

Semi-Annual Securities Report

Second Quarter of the 75th Fiscal Year

(From April 1, 2022 to September 30, 2022)¹

Marudai Food Co., Ltd.

E00458

¹ This Semi-Annual Report has been translated from the Japanese original of the Quarterly Securities Report for the Second Quarter of the 75th Fiscal Year (from July 1, 2022 to September 30, 2022) pursuant to Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act. This Report covers aggregated numbers for the period April 1, 2022 through September 30, 2022.

1. This is an English translation of the Quarterly Securities Report (“Shihanki Hokokusho”) pursuant to Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act filed via the Electronic Disclosure for Investors’ Network (“EDINET”) system as set forth in Article 27-30-2 of the same Act. The translation includes a table of contents and pagination that are not included in the electronic filing.
2. Appended to the back of this document are the independent auditors’ review report that was attached to the Quarterly Securities Report when it was filed in the aforementioned manner, and the confirmation letter that was filed at the same time as the Quarterly Securities Report.

Contents

Page

Quarterly Securities Report for the Second Quarter of the 75th Fiscal Year

Cover Page.....	1
Part I Company Information.....	2
I. Overview of Company.....	2
1. Key financial data.....	2
2. Description of business.....	2
II. Overview of Business.....	3
1. Business risks.....	3
2. Management analysis of financial position, operating results and cash flows.....	3
3. Material contracts, etc.....	5
III. Information about Reporting Company.....	6
1. Company's shares, etc.....	6
2. Directors (and other officers).....	8
IV. Financial Information.....	9
1. Quarterly Consolidated Financial Statements.....	10
2. Other.....	22
Part II Information about Reporting Company's Guarantor, etc.....	23

Independent Auditors' Review Report on Quarterly Consolidated Financial Statements

Confirmation Letter

[Cover Page]

[Document Title]	Quarterly Securities Report
[Clause of Stipulation]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act
[Place of Filing]	Director-General, Kanto Local Finance Bureau
[Filing Date]	November 14, 2022
[Quarterly Accounting Period]	The second quarter of the 75th fiscal year (From July 1, 2022 to September 30, 2022)
[Company Name]	Marudai Shokuhin Kabushiki Kaisha
[Company Name in English]	Marudai Food Co., Ltd.
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[Telephone Number]	072-661-2518
[Name of Contact Person]	Nobuyoshi Katoh, Director, General Manager of Accounting Dept.
[Place for Public Inspection]	Tokyo Branch of Marudai Food Co., Ltd. (4-7-5 Tsukiji, Chuo-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I Company Information

I. Overview of Company

1. Key financial data

Fiscal period		First half of 74th fiscal year	First half of 75th fiscal year	74th fiscal year
Period of account		(From April 1, 2021 to September 30, 2021)	(From April 1, 2022 to September 30, 2022)	(From April 1, 2021 to March 31, 2022)
Net sales	(Millions of yen)	109,204 [55,520]	110,557 [56,074]	218,610
Ordinary profit (loss)	(Millions of yen)	356	(515)	(380)
Profit (loss) attributable to owners of parent	(Millions of yen)	98 [(80)]	(575) [(519)]	(376)
Comprehensive income	(Millions of yen)	(169)	(601)	(1,126)
Net assets	(Millions of yen)	76,448	73,851	75,489
Total assets	(Millions of yen)	132,622	132,132	128,903
Profit (loss) per share	(Yen)	3.88 [(3.16)]	(22.87) [(20.68)]	(14.88)
Diluted profit per share	(Yen)	—	—	—
Equity ratio	(%)	57.2	55.4	58.1
Net cash provided by (used in) operating activities	(Millions of yen)	4,716	1,136	7,030
Net cash provided by (used in) investing activities	(Millions of yen)	(2,475)	(2,928)	(5,688)
Net cash provided by (used in) financing activities	(Millions of yen)	(2,113)	1,184	(1,826)
Cash and cash equivalents at end of period	(Millions of yen)	8,604	7,383	7,990

(Notes) 1. As the Company has prepared quarterly consolidated financial statements, key financial data for the reporting company are not stated.

2. Diluted profit per share is not stated because there is no dilutive security.

3. Figures in square brackets for the net sales, profit (loss) attributable to owners of parent and profit (loss) per share are those for the second quarter (a three-month period) of the fiscal years.

2. Description of business

There were no significant changes in the description of the business conducted by the Group (the Company and its subsidiaries and associates) during the first half of the 75th fiscal year.

There were no changes in the key subsidiaries and associates of the Company.

II. Overview of Business

1. Business risks

With regard to the overview of business, financial information and other information stated in this quarterly securities report, during the first half of the current fiscal year, no events that may have a significant effect on investors' decision-making occurred and there were no significant changes in business risks described in the annual securities report for the previous fiscal year.

2. Management analysis of financial position, operating results and cash flows

The forward-looking statements included in the following descriptions are based on our judgment as of September 30, 2022.

(1) Financial position and operating results

During the first half ended September 30, 2022, the Japanese economy continued to slowly pick up, despite the prolonged impact of the COVID-19 pandemic, driven by the effect of the government's various policy packages in the transition to the new phase of the era with COVID-19 such as easing of related restrictions. However, the overall outlook for the economy remains unpredictable mainly because of increase in costs of, as well as tight supply of, raw materials and energy and the fluctuations in financial and capital markets amid concerns over the downside risk of the Japanese economy prompted by the economic downturn elsewhere as monetary policies continue to be tightened globally.

