

TREND MICRO INC  
Form 6-K  
February 23, 2007  
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# U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 333-10486

For the Month of February 2007

## Trend Micro Incorporated

(Translation of registrant's name into English)

Shinjuku MAYNDS Tower, 1-1, Yoyogi 2-chome,

Shibuya-ku, Tokyo 151-0053, Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-



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Information furnished on this form:

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1. Press Release dated February 21, 2007, relating to the announcement of earnings results for the fourth quarter and consolidated revenue for fiscal year 2006 ended December 31, 2006.

2. Press Release dated February 21, 2007, relating to the announcement of earnings results for fiscal year ended December 31, 2006.

3. Press Release dated February 21, 2007, relating to the announcement of year-end cash dividends per share.

4. Press Release dated February 21, 2007, relating to the announcement of remuneration, etc. in the form of stock options of directors.

5. Press Release dated February 21, 2007, relating to the announcement of amendment of the part of the Articles of Incorporation.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TREND MICRO INCORPORATED

Date: February 23, 2007

By: /s/ MAHENDRA NEGI

Mahendra Negi

*Representative Director, Chief Operating Officer,*

*Chief Financial Officer and Executive Vice President*

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### **Trend Micro Reports Results for 2006**

*Revenues up 17 percent annually, driven by strong sales in the small and mid-sized business market and overall US growth*

**Tokyo, Japan February 21, 2007** Trend Micro Incorporated (TSE: 4704, NASDAQ: TMIC), a leader in network antivirus and Internet content security software and services, today announced earnings results for the fourth quarter and consolidated revenue for fiscal year 2006 ended December 31, 2006.

For the fourth quarter, Trend Micro posted a record 23.386 billion Yen (\$198.524 million, 117.80JPY=1USD) in net sales, representing 14 percent growth in Yen year-over-year and 11 percent growth over the third quarter in Yen. Operating income for the quarter was 6.705 billion Yen (\$56.921 million) and net income was 5.030 billion Yen (\$42.697 million).

For 2006, Trend Micro posted record consolidated net sales of 85.614 billion Yen (or U.S. \$726.771 million), representing an annual growth rate of 17 percent. The company also reported operating income of 27.076 billion Yen (or U.S. \$229.845 million) and net income of 17.236 billion Yen (or US \$146.317 million). Revenues from products and services sold to enterprise, mid-sized, and small business customers worldwide comprised 76 percent of 2006 revenues; revenue from consumer products comprised the remaining 24 percent.

Trend Micro continued to experience double digit growth worldwide, most notably in North America where sales grew 25 percent annually while Europe saw a growth of 15 percent year on year. In the Japan and Asia-Pacific regions, annual sales increased 13 and 16 percent, respectively.

2006 was a healthy year for our company, annual growth remained in double digits and our steadfast focus on delivering new products and services designed specifically to meet the needs of our different-sized customers helped fuel development, said Eva Chen, CEO of Trend Micro.

In the past year, we delivered a number of new security solutions which prevent malicious content and attacks. During 2007, we will continue this momentum by focusing on protection against web-based threats that can result in data leakage and information theft. This approach is helping us to build a strong foundation to position us for the next stage of growth and our continued leadership.

Based on information currently available to the company, consolidated net sales for the first quarter ending March 31, 2007, is expected to be 23.000 billion Yen (or U.S. \$194.915 million, based on an exchange rate of 118JPY = 1USD). Operating income and net income are expected to be 5.500 billion Yen (or U.S. \$46.610 million) and 2.850 billion Yen (or U.S. \$24.153 million), respectively.

Growth rate figures are calculated from Japanese Yen results. Some discrepancy may therefore be noted in US Dollar comparisons owing to fluctuations in currency conversion rates.

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### **2006 Business Highlights**

#### **Awards and Recognition**

##### *Corporate*

- \* Trend Micro was listed on the Dow Jones Sustainability Index for the third consecutive year.
- \* Trend Micro placed second in the Ziff Davis CIO Insight 2006 Vendor Value Study, ahead of all other security vendors. The study conducted among top IT managers and CIO's ranked 40 of the most important information technology vendors by value, reliability and loyalty. Additionally, Trend Micro was the top-scoring Mid-Market vendor.
- \* Dave Rand, CTO for Trend Micro Internet Content Security, addressed the Messaging Anti-Abuse Working Group General Meeting in June 2006, where he presented validation that botnets are now the primary source of spam.
- \* In August, Trend Micro was recognized as number 9 on the Cape Horn Strategies' 2006 Software Industry Sustained Success Honor Roll having achieved 9 consecutive years of profitable growth.
- \* In November 2006, Trend Micro received the Taiwan International Achievement award at the Fourth Taiwan Business Awards.
- \* Independent research firm, Forrester Research acknowledged Trend Micro as a Leader in Enterprise Anti-Spyware in their report "The Forrester Wave: Enterprise Antispyware, Q1 2006".
- \* In August 2006, U.S. based solution-provider readers of CMP Technology's VARBusiness magazine recognized Trend Micro in the Annual Report Card (ARC) award program, for the outstanding satisfaction levels it provides. Trend Micro received the Product Innovation award, for the third consecutive year, and the Loyalty award in the Security Management Software category from the biweekly magazine that provides strategic insight to technology integrators.

