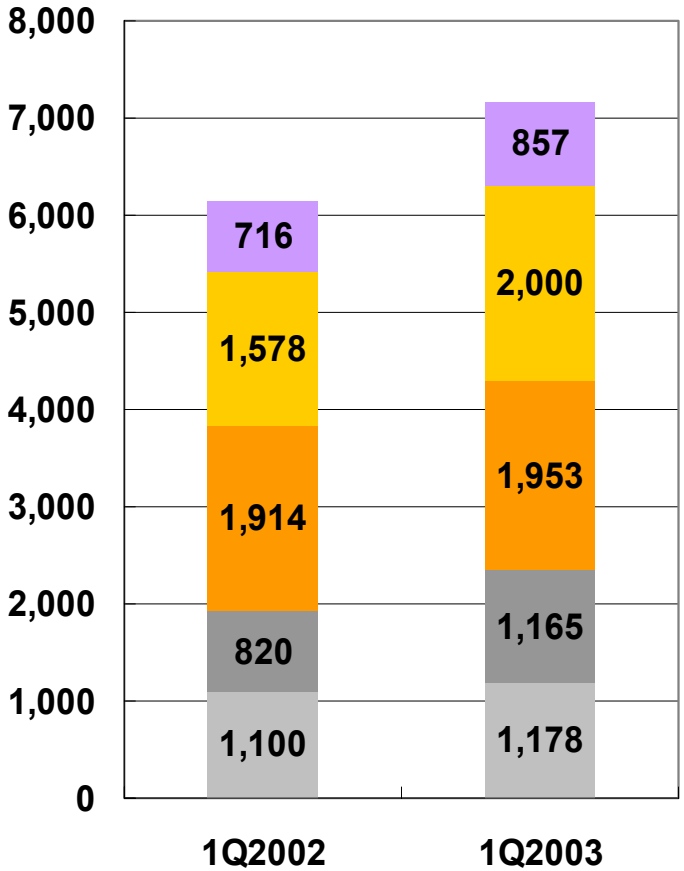
(In accordance with US GAAP)

SGA by Department

(unaudited)

(in million Yen)



	1Q2002	1Q2003
R&D	12%	12%
Marketing	26%	28%
Sales	31%	28%
Support	13%	16%
Others	18%	16%
Total	100%	100%

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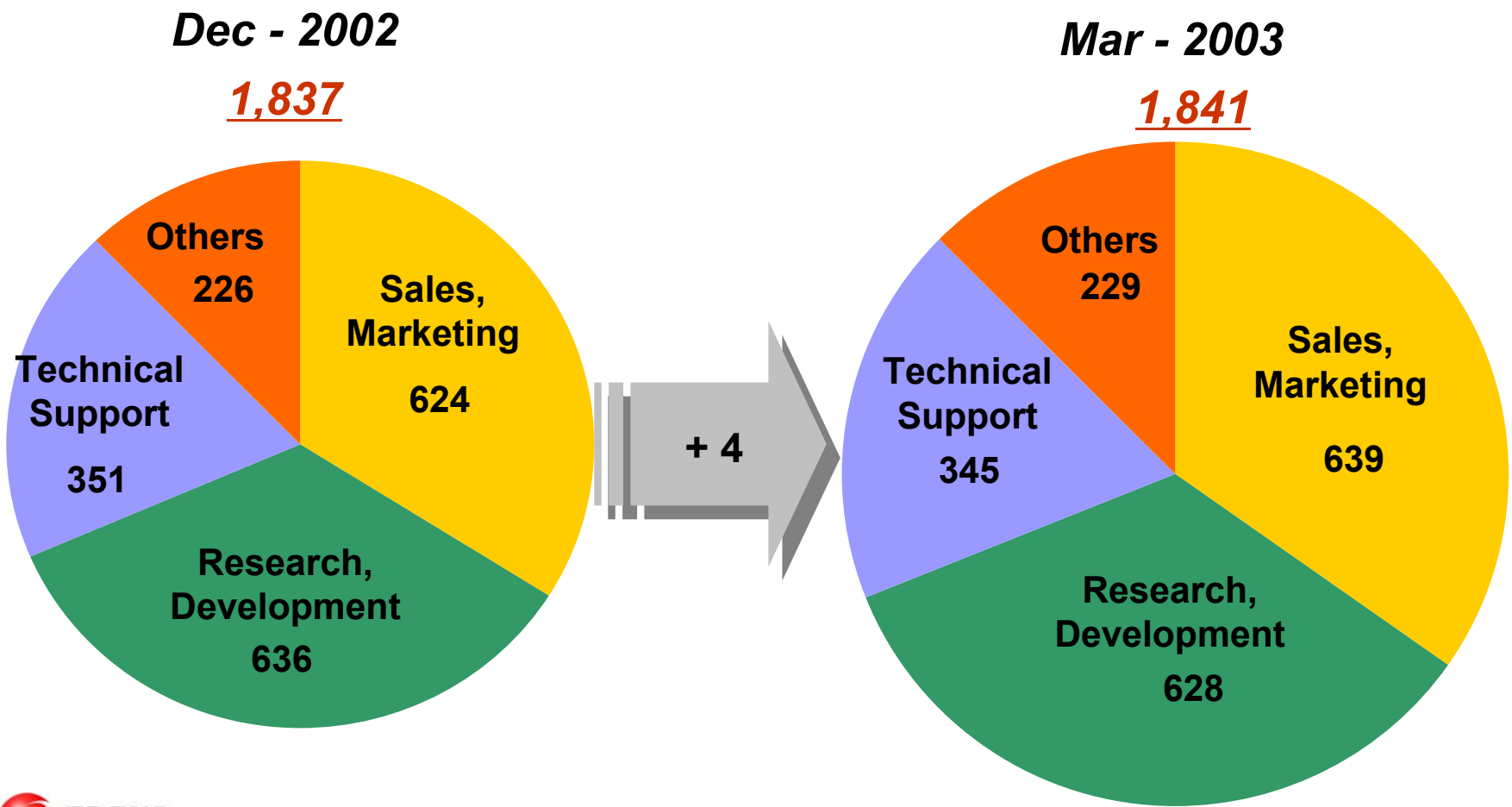
Categorized in accordance with the accounting policy for internal reporting purpose