The industry in which the Marudai Food Group operates continued to face severe conditions, despite the sign of recovery in demand for the restaurant industry as a result of the easing of COVID-19-related restrictions, as consumers further tried to save money due to inflation and decrease in real wages while the manufacturing costs such as raw materials and energy increased, accelerated by the rapid depreciation of the yen. Regarding the meat market, domestic beef prices had been lower than the level of the previous year in which demand for domestic beef was recovered. However, the prices are currently at the same level as the previous year. The local prices of beef and pork from the U.S. have been lower than the previous year's level due to decrease in demand prompted by inflation but their imported prices have trended high due mainly to the impact of foreign exchange rates. Domestic pork prices have been higher than the previous year's level as demand for domestic pork increased due to factors such as the impact of soaring prices in imported pork.

In this situation, the Group, a comprehensive food manufacturer that supplies consumers with safer and healthier food products, has pushed ahead with its corporate operations, aiming to be a company whose own value is thoroughly recognized in society.

(Financial position)

Consolidated total assets as of September 30, 2022 were 132,132 million yen, an increase of 3,228 million yen from the end of the previous fiscal year, due mainly to increases in raw materials and supplies of 2,267 million yen, in merchandise and finished goods of 1,002 million yen, and in notes and accounts receivable - trade of 607 million yen, despite a decrease in cash and deposits of 607 million yen.

Consolidated liabilities increased by 4,865 million yen from the end of the previous fiscal year to 58,280 million yen, due mainly to increases in interest-bearing liabilities of 2,852 million yen and in notes and accounts payable - trade of 2,040 million yen.

Consolidated net assets declined by 1,637 million yen from the end of the previous fiscal year to 73,851 million yen, due mainly to payment of dividends of surplus of 755 million yen, the recording of loss attributable to owners of parent of 575 million yen, and purchase of treasury shares of 276 million yen.

As a result, the equity ratio of the Company was 55.4%, a decrease of 2.7 percent point from the end of the previous fiscal year.

(Operating results)

Consolidated net sales during the first half ended September 30, 2022 were 110,557 million yen, an increase of 1.2% year on year; consolidated operating loss was 754 million yen, compared to consolidated operating profit of 101 million yen for the first

half of the previous fiscal year; consolidated ordinary loss was 515 million yen, compared to consolidated ordinary profit of 356 million yen for the first half of the previous fiscal year; and consolidated loss attributable to owners of parent was 575 million yen, compared to consolidated profit attributable to owners of parent of 98 million yen for the first half of the previous fiscal year.

Operating results for each segment are as follows:

1) Processed Food Products operations

The Ham and Sausage Products department carried out promotional activities such as “Wonderful Summer Juicy Campaign” mainly for its core products, such as “*Kunseiya-Ripened Pork Sausage*.” In addition, we introduced new products such as “*Always Fresh - Special Selection Sausage*,” that boasts its rich taste and juicy texture, from the “*Always Fresh*” series and “*Chii-kawa Fish Sausage*” that features popular *manga* characters in order to boost sales. With regard to products for the Japanese summer gift season, we strove to promote sales with “*Oh-ha*” and “*Kosai*” series, and by introducing products such as “*Moshio Meister - No Carbohydrate*,” that is made of domestic pork. Despite these initiatives, due mainly to decrease in sales volume with more consumers having tried to spend less money in the face of increased selling prices, net sales in the Ham and Sausage Products department decreased by 5.2% year on year.

In the Precooked & Processed Foods department, we carried out promotional activities to improve product recognition for retort-pouch curry products mainly on the “*Bistro Club Beef Curry*” series and launched “*Chef’s Craft Spicy Chicken Curry*” from the “*Chef’s Craft*” series as a limited time offer. We also launched new products such as the *Kanbi Shokudo* (literally meaning Korean gourmet food) series, semi-ready-made Korean dish that enables consumers to enjoy authentic Korean meals with ease and the “*High-Protein and 0g Carbohydrate Salad Chicken*” series that contains more protein than equivalent ordinary products. In the meantime, the sales of precooked rice products for convenience stores and whipped cream trended strong. As a result, net sales of the Precooked & Processed Foods department increased by 1.9% year on year.

As a result, net sales in the Processed Food Products operations segment amounted to 73,414 million yen, a decrease of 1.2% year on year. Despite price revisions and our efforts to reduce costs by improving operational efficiency, the said segment posted segment loss of 767 million yen (compared to segment loss of 239 million yen for the same period of the previous fiscal year), owing mainly to lower net sales in the Ham and Sausage Products department and increases in costs for raw materials and energy that exceeded increases in selling prices.

2) Meat Products operations

The overall sales of beef increased from the same period of the previous fiscal year, due mainly to a significant year-on-year increase in sales for the restaurant industry thanks to the easing of COVID-19-related restrictions despite the sluggish sales of higher-priced domestic beef for large-scale retailers. The sales of both domestic and imported pork increased from the same period of the previous fiscal year, due mainly to an increase in the selling prices of products for large-scale retailers and recovered sales of products for the restaurant industry. The sales of chicken trended strong, due mainly to our efforts to expand the sales of imported chicken.

As a result, net sales in the Meat Products operations segment increased by 6.6% year on year to 37,075 million yen. However, as we were not able to sufficiently pass on a significant increase in the purchasing costs, prompted by the rapid depreciation of the yen and the surge in feed costs, to selling prices, we recorded segment loss of 6 million yen in the Meat Products operations segment, compared to segment income of 308 million yen for the same period of the previous fiscal year.

3) Other

Net sales in Other segment decreased by 19.8% year on year to 67 million yen, and segment income decreased by 40.1% year on year to 19 million yen.

