

Edgar Filing: TREND MICRO INC - Form 6-K

TREND MICRO INC
Form 6-K
June 27, 2002

FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

Commission File Number: 333-10486

For the Month of June 2002

Trend Micro Incorporated
(Translation of registrant's name into English)

Odakyu Southern Tower, 10th Floor, 2-1, Yoyogi 2-chome,
Sibuya-ku, Tokyo 151-8583, 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 whether the registrant by furnishing the information contained in this Form 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-

Information furnished on this form:

Table of Contents

1. Press release of June 26, 2002 announcing U.S. GAAP financial information for the fiscal year ended December 31, 2001.

Edgar Filing: TREND MICRO INC - Form 6-K

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: June 26, 2002

By: /s/ Mahendra Negi

 Mahendra Negi
 Representative Director;
 Chief Financial Officer
 and Executive Vice
 President

Press Release

Attachment 1

TREND MICRO ANNOUNCED ITS U.S. GAAP FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

Tokyo, Japan - June 26, 2002 - Trend Micro Incorporated (Nasdaq: TMIC, Tokyo Stock Exchange: 4704), a worldwide leader in network antivirus and Internet content security solutions, today announced its U.S. GAAP financial information for the fiscal year ended December 31, 2001.

1. Financial Highlights for FY 2001 (January 1, 2001 through December 31, 2001)
 * The amounts shown in U.S. dollars are for convenience only, exchanged by rate: 1US\$=132JPY
 (1) Consolidated Results of Operations

	Net sales		Compared to the previous year	Operating income		Compared to the previous year	taxe
	Millions of yen	Millions of US\$	%	Millions of yen	Millions of US\$	%	Mil
FY2001	31,326	237.32	56.1	7,516	56.94	36.0	
FY2000	20,070	152.05	47.2	5,527	41.87	40.6	

	Net Income	Compared to the previous year	Net income per share (basic)	Net income per share (diluted)	Return on shareholders' equity

Edgar Filing: TREND MICRO INC - Form 6-K

	Millions of yen	Millions of US\$	%	Yen	US\$	Yen	US\$	%
FY2001	4,386	33.23	19.4	33.33	0.25	33.02	0.25	15.9
FY2000	3,675	27.84	71.1	28.18	0.21	27.53	0.21	17.6

- (Note)
- 1) Loss on investment in affiliated companies:
 - 130 millions of yen (FY2001)
 - 88 millions of yen (FY2000)
 - 2) Number of weighted average shares outstanding:
 - 131,594,913 shares (FY2001)
 - 130,388,962 shares (FY2000)
 - 3) The company made no accounting changes in accounting principle, which had material effects on the financial position and results of operations, during the period.
 - 4) The percentage of sales, operating income, net income before tax and net income are in comparison to the previous year.

(2) Consolidated Financial Position

	Total assets		Shareholders' equity		Shareholders' equity ratio
	Millions of yen	Millions of US\$	Millions of yen	Millions of US\$	%
FY 2001	64,729	490.37	30,766	233.08	47.5
FY 2000	44,574	337.69	24,344	184.43	54.6

- (Note) Number of shares issued at the end of fiscal year:
 - 132,043,182 shares (FY2001)
 - 131,120,842 shares (FY2000)

(3) Consolidated Cash Flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities	
	Millions of yen	Millions of US\$	Millions of yen	Millions of US\$	Millions of yen	Million US\$
FY 2001	12,240	92.73	-2,918	-22.11	5,784	43.8
FY 2000	6,086	46.10	-4,141	-31.37	6,496	49.2

- (4) Basis of consolidation and application of equity method:
- | | |
|--|----|
| The number of consolidated subsidiaries..... | 18 |
| The number of unconsolidated subsidiaries..... | - |
| The number of affiliated companies..... | 4 |
- (5) Change in the basis of consolidation and application of equity method:
- | | |
|---|---|
| The number of additional consolidated subsidiaries..... | 2 |
| The number of excluded consolidated subsidiaries..... | - |
| The number of additional consolidated affiliated companies..... | 1 |

Edgar Filing: TREND MICRO INC - Form 6-K

The number of excluded consolidated affiliated companies..... -

Previously, on February 6, 2002, Trend Micro announced its Japanese GAAP financial information for the same period. Significant differences between Japanese GAAP and U.S. GAAP applicable to Trend Micro are summarized below.

Goodwill write-off (2,000 million yen), which was recorded as other expenses under Japanese GAAP, was recorded as operating expenses under U.S. GAAP for the fiscal year ended December 31, 2001.

