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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
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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.

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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: 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 |
|--|------------|-------------------------------|------------------------------|--------------------------------|--------------------------------|
| | | | | | |

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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 |
| | ----- |

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| | |
|--------------------------------------|------------------|
| | 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: | |

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| | |
|--|------------------|
| 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 |

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| | | |
|---|-----------------|-----------------|
| 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

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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) |
| | | |
| Net cash provided by financing activities | 7,582,205 | 6,495,580 |
| | | |
| Effect of exchange rate changes on cash and cash equivalents | (165,870) | 346,524 |
| | | |
| Net increase in cash and cash equivalents | 6,252,404 | 8,786,622 |
| Cash and cash equivalents at beginning of year | 9,396,477 | 15,648,881 |
| | | |
| 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.

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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 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.

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