(2) Cash flows

(Millions of yen)

	First half of previous fiscal year	First half of current fiscal year	Changes
Net cash provided by (used in) operating activities	4,716	1,136	(3,579)
Net cash provided by (used in) investing activities	(2,475)	(2,928)	(453)
Net cash provided by (used in) financing activities	(2,113)	1,184	3,297
Net increase (decrease) in cash and cash equivalents	128	(607)	—
Cash and cash equivalents at end of period	8,604	7,383	(1,221)

Net cash provided by (used in) operating activities increased by 1,136 million yen due mainly to the recording of depreciation, despite a negative factor of an increase in working capital.

Net cash provided by (used in) investing activities decreased by 2,928 million yen due mainly to the purchase of non-current assets to expand and streamline production facilities and to improve product quality, despite the recording of proceeds from sale of non-current assets.

Net cash provided by (used in) financing activities increased by 1,184 million yen due mainly to an increase in interest-bearing liabilities despite the payment of dividends and the purchase of treasury shares.

As a result, consolidated cash and cash equivalents as of September 30, 2022 decreased by 607 million yen from the end of the previous fiscal year to 7,383 million yen.

(3) Management policy, management strategy, etc.

There were no significant changes in the management policy, management strategy, etc. of the Group during the first half of the current fiscal year.

(4) Business and financial issues to address

There were no significant changes in business and financial issues to address, nor arose new issues, for the Group during the first half of the current fiscal year.

(5) Research and development activities

The research and development expenses paid by the Group during the first half of the current fiscal year were 293 million yen in total.

There were no significant changes in the status of research and development activities of the Group during the first half of the current fiscal year.

3. Material contracts, etc.

There was no decision-making or conclusion of contracts of managerial importance during the first half of the current fiscal year.

III. Information about Reporting Company

1. Company's shares, etc.

(1) Total number of shares, etc.

1) Authorized shares

As of September 30, 2022

Class	Total number of shares authorized to be issued (Shares)
Common stock	40,000,000
Total	40,000,000

2) Issued shares

Class	As of the end of second quarter (Shares) (September 30, 2022)	As of the filing date (Shares) (November 14, 2022)	Stock exchange on which the Company is listed	Details
Common stock	26,505,581	26,505,581	Tokyo Stock Exchange Prime Market Frankfurt Stock Exchange	A minimum trading unit: 100 shares
Total	26,505,581	26,505,581	—	—

(2) Share acquisition rights

1) Employee share option plans

Not applicable.

2) Share acquisition rights for other uses

Not applicable.

(3) Exercises of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in total number of issued shares, share capital and legal capital surplus

Date	Changes in the total number of issued shares (Thousands of shares)	Balance of the total number of issued shares (Thousands of shares)	Changes in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From July 1, 2022 to September 30, 2022	—	26,505	—	6,716	—	21,685

(5) Major shareholders

As of September 30, 2022

Name	Address	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of issued shares (excluding shares of treasury shares) (%)
Marudai Kyoei Kai	21-3 Midori-cho, Takatsuki-shi, Osaka	2,074	8.29
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	1,768	7.06
Kanematsu Corporation	119 Ito-machi, Chuo-ku, Kobe-shi, Hyogo Prefecture	1,192	4.76
Komori Memorial Foundation	Inside the Head Office of Marudai Food Co., Ltd. at 21-3 Midori-cho, Takatsuki-shi, Osaka	1,050	4.19
Sumitomo Mitsui Banking Corporation	1-1-2 Marunouchi, Chiyoda-ku, Tokyo	887	3.54
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	864	3.45
Sumitomo Life Insurance Company	7-18-24 Tsukiji, Chuo-ku, Tokyo	860	3.43
The Norinchukin Bank	1-2-1 Otemachi, Chiyoda-ku, Tokyo	642	2.56
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	434	1.73
Rengo Co., Ltd.	Nakanoshima Central Tower, 2-2-7 Nakanoshima, Kita-ku, Osaka-shi, Osaka	308	1.23
Total	—	10,085	40.30

(Notes) 1. Number of shares held is rounded down to the nearest thousand.

2. Percentage of shares held is rounded down to the second decimal place.

3. The Company owns 1,484,918 shares of treasury shares but excludes itself from the major shareholders above.

4. Komori Memorial Foundation is a public interest incorporated foundation established in accordance with the last will of the Company's founding president, the late Mr. Toshiyuki Komori. This Foundation is aimed to provide monetary support for scholarship programs and academic research, among others, using the dividends, etc. gained by managing its base assets, which mainly consist of the Company's shares.

5. The following shares fall into the shares related to trust business:

The Master Trust Bank of Japan, Ltd. (Trust Account) 1,768 thousand shares

Custody Bank of Japan, Ltd. (Trust Account) 434 thousand shares

6. The change report on large shareholdings that was made available to the public on August 19, 2022 states that Sumitomo Mitsui Trust Bank, Limited and its joint holders, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd., owned the following shares as of August 15, 2022. However, since the Company has not been able to confirm the actual number of shares alleged to be held by the two companies other than Sumitomo Mitsui Trust Bank, Limited as of September 30, 2022, the Company does not include the information of those two companies in the major shareholders above.

The details of the change report on large shareholdings are as follows:

Name	Address	Number of share certificates, etc. held (Thousands of shares)	Percentage of share certificates, etc. held (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	864	3.26
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo	633	2.39
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	279	1.05
Total	—	1,777	6.71

7. The large volume holding report that was made available to the public on September 26, 2022 states that SMBC Nikko Securities Inc. and its joint holder, Sumitomo Mitsui Banking Corporation, owned the following shares as of September 15, 2022. However, since the Company has not been able to confirm the actual number of shares alleged to be held by SMBC Nikko Securities Inc. as of September 30, 2022, the Company does not include its information in the major shareholders above.

