

June 25, 2020

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

## Notice Regarding Issuance of New Shares as Restricted Stock Remuneration

MS&AD Insurance Group Holdings, Inc. (the “Company”) hereby announces that it resolved in the meeting of the Board of Directors held today to issue new shares (hereinafter referred to as “Issuance of New Shares”) as stock remuneration.

### 1. Overview of Issuance

(1) Payment date	July 22, 2020		
(2) Class and number of shares issued	181,453 shares of common stock		
(3) Issuance price	3,045 yen per share		
(4) Total issuance amount	552,524,385 yen		
(5) Eligible persons allotted shares, the number of said persons, and the number of shares to be allotted	Directors of the Company	6	39,256,140 shares
	Executive Officers of the Company	8	17,435,670 shares
	Directors of subsidiaries of the Company	27	216,950,160 shares
	Executive Officers of subsidiaries of the Company	63	225,214,290 shares
	Associate Directors of subsidiaries of the Company	75	53,668,125 shares
(6) Other	The Issuance of New Shares is conditional upon the securities registration statement taking effect pursuant to the Financial Instruments and Exchange Act.		

### 2. Purpose and Reasons for Issuance

In the meeting of the Board of Directors held on May 20, 2019, the Company resolved to introduce a restricted stock remuneration plan as a remuneration system for the Company’s Directors (hereinafter referred to as “Eligible Directors”) excluding Outside Directors to realize a director remuneration system increasing the linkage between Director remuneration and business performance and providing an appropriate incentive for sustainable growth for the purpose of strengthening the Group’s governance and enhancing medium- to long-term corporate value. Furthermore, in the 11th Ordinary General Meeting of Shareholders held on June 24, 2019, approval was obtained for payment of an annual amount of up to 200 million yen in monetary remuneration claims to Eligible Directors in a separate framework from existing monetary remuneration as property contributed in kind pertaining to the granting of restricted stock, the number of shares to be allotted being a maximum of 130,000 shares per year and the transfer restriction period for the restricted shares being from the allotment date until the Eligible Director resigns or retires as Director or other position specified by the Board of Directors, based on the plan. Moreover, in the General Meeting of Shareholders, it was decided that the Board of Directors would determine the amount to be paid per share within a range that is not particularly advantageous to the Eligible Directors based on the closing price of the common shares of the Company in the Tokyo Stock Exchange on the business day immediately prior to the date of each

resolution of the Board of Directors regarding allotment of restricted stock (in the case that no transactions were executed on that day, the closing price on the most recent trading day preceding that day).

In addition, once the restricted stock remuneration for Eligible Directors was approved in the 11th Ordinary General Meeting of Shareholders, the Board of Directors of the Company and the Boards of Directors of the Company's major subsidiaries(\*) decided to introduce similar restricted stock remuneration plans for the Executive Officers of the Company and the Directors other than Outside Directors, Executive Officers, and Associate Directors of the Company's major subsidiaries (hereinafter referred to alongside Eligible Directors as "Eligible Directors, etc.") (The restricted stock remuneration plans of the Company and the Company's major subsidiaries are referred to as the "Plan").

Moreover, in the meeting of the Company's Board of Directors held on June 25, 2020, it was decided that (1) monetary remuneration claims would be paid to Eligible Directors and Executive Officers; and (2) it would allot 181,453 shares of the Company's common stock (hereinafter referred to as the "Allotted Shares") by means of a property contribution in kind with a total of 552,524,385 yen for ① (i) monetary remuneration claims against the Company paid to six of the Company's Directors and (ii) monetary remuneration claims against the Company paid to eight of the Company's Executive Officers based on a resolution of the Company's Board of Directors, and ② (i) monetary remuneration claims against the Company's major subsidiaries granted to 27 of the Company's major subsidiaries' Directors, (ii) monetary remuneration claims against the Company's major subsidiaries granted to 63 of the Company's major subsidiaries' Executive Officers, and (iii) monetary claims against the Company's major subsidiaries granted to 75 of the Company's major subsidiaries' Associate Directors, on the condition that Eligible Directors, etc. apply to subscribe for the Company's shares pursuant to Article 203, Paragraph (2) of the Companies Act and conclude restricted share allotment agreements in a format and with content specified by the Company.