From the fiscal year ended December 31, 2001, Trend Micro and Trend Micro Incorporated (Taiwan) have adopted the deferred revenue accounting for their Post-contract Customer Support service for its Japanese GAAP financial reporting purposes. The cumulative effect of adopting the deferred revenue accounting of 3,009 million yen was recorded as extraordinary loss under Japanese GAAP for the fiscal year ended December 31, 2001. For its U.S. GAAP reporting purposes, Trend Micro and Trend Micro Incorporated (Taiwan) have historically adopted the deferred revenue accounting for their Post-contract Customer Support service on a consistent basis.

TREND MICRO INCORPORATED AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	Thousa ----- Dece 2000 -----
ASSETS	
Current assets:	
Cash and cash equivalents	(Yen) 24,435,503
Time deposits	-
Marketable securities	1,893,475
Notes and accounts receivable, trade - less allowance for doubtful accounts and sales returns of (Yen) 646,566 and (Yen) 850,376 (\$6,442).	8,133,700
Inventories	318,188
Deferred income taxes	2,687,913
Prepaid expenses and other current assets	607,142
Total current assets	38,075,921
Investments and other assets:	
Securities investments	1,335,849
Investment in and advances to affiliate company	182,473
Goodwill and intangibles	2,740,827
Deferred income taxes	446,004
Other	570,742

Edgar Filing: TREND MICRO INC - Form 6-K

	5,275,895

Property and equipment:	
Office furniture and equipment	1,536,444
Other properties	443,102

	1,979,546
Less: Accumulated depreciation	(756,898)

	1,222,648

	(Yen) 44,574,464
	=====

TREND MICRO INCORPORATED
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	Thousa

	Dece
	2000

LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Current portion of long-term debt	(Yen) 57,200
Notes payable, trade	132,499
Accounts payable, trade	796,782
Accounts payable, other	517,247
Withholding income taxes	120,994
Accrued expenses	615,850
Accrued income and other taxes	2,014,589
Deferred revenue	5,043,425
Other	415,372

Total current liabilities	9,713,958

Long-term liabilities:	
Long term debt	9,799,900
Deferred revenue	548,225
Accrued pension and severance costs	168,032
Other	-

	10,516,157

Shareholders' equity:	

Edgar Filing: TREND MICRO INC - Form 6-K

Common stock	
Authorized	
- 2000 250,000,000 shares ((Yen)50 par value)	
- 2001 250,000,000 shares	
Issued and outstanding	
- 2000 131,120,842 shares	6,183,266
- 2001 132,052,284 shares	
Additional paid-in capital	11,631,591
Legal reserve	149,991
Retained earnings	6,745,769
Accumulated other comprehensive income -	
Net unrealized gain (loss) on debt and equity securities	(168,277)
Cumulative translation adjustments	(169,616)

	(337,893)

Treasury stock, at cost (2000 - 5,262 shares; 2001	
-9,102 shares)	(28,375)

	24,344,349

Commitments and contingent liabilities	-
Total liabilities and shareholders' equity	(Yen) 44,574,464
	=====

TREND MICRO INCORPORATED
AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Thousands of yen	
	1999	For the year ended December 31 2000
	-----	-----
Net sales	(Yen) 13,633,170	(Yen) 20,070,366
Cost of sales	481,574	1,474,689
	-----	-----
Gross profit	13,151,596	18,595,677
	-----	-----
Operating expenses:		
Selling	3,453,296	5,445,167
Research and development	994,340	2,043,480
General and administrative	4,772,038	5,303,661
Goodwill amortization	-	276,286

Edgar Filing: TREND MICRO INC - Form 6-K

Goodwill write-off	-	-
	-----	-----
	9,219,674	13,068,594
	-----	-----
Operating income	3,931,922	5,527,083
	-----	-----
Other income (expenses):		
Interest income	148,487	241,133
Interest expense	(66,526)	(220,960)
Gain on sales of marketable securities	280,532	119,650
Foreign exchange gain (loss), net	(174,921)	283,305
Other income (expense), net	(120,298)	941,500
	-----	-----
	67,274	1,364,628
	-----	-----
Income before income taxes, minority interest and equity in loss of affiliated companies	3,999,196	6,891,711
	-----	-----
Income taxes:		
Current	2,538,455	4,701,426
Deferred	(688,988)	(1,578,889)
	-----	-----
	1,849,467	3,122,537
	-----	-----
Income before minority interest and equity in losses of affiliated companies	2,149,729	3,769,174
	-----	-----
Minority interest in income of a consolidated subsidiary	-	6,845
	-----	-----
Income from consolidated companies	2,149,729	3,762,329
Equity in losses of affiliated companies	2,356	87,672
	-----	-----
Net income	(Yen) 2,147,373	(Yen) 3,674,657
	=====	=====
	Yen	Yen
	-----	-----
Per share data:		
Net income - basic	(Yen) 16.90	(Yen) 28.18
- diluted	16.42	27.53
Cash dividends	1.67	-