The details of the large volume holding report are as follows:

Name	Address	Number of share certificates, etc. held (Thousands of shares)	Percentage of share certificates, etc. held (%)
SMBC Nikko Securities Inc.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo	499	1.88
Sumitomo Mitsui Banking Corporation	1-1-2 Marunouchi, Chiyoda-ku, Tokyo	887	3.35
Total	—	1,387	5.23

(6) Voting rights

1) Issued shares

As of September 30, 2022

Category	Number of shares (Shares)	Number of voting rights (Units)	Details
Shares without voting rights	—	—	—
Shares with limited voting rights (treasury shares, etc.)	—	—	—
Shares with limited voting rights (others)	—	—	—
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common stock 1,484,900	—	—
Shares with full voting rights (others)	Common stock 24,984,900	249,849	—
Shares below one unit	Common stock 35,781	—	—
Total number of issued shares	26,505,581	—	—
Total voting rights held by all shareholders	—	249,849	—

(Note) The number of shares of common stock in “Shares below one unit” includes 18 treasury shares held by the Company.

2) Treasury shares, etc.

As of September 30, 2022

Shareholder	Address of shareholder	Number of shares held under own name (Shares)	Number of shares held under the names of others (Shares)	Total number of shares held (Shares)	Percentage of shares held to the total number of issued shares (%)
(Treasury shares) Marudai Food Co., Ltd.	21-3 Midori-cho, Takatsuki-shi, Osaka	1,484,900	—	1,484,900	5.60
Total	—	1,484,900	—	1,484,900	5.60

2. Directors (and other officers)

Not applicable.

IV. Financial Information

1. Preparation of the quarterly consolidated financial statements

The Company's quarterly consolidated financial statements are prepared in accordance with the "Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No. 64, 2007 / hereinafter referred to as the "Quarterly Consolidated Financial Statements Regulations").

The Company prepares its quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income for each fiscal quarter in accordance with Article 64, Paragraph 3 and Article 83-2, Paragraph 3 of the Quarterly Consolidated Financial Statements Regulations.

2. Independent auditor's report

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company's quarterly consolidated financial statements for the second quarter (from July 1, 2022 through September 30, 2022) and the first half (from April 1, 2022 through September 30, 2022) of the current fiscal year underwent a quarterly review by KPMG AZSA LLC.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	Second quarter of current fiscal year (As of September 30, 2022)
Assets		
Current assets		
Cash and deposits	7,990	7,383
Notes and accounts receivable - trade	23,436	24,044
Merchandise and finished goods	11,227	12,230
Work in process	464	552
Raw materials and supplies	5,181	7,449
Other	1,522	1,635
Allowance for doubtful accounts	(10)	(10)
Total current assets	49,813	53,285
Non-current assets		
Property, plant and equipment		
Buildings and structures	62,794	63,491
Accumulated depreciation	(44,958)	(45,610)
Buildings and structures, net	17,836	17,881
Machinery, equipment and vehicles	73,270	74,588
Accumulated depreciation	(56,785)	(58,339)
Machinery, equipment and vehicles, net	16,485	16,249
Tools, furniture and fixtures	4,991	4,903
Accumulated depreciation	(3,505)	(3,447)
Tools, furniture and fixtures, net	1,485	1,455
Land	18,722	18,665
Leased assets	9,205	9,736
Accumulated depreciation	(4,149)	(4,565)
Leased assets, net	5,055	5,170
Construction in progress	500	764
Total property, plant and equipment	60,085	60,186
Intangible assets	2,267	1,907
Investments and other assets		
Investment securities	11,718	11,551
Shares of subsidiaries and associates	218	247
Long-term loans receivable	16	16
Retirement benefit asset	2,130	2,306
Deferred tax assets	319	329
Other	2,463	2,421
Allowance for doubtful accounts	(129)	(119)
Total investments and other assets	16,737	16,752
Total non-current assets	79,090	78,846
Total assets	128,903	132,132

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	Second quarter of current fiscal year (As of September 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,913	22,954
Short-term borrowings	8,100	12,251
Current portion of long-term borrowings	2,817	2,446
Lease liabilities	1,084	1,103
Accounts payable - other	6,216	6,283
Income taxes payable	171	169
Accrued consumption taxes	308	252
Provision for bonuses	810	863
Other	1,308	1,340
Total current liabilities	41,729	47,663
Non-current liabilities		
Long-term borrowings	4,551	3,509
Lease liabilities	4,118	4,214
Deferred tax liabilities	992	817
Retirement benefit liability	1,378	1,412
Other	644	662
Total non-current liabilities	11,685	10,617
Total liabilities	53,414	58,280
Net assets		
Shareholders' equity		
Share capital	6,716	6,716
Capital surplus	22,086	22,086
Retained earnings	44,132	42,800
Treasury shares	(3,066)	(3,342)
Total shareholders' equity	69,868	68,260
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,990	4,863
Deferred gains or losses on hedges	71	100
Foreign currency translation adjustment	33	60
Remeasurements of defined benefit plans	(133)	(97)
Total accumulated other comprehensive income	4,962	4,928
Non-controlling interests	658	662
Total net assets	75,489	73,851
Total liabilities and net assets	128,903	132,132

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

[First half of fiscal year]

(Millions of yen)