##### *Products*

In March 2006, Trend Micro was named as CRN Channel Champion in both Client Security Software and Network Security Software Categories by the US edition of CRN Magazine.

Trend Micro Internet Security and Trend Micro AntiVirus plus AntiSpyware were awarded the Certified for Windows Vista Logo.

TechTarget's SearchComputingMagazine.com named Trend Micro Mobile Security among its "Products of the Year" in January 2006.

In early January, TechData's TechSelect Channel Community awarded Trend Micro's SMB Solutions "Best Solution."

During the fourth quarter, the Network VirusWall Enforcer underwent extensive comparative testing in the Infoworld magazine labs and came away with the top score. The reviewer noted that the step-by-step policy configuration was simple to create thanks to the wizardlike interface.

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### **Products and Innovation**

New products Trend Micro introduced during 2006, included the following:

\* Consumer:

Trend Micro Internet Security, incorporates Trend Micro's well-known PC-cillin engine and anti-malware protection along with a host of new features addressing rootkits, spyware, phishing, spam, hackers, viruses, WiFi attacks, smartphone threats and the growing number of identity-theft threats. In addition, the Trend Micro Internet Security subscription includes TrendSecure, Trend Micro's new online security services.

\* Small and Mid-sized Businesses.

InterScan Gateway Security Appliance is designed for mid-sized organizations looking for an easy to install, easy to maintain content security solution. While protecting corporate and personal data, the appliance supports employee productivity and it includes an anti-bot functionality to help prevent internal PCs from becoming zombies.

Trend Micro Email Security Services were developed specifically with the small and medium businesses (SMB) in mind. This service protects their network and infrastructure by stopping threats before they reach the customer's gateway.

\* Enterprise:

InterScan Web Security Appliance is a new gateway-based hardware solution with unique capabilities designed to provide enterprise organizations with comprehensive front-line protection against malware and content security threats including spyware.

Network VirusWall Enforcer, is a second-generation enterprise-class Network Access Control (NAC) appliance that ensures that all devices managed or unmanaged, local or remote comply with security policies before they're granted access to corporate networks.

InterScan Messaging Security Appliance is a comprehensive solution for enterprises to address email-based threats including spam, phishing, bots, spyware, and viruses, as well as content compliance.

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### **Patents**

In 2006, Trend Micro was awarded the following patents:

U.S. Patent No. 7,099,853, entitled *Configurable Hierarchical Content Filtering System* covers a content filtering scanning method that distributes the scanning of incoming data against a knowledge base to more than one computer. This technology advantageously allows a complete pattern file to be segmented, with different computers scanning incoming data using different segments of the pattern file.

U.S. Patent No. 7,062,553, entitled *Virus Epidemic Damage Control System and Method for Network Environment* covers a method of early virus detection by analyzing whether identical sections of files have been modified over a certain time interval. According to a specific example of the patented technology, a network system finds all files having been modified within a predetermined time interval and analyzes the modifications. If the modified sections of the modified files are identical or similar, the network is alerted of a possible virus outbreak, allowing early containment and quarantine.

### **Business Highlights**

\* New customers in the fourth quarter included: Nova Information Systems in the United States and Eastern Norway Regional Health Authority, Statoil ASA and ISC Central (Dutch Police Force) in EMEA

### **Notice Regarding Forward-looking Statements**

Certain statements that we make in this release 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 antivirus software industry
- \* Changes in customer needs for antivirus software
- \* Existing products and new product introductions by our competitors and the pricing of those products
- \* Declining prices for 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. For more details regarding risk factors relating to our future performance, please refer to our filings with the U.S. Securities and Exchange Commission.



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**About Trend Micro, Inc.**

Trend Micro, Inc. is a leader in network antivirus and Internet content security software and services. The Tokyo-based corporation has business units worldwide. Trend Micro products are sold through corporate and value-added resellers and managed service providers. For additional information and evaluation copies of all Trend Micro products, visit our Web site, [www.trendmicro.com](http://www.trendmicro.com).

