I will first explain the highlights of the results for the 1st quarter of the fiscal year ending March 2013, then explain its details. Next I will update the structural reform plan, followed by the overall summary.

1. HIGHLIGHTS
This is the summary of the 1st quarter results. Revenue was ¥506.6 billion, operating profit was ¥1.8 billion, and net loss was ¥6.5 billion. As we did in the last 4th quarter, we were able to achieve the operating profit in the 1st quarter despite the strong yen. We made a good start toward delivering the full year profit target.
The global retail was up 7% year-over-year to 300,000 units owing to the good sales of the new CX-5 in key markets. The new CX-5 won high reputation and achieved 47,000 units sales, significantly exceeding our initial target. The model has earned the best residual value ranking in the segment in the US and key European countries, contributing to the brand value improvement.
The sales performance continues to be successful mainly in ASEAN regions. In Thailand, Indonesia, and Malaysia we achieved the record-high sales. In Australia, we achieved record-high sales volume and share.

Yen appreciation is further progressing mainly against Euro. To counteract the external environment deterioration such as strong yen, we are implementing various initiatives from the second quarter.
In sales area, we will maintain the momentum of the new CX-5 that enjoys brisk sales globally and prepare for the next-generation Mazda6 introduction by leveraging SKYACTIV product attractiveness.
With fully SKYACTIV incorporated new CX-5 and next-generation Mazda6 that can generate profit even in the strong yen environment, we will try and achieve significant profit improvement.
In cost area, we will pursue further improvement opportunities in variable and fixed costs.
We will also accelerate actions of Structural Reform Plan we announced in February. I will later explain the details of progress we have made with the plan.
We will carry out these measures and under a prospect of continuous uncertainty, we keep our first half and full year forecast unchanged.

2. **FISCAL YEAR END MARCH 2013 FIRST QUARTER RESULTS**

The 1st quarter consolidated revenue was ¥506.6 billion, up 24% Year-over-Year due to the wholesale increase. The consolidated operating profit of this 1st quarter was ¥1.8 billion. The result was ¥24.9 billion better than the same period of the prior year. I will explain the factors later, but main contributor was volume and mix improvement owing to the CX-5 launch.
Non-operating items include valuation loss of foreign-currency-denominated receivables due to the yen advancement. As a result, the ordinary loss was ¥8.9 billion. Also because of the realization of tax effect by fixed asset sale and others, net loss was ¥6.5 billion.

Global sales volume was up 7% year-over-year to 300,000 units due to the effect of the new CX-5 launch in key markets.
In key markets such as Japan, the US, Australia, and ASEAN, the sales continued to be good and achieved better results than the prior year.
The exchange rate on average was ¥80 to the dollar and ¥103 to the Euro and the yen was up by ¥2 to the dollar and ¥14 to the Euro from the prior year.

Now let me explain the sales results by market.
In Japan, sales in the 1st quarter were 51,000 units. A significant increase of 44% year on year was achieved thanks to strong sales of the CX-5 that already received more than double the original annual planned sales volume, SKYACTIV equipped Demio and Axela as well as demand increase assisted by the government subsidy. In the CX-5 sales, diesel engine model accounts for about 80% in total order intake and about 70% in total registration, exceeding our forecast. The number of CX-5 units we have sold already exceeds twice the total clean diesel passenger cars sold in Japan last year, creating a new market.

Sales in North America were 90,000 units, up 4% year on year. The new CX-5 and Mazda3 SKYACTIV model largely contributed to the increase.
In the US, the sales increased 7% year on year to 62,000 units. We have been implementing actions to hold down incentives mainly with the Mazda3 SKYACTIV and the CX-5 to maintain high residual value and continuously improve the brand value.
In Europe, sales were 44,000 units, about the same level as last year, amid recurring financial crisis. The CX-5 sales are strong with total European backorder of approximately 20,000 units and customers continue to wait for the delivery. The model has received high reputation as evident in its top residual value ranking in the segment in major European countries. In Russia, we sold 12,000 units, up 45% year on year, thanks to demand increase and launch of the CX-5.

In China, sales were down 12% from the prior year to 46,000 units due to intensified competition such as discount by competitors. On the other hand, Mazda3 sales expanded to attain year on year increase thanks to the effect of new Mazda3 that started production at Nanjing Plant from last year. We are steadily enhancing our sales network and increased the number of outlets to 382, up 11 outlets from the end of March this year.

In other markets, sales were up 10% from the prior year to 69,000 units. Sales remained strong in Australia and ASEAN countries. In Australia, we marked the record high sales volume and share. Sales volume was 26,000 units, up 23% year on year thanks to brisk sales of the CX-5 and the new BT-50. In ASEAN markets, sales increased 41% from the prior year to 21,000 units. We achieved the highest ever sales volume in Thailand where we enjoy strong sales of the Mazda2 and the new BT-50, as well as in Indonesia and Malaysia.