	First half of previous fiscal year (From April 1, 2021 to September 30, 2021)	First half of current fiscal year (From April 1, 2022 to September 30, 2022)
Net sales	109,204	110,557
Cost of sales	92,599	95,364
Gross profit	16,605	15,193
Selling, general and administrative expenses	* 16,503	* 15,947
Operating profit (loss)	101	(754)
Non-operating income		
Interest income	8	8
Dividend income	160	162
Rental income from real estate	86	75
Other	150	133
Total non-operating income	406	380
Non-operating expenses		
Interest expenses	111	112
Other	39	28
Total non-operating expenses	151	141
Ordinary profit (loss)	356	(515)
Extraordinary income		
Gain on disposal of non-current assets	129	41
Total extraordinary income	129	41
Extraordinary losses		
Loss on disposal of non-current assets	222	124
Impairment losses	9	8
Loss on valuation of investment securities	24	—
Total extraordinary losses	255	132
Profit (loss) before income taxes	230	(607)
Income taxes - current	134	110
Income taxes - deferred	(16)	(150)
Total income taxes	117	(40)
Profit (loss)	113	(567)
Profit attributable to non-controlling interests	14	8
Profit (loss) attributable to owners of parent	98	(575)

Quarterly Consolidated Statements of Comprehensive Income

[First half of fiscal year]

(Millions of yen)

	First half of previous fiscal year (From April 1, 2021 to September 30, 2021)	First half of current fiscal year (From April 1, 2022 to September 30, 2022)
Profit (loss)	113	(567)
Other comprehensive income		
Valuation difference on available-for-sale securities	(331)	(126)
Deferred gains or losses on hedges	(2)	29
Remeasurements of defined benefit plans, net of tax	51	35
Share of other comprehensive income of entities accounted for using equity method	—	27
Total other comprehensive income	(282)	(34)
Comprehensive income	(169)	(601)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(184)	(609)
Comprehensive income attributable to non-controlling interests	14	8

Quarterly Consolidated Statements of Income

[Second quarter of fiscal year]

(Millions of yen)

	Second quarter of previous fiscal year (From July 1, 2021 to September 30, 2021)	Second quarter of current fiscal year (From July 1, 2022 to September 30, 2022)
Net sales	55,520	56,074
Cost of sales	47,117	48,549
Gross profit	8,402	7,524
Selling, general and administrative expenses	8,522	8,243
Operating loss	(119)	(718)
Non-operating income		
Interest income	4	4
Dividend income	155	159
Rental income from real estate	41	38
Other	52	50
Total non-operating income	254	253
Non-operating expenses		
Interest expenses	56	57
Other	19	14
Total non-operating expenses	75	71
Ordinary profit (loss)	58	(536)
Extraordinary income		
Gain on disposal of non-current assets	5	36
Total extraordinary income	5	36
Extraordinary losses		
Loss on disposal of non-current assets	94	104
Impairment losses	9	8
Loss on valuation of investment securities	3	—
Total extraordinary losses	107	113
Loss before income taxes	(43)	(614)
Income taxes - current	(80)	(35)
Income taxes - deferred	118	(53)
Total income taxes	38	(88)
Loss	(81)	(525)
Loss attributable to non-controlling interests	(1)	(6)
Loss attributable to owners of parent	(80)	(519)

Quarterly Consolidated Statements of Comprehensive Income

[Second quarter of fiscal year]

(Millions of yen)

	Second quarter of previous fiscal year (From July 1, 2021 to September 30, 2021)	Second quarter of current fiscal year (From July 1, 2022 to September 30, 2022)
Loss	(81)	(525)
Other comprehensive income		
Valuation difference on available-for-sale securities	186	261
Deferred gains or losses on hedges	15	14
Remeasurements of defined benefit plans, net of tax	25	17
Share of other comprehensive income of entities accounted for using equity method	(4)	11
Total other comprehensive income	222	306
Comprehensive income	141	(219)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	142	(213)
Comprehensive income attributable to non-controlling interests	(1)	(6)

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	First half of previous fiscal year (From April 1, 2021 to September 30, 2021)	First half of current fiscal year (From April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Profit (loss) before income taxes	230	(607)
Depreciation	3,820	3,767
Impairment losses	9	8
Increase (decrease) in allowance for doubtful accounts	(3)	(11)
Increase (decrease) in retirement benefit liability	(172)	(94)
Interest and dividend income	(169)	(171)
Interest expenses	111	112
Loss (gain) on valuation of investment securities	24	—
Loss (gain) on disposal of non-current assets	92	83
Decrease (increase) in trade receivables	366	(601)
Decrease (increase) in inventories	(1,485)	(3,344)
Increase (decrease) in trade payables	2,397	2,054
Increase (decrease) in accrued consumption taxes	(11)	(56)
Other, net	(235)	(80)
Subtotal	4,974	1,059
Interest and dividends received	174	194
Interest paid	(111)	(112)
Income taxes paid	(179)	(144)
Income taxes refund	62	159
Extra retirement payments	(204)	(19)
Net cash provided by (used in) operating activities	4,716	1,136
Cash flows from investing activities		
Purchase of investment securities	(18)	(18)
Purchase of non-current assets	(2,914)	(3,012)
Proceeds from sale of non-current assets	580	153
Other, net	(122)	(51)
Net cash provided by (used in) investing activities	(2,475)	(2,928)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	822	4,151
Repayments of long-term borrowings	(1,330)	(1,413)
Repayments of lease liabilities	(469)	(517)
Dividends paid	(761)	(755)
Purchase of treasury shares	(368)	(276)
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	(2,113)	1,184
Net increase (decrease) in cash and cash equivalents	128	(607)
Cash and cash equivalents at beginning of period	8,476	7,990
Cash and cash equivalents at end of period	* 8,604	* 7,383

[Notes]

(Uncertainties of entity's ability to continue as going concern)

Not applicable.