Headcount



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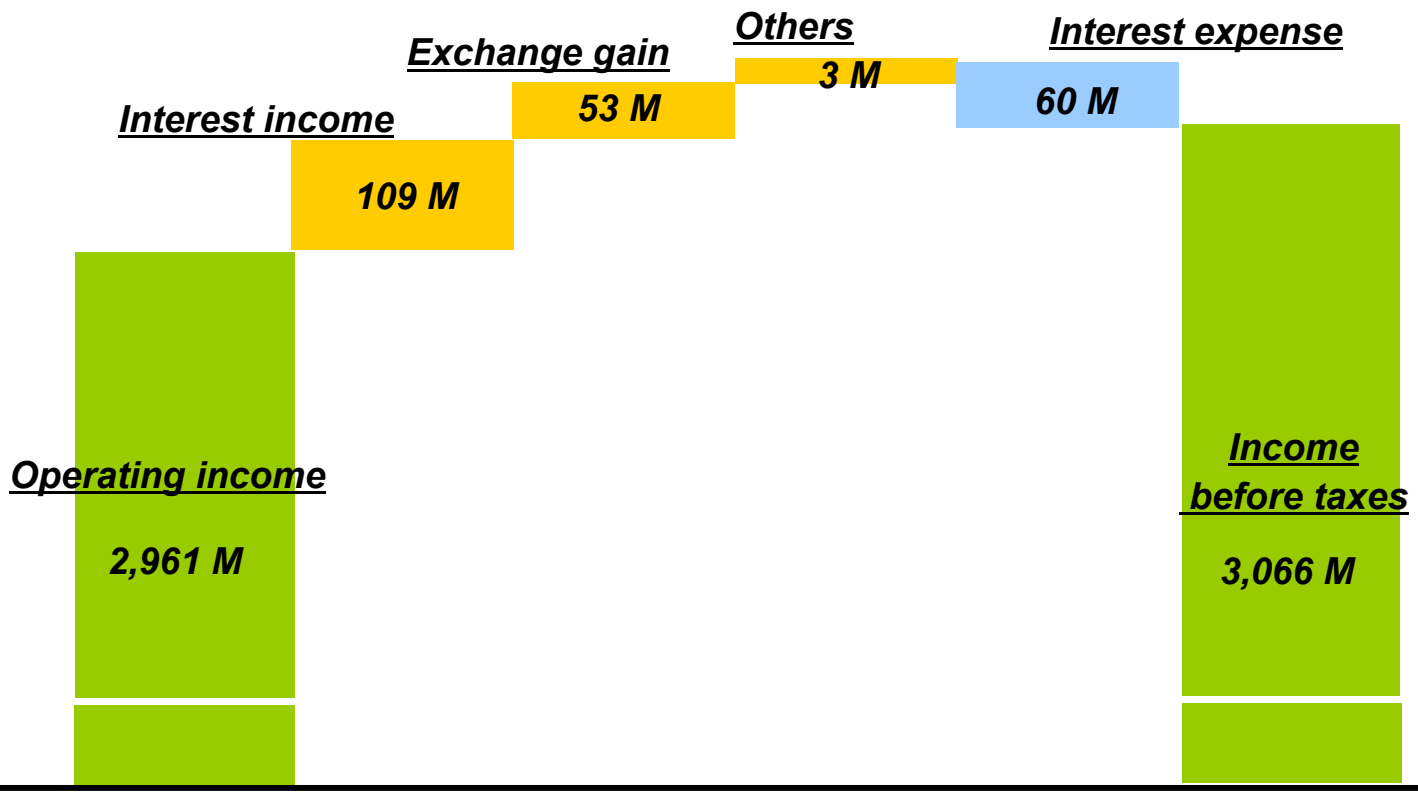
Non-operating Items