Now I would like to explain key factors behind 24.9 billion yen year-over-year improvement of the consolidated operating profit. The volume and mix improved 24.2 billion yen. This substantial improvement was due to wholesale volume increase as a turnaround from last year’s earthquake impact, mix improvement through CX-5 launch and incentive reduction mainly with SKYACTIV equipped models. Due to yen appreciation against major currencies, the exchange impact was 0.9 billion yen for the US dollars, 2.9 billion yen for the Euro and 4.1 billion yen for other currencies, totaling negative 7.9 billion yen. Variable cost improved 9.3 billion yen through expansion of VA and VE. Marketing expenses increased 4.3 billion yen mainly due to advertisement enhancement for the new CX-5 global launch. Other fixed cost improved 3.6 billion yen.

3. UPDATE OF STRUCTURAL REFORM PLAN
We announced Structural Reform Plan in February this year and have steadily implemented various initiatives since then. I would like to take you through the progress of the plan. The first pillar is business innovation through SKYACTIV. The new CX-5 contributes to dramatic improvement of product attractiveness with SKYACTIV Technology and KODO design.

We are attaining desired outcome such as innovation of sales method with limited incentives by fully leveraging the product strength and cost improvement through Monotsukuri innovation.

We will accelerate our preparation activities for launch of the new Mazda6 with which we can expect similar improvement. The new Mazda6 is planned to be launched in major markets starting from the second half of this fiscal year.

With CX-5 sales increase and next-generation Mazda6 launch into key markets, ratio of SKYACTIV equipped models in total sales this fiscal year is forecasted to be 30%.

We are also accelerating further cost improvement actions through Monotsukuri Innovation. We achieved 70% cost improvement in SKYACTIV gasoline and diesel engine production facility investment, 10 points better than the original target of 60%.

In the areas of reinforcement of business in emerging markets and establishment of global production footprint, we have been strengthening our activities in ASEAN region. As announced recently, we started discussion with Bermaz regarding the establishment of a joint venture production and sales company in Malaysia. On top of the Mazda3, we plan to begin local assembly of the new CX-5 from the first half of 2013 for Malaysian market under the new joint venture company.

At AAT, we increased the production capacity of pickup trucks in the first quarter. We have begun the study of further capacity increase including passenger cars.

We are on track and making good progress with the plans to start operation of the new plant in Mexico in the fourth quarter of FY ending March 2014 and also to start assembly in Russia this fall.

We are also making steady progress in fixed cost improvement. Following sales network restructuring and subsidiary efficiency improvement in Germany last year, we implemented actions for efficiency improvement at our subsidiary in the US in the first quarter this fiscal year.

Sales of fixed assets were completed in the first quarter. The sale of 70% of shares of Toyo Advanced Technologies Co., Ltd. was completed on July 20th and the gain on the sale will be booked in the second quarter.

We are also accelerating promotion of global alliances. Since the announcement of Structural Reform Plan in February, we signed an agreement with Sollers to establish a joint
venture manufacturing company in Russia and we agreed with Fiat in the first quarter to start discussion on the development and manufacturing of a new roadster. With all these initiatives we have been implementing, we are making steady progress with the Structural Reform Plan.

4. SUMMARY
The 1st quarter result was positive in operating profit following the 4th quarter of the last year despite the strong yen. Owing to the good sales of the new CX-5, which is well received globally, we achieved 7% year-over-year growth of the global sales to 300,000 units. In Thailand, Indonesia, and Malaysia, we achieved the record sales and ASEAN sales continue to be strong. In Australia as well, we achieved the record volume and share and we are maintaining a high level of sales. We think we made a good start in the 1st quarter toward the full-year profit target. We keep our first half and full year forecast unchanged.

5. WRAP-UP
Today we are facing deteriorating external environment such as uncertain demands in Europe, intensified competition in China, and continuing yen appreciation, but we will take actions against these factors. In sales, we will maintain the sales momentum of the new CX-5 and keep this for the next Mazda6. We will launch the next Mazda6 earlier than planned. The car will be introduced in Europe and Japan by the end of this year and to other key markets early next year. We will also pursue major improvement of the profit with the full-SKYACTIV model CX-5 and the next Mazda6. More specifically, while we increase global sales of the two models, we will secure adequate production volumes. As we are keeping our customers waiting for the new CX-5 globally, we will increase the production volume from the original 160,000 to 200,000 units in August, and to 240,000 units in March next year. Also, we will begin producing the next Mazda6 in August at Hofu Plant. At the same time, we will up-shift model mix by sales increase and market mix improvement of these two models. In the cost area, we will identify improvement opportunities in variable and fixed costs and implement the ideas. These efforts should offset deteriorations of the external environment. Also this fiscal year marks the beginning of the structural reform plan and we will accelerate our initiatives to deliver firm results. The external environment remains harsh, but we are delivering firm results by implementing the structural reform plan and we feel that the efforts are starting to pay off. We will continue to implement the structural reform plan relentlessly working together in Mazda Group, and I would appreciate your continued support.
This concludes my presentation. Thank you.

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