(Additional information)

(Application of “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System”)

The Company and some of its consolidated subsidiaries in Japan have made a transition from a consolidated taxation system to a group tax sharing system from the first quarter of the current fiscal year. As a result, the Company currently applies the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (the Practical Solution No. 42, August 12, 2021 / hereinafter referred to as the “Practical Solution No. 42”) for the accounting treatment and disclosure methods for national/regional income taxes and those for tax effect accounting. Pursuant to Paragraph 32 (1) of the Practical Solution No. 42, we consider that there is no effect caused by the change in accounting policy related to the application of the Practical Solution No. 42.

(Quarterly consolidated statements of income)

* Major items and their amount included in selling, general and administrative expenses are as follows:

	First half of previous fiscal year (From April 1, 2021 to September 30, 2021)	First half of current fiscal year (From April 1, 2022 to September 30, 2022)
Distribution expenses	6,186 million yen	6,003 million yen
Salaries and allowances	3,140 million yen	3,127 million yen
Provision for bonuses	459 million yen	478 million yen
Retirement benefit expenses	159 million yen	145 million yen
Provision of allowance for doubtful accounts	(0) million yen	2 million yen

(Quarterly Consolidated statements of cash flows)

* Relationship between the cash and cash equivalents at end of period and the amount of quarterly consolidated balance sheet items is as follows:

	First half of previous fiscal year (From April 1, 2021 to September 30, 2021)	First half of current fiscal year (From April 1, 2022 to September 30, 2022)
Cash and deposits	8,604 million yen	7,383 million yen
Cash and cash equivalents	8,604 million yen	7,383 million yen

(Shareholders' equity, etc.)

First half of the previous fiscal year (From April 1, 2021 to September 30, 2021)

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 25, 2021	Common stock	762	30	March 31, 2021	June 28, 2021	Retained earnings

2. Dividends whose record date falls in the first half ended September 30, 2021, but whose effective date comes after September 30, 2021

Not applicable.

First half of current fiscal year (From April 1, 2022 to September 30, 2022)

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 24, 2022	Common stock	755	30	March 31, 2022	June 27, 2022	Retained earnings

2. Dividends whose record date falls in the first half ended September 30, 2022, but whose effective date comes after September 30, 2022

Not applicable.

(Segment information, etc.)

[Segment information]

I. First half of the previous fiscal year (From April 1, 2021 to September 30, 2021)

1. Disclosure of sales and profit (loss) and disaggregation of revenues for each reportable segment

(Millions of yen)

	Reportable segment			Other (Note) 1	Total	Adjustments	Amount recorded on the quarterly consolidated statement of income (Note) 2
	Processed Food Products operations	Meat Products operations	Total				
Net sales							
Ham & Sausage Products	33,028	—	33,028	—	33,028	—	33,028
Precooked & Processed Foods	41,308	—	41,308	—	41,308	—	41,308
Meat Products operations	—	34,783	34,783	—	34,783	—	34,783
Other	—	—	—	83	83	—	83
Revenues generated from contracts with customers	74,337	34,783	109,120	83	109,204	—	109,204
Sales to external customers	74,337	34,783	109,120	83	109,204	—	109,204
Intersegment sales and transfers	—	—	—	373	373	(373)	—
Total	74,337	34,783	109,120	456	109,577	(373)	109,204
Segment income (loss)	(239)	308	68	33	101	—	101

(Notes) 1. The “Other” segment is business other than that of the reportable segments and includes the insurance agency business.

2. Segment income (loss) is equal to the operating profit in the quarterly consolidated statements of income.

2. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Impairment losses of 9 million yen have been recognized in the first half of the previous fiscal year due to decrease in recoverable value for real estate for rent and other not belonging to any segment.

II. First half of current fiscal year (From April 1, 2022 to September 30, 2022)

1. Disclosure of sales and profit (loss) and disaggregation of revenues for each reportable segment

(Millions of yen)

	Reportable segment			Other (Note) 1	Total	Adjustments	Amount recorded on the quarterly consolidated statement of income (Note) 2
	Processed Food Products operations	Meat Products operations	Total				
Net sales							
Ham & Sausage Products	31,323	—	31,323	—	31,323	—	31,323
Precooked & Processed Foods	42,091	—	42,091	—	42,091	—	42,091
Meat Products operations	—	37,075	37,075	—	37,075	—	37,075
Other	—	—	—	67	67	—	67
Revenues generated from contracts with customers	73,414	37,075	110,490	67	110,557	—	110,557
Sales to external customers	73,414	37,075	110,490	67	110,557	—	110,557
Intersegment sales and transfers	—	—	—	417	417	(417)	—
Total	73,414	37,075	110,490	484	110,974	(417)	110,557
Segment income (loss)	(767)	(6)	(774)	19	(754)	—	(754)

(Notes) 1. The “Other” segment is business other than that of the reportable segments and includes the insurance agency business.

2. Segment income (loss) is equal to the operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Impairment losses of 8 million yen have been recognized in the first half of the current fiscal year due to decrease in recoverable value for real estate for rent and other not belonging to any segment.