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**Table of Contents**Supplementary Information**(1) CONSOLIDATED BALANCE SHEETS**

Account	December 31,		(Thousands of yen) December 31,	
	2005 Amount	%	2006 Amount	%
<Assets>				
Current assets:				
Cash and cash equivalents	59,612,577		76,196,954	
Time deposits	1,435,293		514,293	
Marketable securities	22,395,365		25,958,661	
Notes and accounts receivable, trade				
less allowance for doubtful accounts				
(Yen) 282,257 in FY2005 and				
(Yen) 514,223 in FY2006, respectively				
less sales returns				
(Yen) 422,453 in FY2005 and				
(Yen) 208,275 in FY2006, respectively	19,198,870		19,923,830	
Inventories	359,897		685,952	
Deferred income taxes	6,727,229		9,438,457	
Prepaid expenses and other current assets	1,925,791		3,708,789	
Total current assets	111,655,022	84.0	136,426,936	81.6
Investments and other assets:				
Securities investments	11,159,428		15,681,524	
Investment in and advances to affiliated companies	321,569		254,308	
Software development costs	1,174,691		1,167,079	
Other intangibles	1,390,434		2,088,618	
Goodwill	2,130,179		2,982,963	
Deferred income taxes	2,033,488		4,370,672	
Other	671,800		792,871	
Total investments and other assets	18,881,589	14.2	27,338,035	16.3
Property and equipment:				
Office furniture and equipment	4,468,891		6,542,245	
Other properties	1,539,195		2,249,875	
	6,008,086		8,792,120	
Less: Accumulated depreciation	(3,609,473)		(5,292,452)	
Total property and equipment	2,398,613	1.8	3,499,668	2.1
Total assets	132,935,224	100.0	167,264,639	100.0

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Account	December 31,		(Thousands of yen) December 31,	
	2005 Amount	%	2006 Amount	%
<Liabilities, minority interest and shareholders' equity>				
Current liabilities:				
Notes payable, trade	118,572		143,637	
Accounts payable, trade	794,450		1,428,202	
Accounts payable, other	3,208,625		3,753,566	
Withholding income taxes	1,082,302		1,465,451	
Accrued expenses	3,138,674		4,023,464	
Accrued income and other taxes	5,476,791		10,100,431	
Deferred revenue	31,506,315		45,093,703	
Other	895,088		961,342	
Total current liabilities	46,220,817	34.8	66,969,796	40.1
Long-term liabilities:				
Deferred revenue	3,874,936		7,681,730	
Accrued pension and severance costs	889,774		1,149,219	
Other	82,056		261,214	
Total long-term liabilities	4,846,766	3.6	9,092,163	5.4
Minority interest	4,531	0.0	6,632	0.0
Shareholders' equity:				
Common stock				
Authorized				
-December 31, 2005 250,000,000 shares (no par value)				
-December 31, 2006 250,000,000 shares (no par value)				
Issued				
-December 31, 2005 136,603,725 shares	12,484,849			
-December 31, 2006 137,344,504 shares			13,479,076	
Additional paid-in capital	18,572,063		24,755,879	
Retained earnings	55,971,955		63,386,138	
Accumulated other comprehensive income				
Net unrealized gain (loss) on debt and equity securities	657,885		1,012,828	
Cumulative translation adjustments	1,459,600		2,910,707	
Unrecognized pension liabilities			(181,855)	
	2,117,485		3,741,680	
Treasury stock, at cost				
-December 31, 2005 2,513,231 shares	(7,283,242)			
-December 31, 2006 4,509,612 shares			(14,166,725)	
Total shareholders' equity	81,863,110	61.6	91,196,048	54.5
Total liabilities, minority interest and shareholders' equity	132,935,224	100.0	167,264,639	100.0

**Table of Contents****(2) CONSOLIDATED STATEMENTS OF INCOME**

Account	(Thousands of yen)				
	For the year ended December 31, 2005		For the year ended December 31, 2006		Increase (Decrease)
	Amount	%	Amount	%	%
Net sales	73,029,901	100.0	85,613,662	100.0	17.2
Cost of sales:					
Amortization of capitalized software, and Material	2,598,603		4,138,033		
Maintenance	1,671,320		3,259,764		
Customer Support	6,857,901		8,496,171		
Total Cost of sales	11,127,824	15.2	15,893,968	18.6	42.8
Operating Expense:					
Selling	20,944,484		27,216,279		
Research and development	4,395,207		4,719,313		
General and administrative	8,990,611		10,708,306		
Total operating expenses	34,330,302	47.0	42,643,898	49.8	24.2
Operating income	27,571,775	37.8	27,075,796	31.6	(1.8)
Other incomes (expenses):					
Interest income and dividend received	836,910		1,775,896		
Interest expense	(3,709)		(19,638)		
Gain (loss) on sales of marketable securities	370,326		464,055		
Foreign exchange gain (loss), net	327,257		(37,955)		
Other income (expense), net	5,741		297,686		
Total other income (expense)	1,536,525	2.1	2,480,044	2.9	61.4
Net income before tax	29,108,300	39.9	29,555,840	34.5	1.5
Income taxes:					
Current	11,863,127		16,012,347		
Deferred	(1,358,568)		(3,644,302)		
	10,504,559	14.4	12,368,045	14.4	17.7