(\*) Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd., and Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Through a review conducted by the Remuneration Committee, it was determined to grant a total of 552,524,385 yen in monetary remuneration claims and monetary claims and 181,453 shares of common stock considering the purpose of the Plan and the results of the key performance indicators linked to the performance of each company.

In this subscription, Eligible Directors, etc. pay all of the monetary remuneration claims or monetary claims paid by the Company or the Company's subsidiaries under the Plan as property contributed in kind to receive issuance of the Company's common shares.

Furthermore, a restricted share allotment agreement shall be concluded between the Company and each of the Eligible Directors, etc. for the issuance of the Company's common shares through the Plan. The details of this are described in 3. below.

### 3. Overview of the Restricted Share Allotment Agreement

#### (1) Transfer restriction period

Eligible Directors, etc. may not transfer, establish a security interest on, or otherwise dispose of the Allotted Shares during the period from July 22, 2020 (payment date) until the date of resignation from any position as a Director, Executive Officer, or Full-time Auditor of the Board of the Company or a major subsidiary of the Company (however, in the case of an Associate Director, the date of retirement from both positions as Associate Director and employee of the Company's subsidiary) (including the date of resignation or retirement).

#### (2) Conditions for release of transfer restrictions

The Company shall release the restrictions on the transfer of all of the Allotted Shares held by Eligible Directors,

etc. (the heir of the Eligible Director, etc. in the case of resignation or retirement of an Eligible Director, etc. due to death) upon the expiration of the transfer restriction period.

(3) Gratis acquisition by the Company

Immediately after the expiration of the transfer restriction period, the Company shall automatically acquire at no cost all Allotted Shares for which transfer restrictions have not been released as of the time of said expiration.

(4) Malus and clawback

The Company shall operate malus (gratis acquisition during the transfer restriction period) and clawback (transfer after release of transfer restrictions (return of a monetary amount equivalent to the Allotted Shares if they are no longer held)) if the Company's Board of Directors finds that a material revision of financial statements, a material violation of the Group's internal rules, material damage to the Group's business or reputation, or a material defect in risk management arises in relation to an act of an Eligible Director, etc. while in office.

(5) Management of shares

In order to prevent the transfer thereof, establishment of security interest thereon, or other disposal thereof during the transfer restriction period, the Allotted Shares shall be managed during the transfer restriction period in dedicated accounts for restricted shares that Eligible Directors, etc. have opened at Daiwa Securities Co., Ltd.

(6) Treatment in the event of organizational restructuring, etc.

In the event that matters regarding a merger agreement under which the Company becomes the disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary of another company, or any other organizational restructuring, etc. are approved in the General Meeting of Shareholders of the Company (or in a Meeting of the Board of Directors of the Company in the case that approval by the General Meeting of Shareholders of the Company is not required regarding that organizational restructuring, etc.) during the transfer restriction period (however, this shall be limited to cases where the effective date of the agreed-upon organizational restructuring, etc. falls before the expiration of the transfer restriction period), the Company shall release the transfer restrictions before the effective date of the said organizational restructuring, etc. with regard to all the Allotted Shares by resolution of the Board of Directors of the Company.

#### 4. Basis for Calculation and Specific Details of Paid-in Amount

The Issuance of New Shares for Eligible Directors, etc. shall be carried out using contributions of the monetary remuneration claims or monetary claims paid as restricted stock remuneration pertaining to the fiscal year ended March 31, 2020 (April 1, 2019–March 31, 2020) for the Company or the subsidiaries of the Company pursuant to the Plan. To ensure that the price is not arbitrary, the issue price shall be 3,045 yen, which is the closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange on June 24, 2020 (the trading day immediately preceding the date of the resolution by the Board of Directors). This is the market stock price on the trading date immediately preceding the date of the resolution by the Board of Directors, and the method of determination and amount of the issue price are believed to be reasonable and not particularly advantageous.

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