I. Second quarter of previous fiscal year (From July 1, 2021 to September 30, 2021)

1. Disclosure of sales and profit (loss) and disaggregation of revenues for each reportable segment

(Millions of yen)

	Reportable segment			Other (Note) 1	Total	Adjustments	Amount recorded on the quarterly consolidated statement of income (Note) 2
	Processed Food Products operations	Meat Products operations	Total				
Net sales							
Ham & Sausage Products	16,958	—	16,958	—	16,958	—	16,958
Precooked & Processed Foods	21,117	—	21,117	—	21,117	—	21,117
Meat Products operations	—	17,398	17,398	—	17,398	—	17,398
Other	—	—	—	45	45	—	45
Revenues generated from contracts with customers	38,076	17,398	55,474	45	55,520	—	55,520
Sales to external customers	38,076	17,398	55,474	45	55,520	—	55,520
Intersegment sales and transfers	—	—	—	194	194	(194)	—
Total	38,076	17,398	55,474	240	55,714	(194)	55,520
Segment income (loss)	(268)	130	(138)	18	(119)	—	(119)

(Notes) 1. The “Other” segment is business other than that of the reportable segments and includes the insurance agency business.

2. Segment income (loss) is equal to the operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Impairment losses of 9 million yen have been recognized in the second quarter of the previous fiscal year due to decrease in recoverable value for real estate for rent and other not belonging to any segment.

II. Second quarter of current fiscal year (From July 1, 2022 to September 30, 2022)

1. Disclosure of sales and profit (loss) and disaggregation of revenues for each reportable segment

(Millions of yen)

	Reportable segment			Other (Note) 1	Total	Adjustments	Amount recorded on the quarterly consolidated statement of income (Note) 2
	Processed Food Products operations	Meat Products operations	Total				
Net sales							
Ham & Sausage Products	16,056	—	16,056	—	16,056	—	16,056
Precooked & Processed Foods	21,372	—	21,372	—	21,372	—	21,372
Meat Products operations	—	18,617	18,617	—	18,617	—	18,617
Other	—	—	—	28	28	—	28
Revenues generated from contracts with customers	37,428	18,617	56,045	28	56,074	—	56,074
Sales to external customers	37,428	18,617	56,045	28	56,074	—	56,074
Intersegment sales and transfers	—	—	—	215	215	(215)	—
Total	37,428	18,617	56,045	243	56,289	(215)	56,074
Segment income (loss)	(664)	(59)	(724)	5	(718)	—	(718)

(Notes) 1. The “Other” segment is business other than that of the reportable segments and includes the insurance agency business.

2. Segment income (loss) is equal to the operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Impairment losses of 8 million yen have been recognized in the second quarter of the current fiscal year due to decrease in recoverable value for real estate for rent and other not belonging to any segment.

(Financial instruments)

Short-term borrowings have become important for the operation of the corporate group and their amount recorded on the quarterly consolidated balance sheets significantly differs from the one at the end of the previous fiscal year. However, the information is omitted as neither the difference between the amount recorded on the balance sheets for the second quarter of the current fiscal year and their market value nor the one between the amount recorded on the balance sheets for the previous fiscal year and their market value is material.

(Revenue recognition)

The breakdown of revenues generated from contracts with customers is shown in “[Notes] (Segment information, etc.)”

(Per share information)

First half of fiscal year

The amounts of profit (loss) per share and the basis of calculation thereof are as follows:

Item	First half of previous fiscal year (From April 1, 2021 to September 30, 2021)	First half of current fiscal year (From April 1, 2022 to September 30, 2022)
Profit (loss) per share	3.88 yen	(22.87 yen)
(Basis of calculation)		
Profit (loss) attributable to owners of parent (Millions of yen)	98	(575)
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent associated with common stock (Millions of yen)	98	(575)
Weighted average number of common shares during the period (Thousand shares)	25,367	25,165

(Note) Diluted profit per share is not stated because there is no dilutive security.

Second quarter of fiscal year

The amounts of loss per share and the basis of calculation thereof are as follows:

Item	Second quarter of previous fiscal year (From July 1, 2021 to September 30, 2021)	Second quarter of current fiscal year (From July 1, 2022 to September 30, 2022)
Loss per share	(3.16 yen)	(20.68 yen)
(Basis of calculation)		
Loss attributable to owners of parent (Millions of yen)	(80)	(519)
Amount not attributable to common shareholders (Millions of yen)	—	—
Loss attributable to owners of parent associated with common stock (Millions of yen)	(80)	(519)
Weighted average number of common shares during the period (Thousand shares)	25,333	25,135

(Note) Diluted profit per share is not stated because there is no dilutive security.

(Significant events after reporting period)

At the Board of Directors' meeting of the Company held on November 11, 2022, it was resolved to sell part of investment securities held by the Company. As a result, extraordinary income (gain on sale of investment securities) is expected to be recorded.

1. Reason for the sale For more efficient use and optimal allocation of management resources
2. Timing of the sale To be completed by March 31, 2023
3. Details of the sale
 - (1) Type of asset to be sold: Listed securities held by the Company (1 issue)
 - (2) Gain on sale (estimated): Approximately 600 million yen

2. Other

Not applicable.

Part II Information about Reporting Company's Guarantor, etc.

Not applicable.

Independent Auditors' Review Report on Quarterly Consolidated Financial Statements

November 11, 2022

To the Board of Directors of Marudai Food Co., Ltd.

KPMG AZSA LLC

Osaka Office

Takahide Nakahata
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Satoru Komatsuno
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Conclusion of Auditors

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have reviewed the quarterly consolidated financial statements of Marudai Food Co., Ltd. included in "Financial Information" in the quarterly securities report for the second quarter (from July 1, 2022 to September 30, 2022) and the first half (from April 1, 2022 to September 30, 2022) of the fiscal year from April 1, 2022 to March 31, 2023, which comprise the quarterly consolidated balance sheets, the quarterly consolidated statements of income, the quarterly consolidated statements of comprehensive income, the consolidated statements of cash flows and notes thereof.