(unaudited)

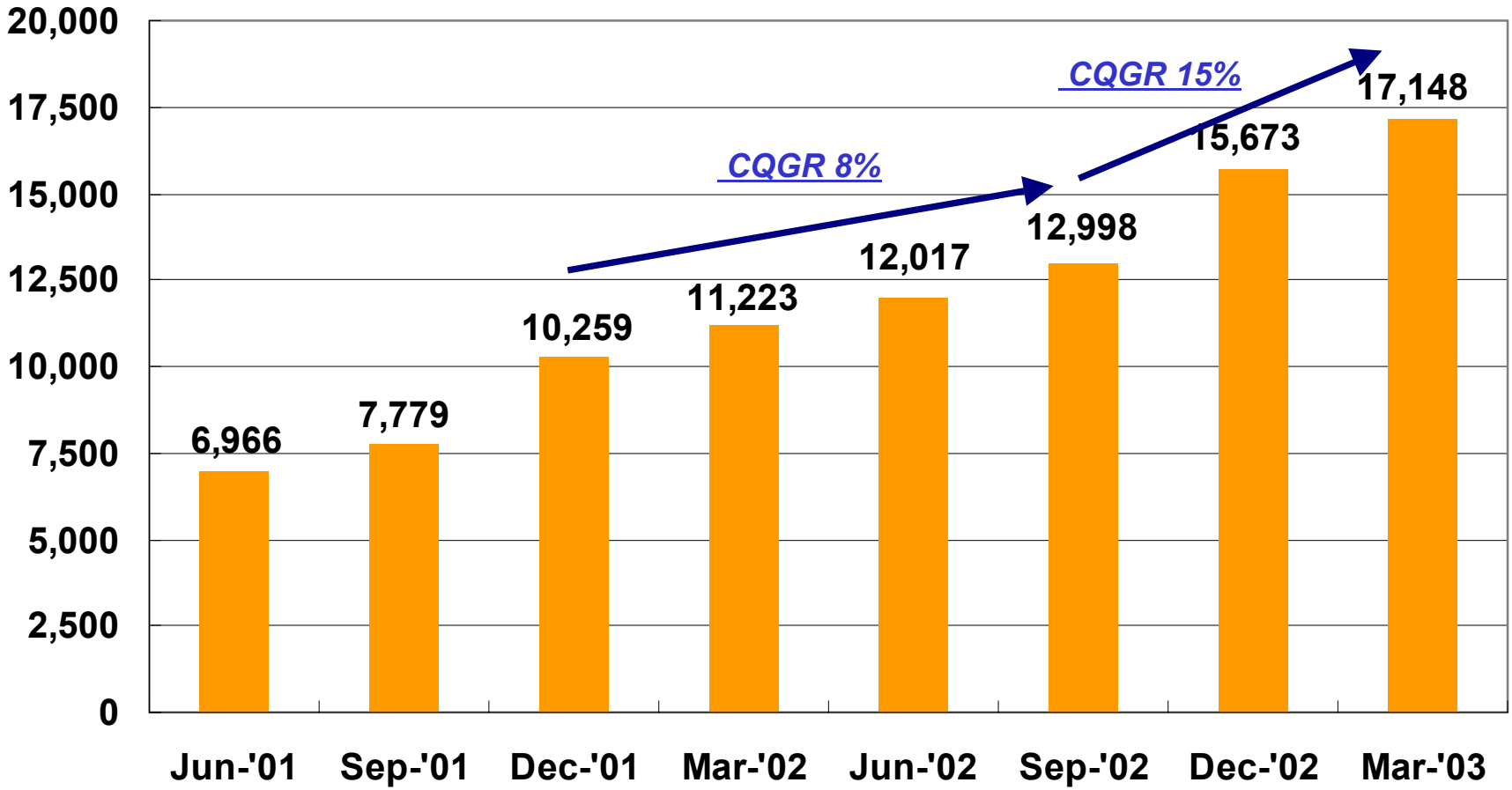


(In accordance with US GAAP)

Deferred Revenue

(in million Yen)

(unaudited)



