

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)
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Additional Investment in ReAssure, a Leading Closed Book Life Consolidator in the UK

MS&AD Insurance Group Holdings, Inc. (the “Company,” President: Yasuyoshi Karasawa) has reached an agreement with Swiss Re to acquire a further 10% stake in ReAssure Jersey One Limited (“ReAssure”) for GBP 315 million. This investment follows the Company’s 15% investment in ReAssure, which completed in February 2018 and brings the shareholding of the Company to 25%.

ReAssure is a leading player in the closed book life business in the UK and part of Swiss Re Life Capital, a business unit of Swiss Re, one of the largest reinsurance companies in the world. The UK is the largest and most mature life insurance market in Europe with the closed book life business as a promising area, providing ample growth potential for ReAssure.

1. Outline of the Investment

Investment method	Acquisition of 10% of the outstanding shares of ReAssure
Investment Amount	GBP 315 million (Approximately JPY 45.7 billion, 1 GBP = 145 JPY) The transaction value is based on the GBP 3.5 billion valuation of ReAssure agreed between the Company and Swiss Re in October 2017 adjusted for subsequent dividends and capital injections made into ReAssure.
Source of funds	Cash on hand
Time of Completion	Subject to the receipt of approvals from the relevant regulators, the transaction is expected to close during the 4th quarter of MS&AD’s financial year 2018 (January-March. 2019).

2. Rationale for the Additional Investment in ReAssure

One of the main rationales for the 10% further investment into ReAssure to reach a 25% shareholding is to further leverage attractive economics in the UK closed book life sector, practical know-how in the closed book life business, and portfolio diversification, which have been sought for in the initial investment.

3. Strategic Objectives for Swiss Re

As Swiss Re has previously communicated, Swiss Re is exploring a potential IPO of ReAssure during 2019, subject to market conditions, to increase its competitiveness. This transaction is part of Swiss Re’s strategic process, and Swiss Re’s shareholding will decrease to 75%. Nonetheless, Swiss Re and the Company will remain committed to ReAssure as significant shareholders and business partners.

Note Regarding Forward-looking Statements

This document includes “forward-looking statements” that reflect the plans and expectations of MS&AD Insurance Group Holdings, Inc. (the “Company”) with respect to its business, results of operations and other matters. To the extent that statements in this document do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are not guarantees of future performance, are based on the current assumptions and beliefs of the Company in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of the Company to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by the Company in its subsequent domestic filings in Japan.

The risks, uncertainties and other factors referred to above include, but are not limited to: (1) economic conditions in Japan, the United States, Europe and China; (2) the extent of competition faced by the Company from Japan’s other major non-life insurance companies and new entrants in the Japanese non-life insurance market; (3) the extent of further deregulation of the Japanese insurance industry; (4) occurrence of natural disasters in Japan and elsewhere; (5) occurrence of losses the type or magnitude of which could not be foreseen at the time of writing the insurance policies covering such losses; (6) the price and availability of reinsurance; and (7) the performance of the Company’s investments. Further details of potential risks and uncertainties affecting the Company are described in its domestic filings in Japan including the Company’s annual report. More information about the target company group can be found on its website.