

December 5, 2017

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.
Name of Representative: Yasuyoshi Karasawa, President & CEO
(Securities Code: 8725, Tokyo Stock Exchange and Nagoya Stock Exchange)
Contact: Corporate Communications and Investor Relations Dept.
<http://www.ms-ad-hd.com/en/ir/contact/index.html>

**Determination of the Terms and Conditions for the Issuance of Domestic Subordinated
Unsecured Bonds by Mitsui Sumitomo Insurance**

Mitsui Sumitomo Insurance Company, Limited (“MSI”, President: Noriyuki Hara), a subsidiary of MS&AD Insurance Group Holdings, Inc., today determined the terms and conditions for the issuance of domestic subordinated unsecured bonds announced on September 29, 2017, and hereby notifies the outline thereof below.

(1) Issuer	Mitsui Sumitomo Insurance Company, Limited	
(2) Name of bond	Mitsui Sumitomo Insurance Company, Limited third series of domestic subordinated unsecured bonds with interest deferral option and early redemption option	Mitsui Sumitomo Insurance Company, Limited fourth series of domestic subordinated unsecured bonds with interest deferral option and early redemption option
(3) Principal amount	¥50 billion	¥80 billion
(4) Denomination	¥100 million	
(5) Issue price	¥100 per amount of ¥100 of each bond	
(6) Redemption price	¥100 per amount of ¥100 of each bond	
(7) Maturity date	December 10, 2077 (60-year bonds) MSI may, at its discretion, redeem the bond (i) on any interest payment date on and after December 12, 2022 or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after December 12, 2017, subject to a prior approval of the regulatory authority.	December 10, 2077 (60-year bonds) MSI may, at its discretion, redeem the bond (i) on any interest payment date on and after December 12, 2027 or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after December 12, 2017, subject to a prior approval of the regulatory authority.

(8) Interest rate	(i) From the day immediately following December 12, 2017 until December 12, 2022 : 0.85% per annum (ii) From the day immediately following December 12, 2022 until December 12, 2027 : 6-month Japanese yen LIBOR plus 0.69% (iii) From the day immediately following December 12, 2027 : 6-month Japanese yen LIBOR plus 1.69%	(i) From the day immediately following December 12, 2017 until December 12, 2027 : 1.17% per annum (ii) From the day immediately following December 12, 2027 : 6-month Japanese yen LIBOR plus 1.85%
(9) Interest payment dates	June 12 and December 12 of each year	
(10) Subscription period	December 5, 2017	
(11) Payment date	December 12, 2017	
(12) Subordination	As to the payment of debt in MSI's liquidation proceedings, the bonds shall be subordinated to its senior indebtedness, rank substantially <i>pari passu</i> with its liquidation parity securities and preferred stock, and be senior to its common stock.	
(13) Credit rating	A+ (Rating and Investment Information, Inc.)	
(14) Use of funds	Long-term investment funds, funds for repayment of borrowings and bonds and working capital	
(15) Method of offering	Public offering in Japan. The bonds will be offered mainly to institutional investors in the domestic securities market.	
(16) Joint lead underwriters	Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., Merrill Lynch Japan Securities Co., Ltd., Citigroup Global Markets Japan Inc., JPMorgan Securities Japan Co., Ltd.	
(17) Underwriters	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd., Tokai Tokyo Securities Co., Ltd.	
(18) Fiscal agent	Sumitomo Mitsui Banking Corporation	
(19) Securities depository	Japan Securities Depository Center, Incorporated	

This timely disclosure entitled "Determination of the Terms and Conditions for the Issuance of Domestic Subordinated Unsecured Bonds by Mitsui Sumitomo Insurance Company, Limited" has been prepared for the sole purpose of publicly announcing the issuances of MSI third series of domestic subordinated unsecured bonds with interest deferrable option and early redeemable option and MSI fourth series of domestic subordinated unsecured bonds with interest deferrable option and early redeemable option, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. The above securities have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), and the securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration under the Securities Act. There is no plan to offer or sell the securities in the United States.