

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 Incentive Plan for Employees

MS&AD Insurance Group Holdings, Inc. (the “Company”) approved the introduction of an employee incentive plan (the “Plan”) at the meeting of the Board of Directors held on May 20, 2022. The Plan is scheduled to be joined from this fiscal year by the Company’s five domestic insurance subsidiaries (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. (the “domestic insurance companies”).

1. Objective of the introduction of the Plan

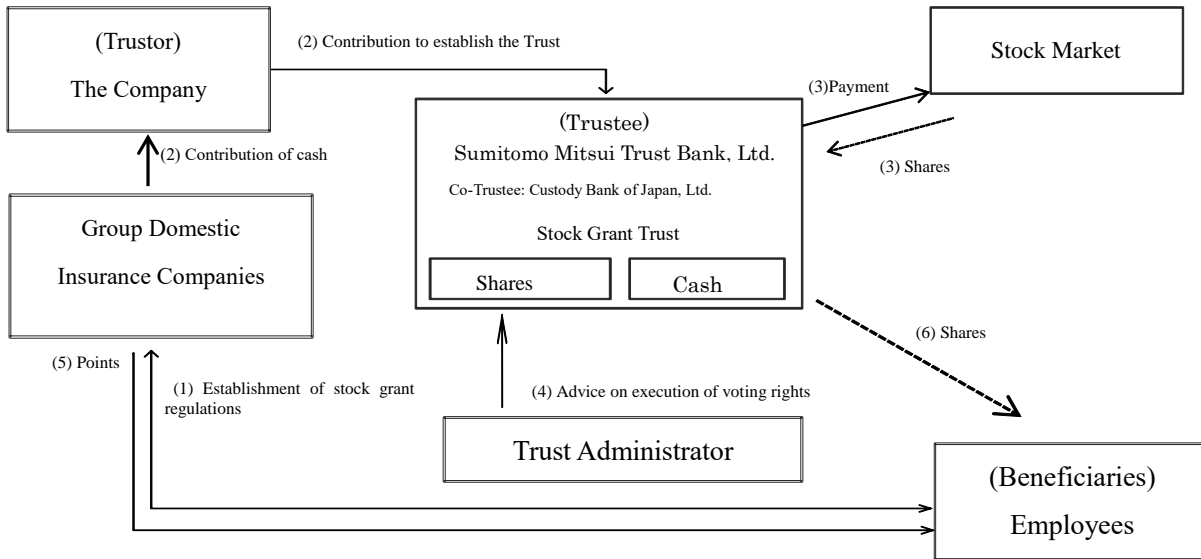
The Company introduced the Plan with the aim of further increasing employee engagement and enhancing MS&AD Group's corporate value over the medium- to long-term by reinforcing a sense of belonging of the domestic insurance companies’ employees to the Group and their awareness of corporate performance and rising share prices.

2. Overview of the Plan

The Plan is an incentive plan under which a stock grant trust (the “Trust”) is established with the cash contributed by the Company. The Trust acquires the Company’s common shares (the “Company’s shares”), which are then granted through the Trust based on points granted to employees who meet certain requirements. The points are granted based on the employee’s category and the Group’s business performance, etc., in accordance with the stock grant standards set by each domestic insurance company. The number of the Company’s shares to be granted to each employee is determined by the number of points granted.

All funds for the Trust’s acquisition of the Company’s shares will be contributed by each domestic insurance company via the Company, so there will be no burden on employees.

< Scheme of the Plan >



- (1) Each domestic insurance company establishes the stock grant regulations for the employees.
- (2) The Company shall set up a stock grant trust for the employees of the Group domestic insurance companies as the beneficiaries. The Group domestic insurance companies entrust the amount of cash equivalent to the funds for the acquisition of shares to the trustee through the Company.
- (3) The trustee shall acquire from the stock market (including off-floor trading) the number of the shares expected to be granted to the employees in the future.
- (4) A trust administrator (who is independent of the Company and its officers and Group domestic insurance companies and their officers) that protects the interests of the beneficiary throughout the trust period and oversees the trustee is appointed. Regarding the shares of the Company in the Trust, the trust administrator will instruct the trustee to exercise voting rights, and the trustee will exercise voting rights during the trust period based on the instructions.
- (5) The Group domestic insurance companies will grant points to employees based on the stock grant regulations.
- (6) According to the points awarded, employees who meet the beneficiary requirements will receive the shares of the Company from the trustee.
- Sumitomo Mitsui Trust Bank, Ltd., as the trustee of the Plan, will entrust (retrust) the management of trust assets to Japan Custody Bank, Ltd.

3. Overview of the Trust

(1) Name	Stock grant trust for employees
(2) Trustor	MS&AD Insurance Group Holdings, Inc.
(3) Trustee	Sumitomo Mitsui Trust Bank, Limited (Co-Trustee: Custody Bank of Japan, Ltd.)
(4) Beneficiary	Employees who meet beneficiary requirements
(5) Trust administrator	Third party that is independent of the Company and its officers and Group domestic insurance companies and their officers is to be appointed
(6) Exercise of voting rights	The Trust Administrator will advise the exercise of voting rights to the Trustee
(7) Type of trust	Money trust other than a specified cash trust for separate investment
(8) Date of Trust Contract	May 30, 2022
(9) Date to Entrust Cash	May 30, 2022
(10) Trust Termination Date	End of September 2026 (planned)

4. Acquisition of the Company shares by the Trust

(1) Type of shares	Common shares
(2) Cash entrusted for the acquisition of the shares	JPY 4,165,000,000
(3) Total acquisition shares	990,000 shares (Maximum)
(4) Mean of the share acquisition	Acquisition from the stock market (including off-floor trading)
(5) Timing of the share acquisition	May 30, 2022 - June 10, 2022 (planned)

- End -