TREND MICRO INCORPORATED

Edgar Filing: TREND MICRO INC - Form 6-K

AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Thousands of yen	
	1999	For the year ended December 31 2000
Cash flows from operating activities:		
Net income	(Yen) 2,147,373	(Yen) 3,674,657
Adjustments to reconcile net income to net cash provided by operating activities -		
Amortization of deferred compensation related to stock warrants	379,803	101,528
Depreciation and amortization	428,238	1,014,281
Pension and severance costs, less payments	58,579	40,361
Deferred income taxes	(688,988)	(1,578,889)
Gain on sales of marketable securities	(280,532)	(119,650)
Equity in losses of affiliated companies	2,356	87,672
Changes in assets and liabilities:		
Increase in deferred revenue	1,123,053	2,975,760
Increase in accounts receivable, net of allowances	(1,945,194)	(1,849,641)
(Increase) decrease in inventories	(541)	(234,841)
Increase in notes and accounts payable trade	377,869	51,234
Increase in accrued income and other taxes	273,696	1,141,049
(Increase) decrease in other current assets	(370,227)	425,223
Increase (decrease) in accounts payable, other	(42,540)	(133,267)
Increase in other current liabilities	-	62,997
Decrease (increase) in other assets	23,729	268,804
Other	1,192	158,555
	1,487,866	6,085,833
Cash flows from investing activities:		
Payments for purchases of fixed assets	(620,218)	(876,964)
Payments for acquisitions of software	(185,455)	(488,577)
Proceeds from sales of marketable securities	2,388,480	239,486
Proceeds from maturities of marketable securities	1,101,846	100,000
Payments for purchases of marketable securities and security investments	(5,264,042)	(407,012)
Acquisition, net of cash acquired	-	(2,508,248)
Investments in affiliated companies	(72,500)	(200,000)
Payments for time deposit	-	-
Other	92	-
	-	-
Net cash used in investing activities	(Yen) (2,651,797)	(Yen) (4,141,315)

TREND MICRO INCORPORATED
AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Thousands of yen	
		For the year ended December 31
	1999	2000
Cash flows from financing activities:		
Issuance of common stock pursuant to exercise of stock warrants	671,292	1,527,019
Tax benefit from exercise of non-qualified stock warrants	1,048,435	1,702,289
Proceeds from issuance of bonds	6,000,000	5,000,000
Purchase of treasury bonds	-	-
Redemption of bonds	-	(1,300,000)
Decrease in short-term borrowings	-	(226,000)
Decrease in long-term borrowings	-	(127,685)
Purchase of/proceeds from sales of treasury stock, net	(70,600)	(78,617)
Dividends paid	(208,337)	-
Other	141,415	(1,426)
	7,582,205	6,495,580
Effect of exchange rate changes on cash and cash equivalents	(165,870)	346,524
	6,252,404	8,786,622
Cash and cash equivalents at beginning of year	9,396,477	15,648,881
	(Yen) 15,648,881	(Yen) 24,435,503
Cash and cash equivalents at end of year	(Yen) 15,648,881	(Yen) 24,435,503

Notes:

- (1) Balance sheet and income statement of fiscal year 2000 and the related numbers are retroactively restated by the effect of stock split on March 31, 2001(1:2 stock split).
- (2) US dollar amounts in the financial statements are calculated by the approximate exchange rate as of December 28, 2001 (JPY132.00=U.S.\$1) and are for reference only.

Edgar Filing: TREND MICRO INC - Form 6-K

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 its North American headquarters in Cupertino, CA and business units worldwide. Trend Micro products are sold directly, and are also available through corporate resellers and value-added resellers. For additional information and evaluation copies of all Trend Micro products, visit www.trendmicro.com or call (800) 228-5651 in North America.

FOR ADDITIONAL INFORMATION:

Mr. Mahendra Negi
Chief Financial Officer/IR Officer
phone: +81-3-5334-4899
fax: +81-3-5334-4874
ir@trendmicro.co.jp