In our opinion, the quarterly consolidated financial statements referred to above are not considered to inappropriately state, in all material respects, the financial positions of Marudai Food Co., Ltd. and its consolidated subsidiaries as of September 30, 2022, and their results of operations for the second quarter as well as the first half of the fiscal year then ended and their cash flows for the same first half in light of standards for the preparation of quarterly consolidated financial statements generally accepted in Japan.

Basis for the Auditors' Conclusion

We conducted our quarterly review in accordance with quarterly review standards generally accepted in Japan. Our responsibility under the quarterly review standards is stated in "Auditor's Responsibility for the Quarterly Review of the Quarterly Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibility as an auditor. We believe that we have obtained evidence to provide a basis for our conclusion.

Responsibilities of the Management, Statutory Auditors and the Board of Statutory Auditors for the Quarterly Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with standards for the preparation of quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as the management determines is necessary to enable the preparation and fair presentation of the quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, the management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with standards for the preparation of quarterly consolidated financial statements generally accepted in Japan.

Statutory Auditors and the Board of Statutory Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Quarterly Review of the Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in a quarterly review report, based on our quarterly review.

Auditors make professional judgment in the quarterly review process in accordance with quarterly review standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Conduct quarterly review procedures including interviews with the management, those who are responsible for the matters related to the Company's finance and accounting and other relevant parties as well as analytical procedures. Quarterly review procedures are conducted with a narrower scope compared to the audits of full-year financial statements that are carried out in accordance with auditing standards generally accepted in Japan.
- If the auditor judges that there is significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, determine, based on the obtained evidence, whether no item is believed to be inappropriately stated in the quarterly consolidated financial statements, in light of standards for the preparation of quarterly consolidated financial statements generally accepted in Japan. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the quarterly consolidated financial statements in the quarterly review report, or if the notes to the quarterly consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a qualified conclusion or negative conclusion on the quarterly consolidated financial statements. While the conclusions of the auditor are based on the evidence obtained up to the date of the quarterly review report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether no items and notes thereto in the quarterly consolidated financial statements are believed to deviate from standards for the preparation of quarterly consolidated financial statements generally accepted in Japan, assess the presentation, structure, and content of the quarterly consolidated financial statements including related notes, and whether the quarterly consolidated financial statements are believed to inappropriately state the transactions and accounting events on which they are based.
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express a conclusion on the quarterly consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the quarterly review of the quarterly consolidated financial statements, and is solely responsible for its conclusion.

The auditor reports to Statutory Auditors and the Board of Statutory Auditors regarding the scope and timing of implementation of the planned quarterly review and material findings thereof.

The auditor reports to Statutory Auditors and the Board of Statutory Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Conflicts of Interest

There are no special interests between the engagement partners/audit firm and the Company or its consolidated subsidiaries that should be disclosed under the provisions of the Certified Public Accountants Act.

End

(Notes) 1. The above is an electronic version of the original copy of the Independent Auditors' Review Report on Quarterly Consolidated Financial Statements, and the original report is maintained by the Company (a company that files quarterly securities reports).

2. XBRL data are not subject to the quarterly review.

[Cover Page]

[Document Title]	Confirmation Letter
[Clause of Stipulation]	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act
[Place of Filing]	Director-General, Kanto Local Finance Bureau
[Filing Date]	November 14, 2022
[Company Name]	Marudai Shokuhin Kabushiki Kaisha
[Company Name in English]	Marudai Food Co., Ltd.
[Title and Name of Representative]	Yuji Sato, President and Representative Director
[Title and Name of Chief Financial Officer]	Not applicable.
[Address of Registered Head Office]	21-3 Midori-cho, Takatsuki-shi, Osaka
[Place for Public Inspection]	Tokyo Branch of Marudai Food Co., Ltd. (4-7-5 Tsukiji, Chuo-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

1. Appropriateness of contents of quarterly securities report

Yuji Sato, the Company's President and Representative Director, confirms that the contents of the Company's quarterly securities report for the second quarter of the 75th fiscal year (from July 1, 2022 to September 30, 2022) are appropriately presented in accordance with the Financial Instruments and Exchange Act.

2. Special note

There is nothing to report.

Certification

regarding the registration as a third-country audit firm according to § 134 Section 1
in conjunction with § 38 number 5 WPO (German Public Accounting Act)

KPMG AZSA LLC, Tokyo/Japan

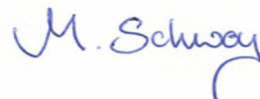
is registered as a **third-country audit firm** in the public professional register of the
Wirtschaftsprüferkammer **effective April 12, 2022, registration number 205001600** after
compliance with the requirements for registration according to § 134 Section 2 WPO.

With regard to the activity according to § 134 Section 1 WPO, the aforementioned firm is
subject to the provisions of quality control (§§ 57a – 57g WPO), professional oversight
(§§ 61a – 71 WPO), as well as professional jurisdiction (§§ 71a – 127 WPO). A quality
assurance review may be waived if the registered third-country audit firm has already been
subject to a quality assurance review in another member state of the European Union within
the past three years. The same applies if within the past three years a quality assurance review
of the third-country audit firm has been performed in a third country, provided that the quality
assurance review of that country was recognized as being equivalent based on an evaluation
according to § 134 Section 4 WPO.

Berlin, April 12, 2022



Dr. Peter Uhlmann
Head of Division Member Affairs



Manuela Schwoy
Head of Department Member Affairs