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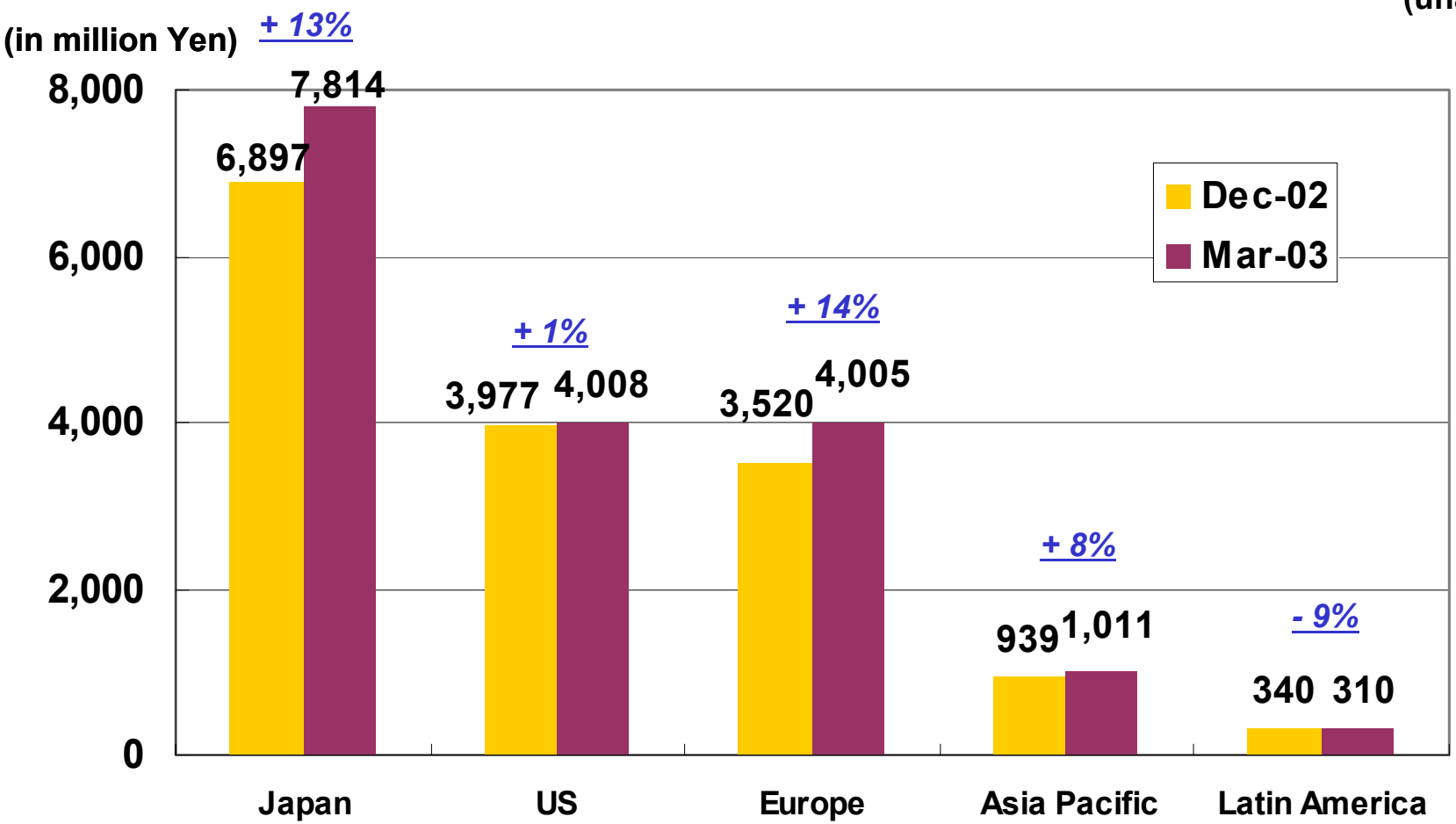
(In accordance with US GAAP)

Deferred Revenue by Region

(unaudited)



(In accordance with US GAAP)

Balance Sheet

(unaudited)
(in million Yen)

	Mar-2003	change	Dec-2002
Assets			
Cash & cash equivalents	49,805	+ 1,975	47,830
Account receivable *(less allowance for bad debts and sales returns)*	9,618	- 1,707	11,325
Marketable securities & Securities investments	3,814	+ 376	3,438
Liabilities			
Deferred revenue	17,148	+ 1,475	15,673
Long term debt (bond)	11,500	0	11,500
Income tax payable	1,859	- 2,230	4,089
Shareholders' Equity			
Treasury Stock	- 2,823	- 501	- 2,322

(In accordance with US GAAP)

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Projection for 2Q

(in million Yen)

	For 2Q Apr - Jun, 2003
Net Sales	**11,500**
Expected YoY growth	***+ 7%***
Operating Income	**2,900**
Net Income	**1,650**

- ***Estimated exchange rate*** ***1USD = 120 yen***
  1EUR = 130 yen
- ***IT investment prospects still unclear***
- ***Investment in channel development and training to be increased due to new type of products being deployed***

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Thank you!

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