

January 17, 2017

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.
Name of Representative: Yasuyoshi Karasawa, President
(Securities Code: 8725, Tokyo Stock Exchange and Nagoya Stock Exchange)
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**Notice Regarding Determination of the Terms and Conditions of
the Issuance of Domestic Subordinated Unsecured Bonds**

MS&AD Insurance Group Holdings, Inc. (“the Company”, President: Yasuyoshi Karasawa) today determined the terms and conditions of the issuance of domestic subordinated unsecured bonds announced on November 18, 2016, and hereby notifies the outline thereof in the below.

(1) Issuer	MS&AD Insurance Group Holdings, Inc.
(2) Name of bond	MS&AD Insurance Group Holdings, Inc. third series of domestic subordinated unsecured bonds with interest deferral option and early redemption option
(3) Principal amount	¥50 billion
(4) Denomination	¥1 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	January 31, 2047 (30-year bonds) The Company may, at its discretion, redeem the bond (i) on any interest payment date on and after January 31, 2027 or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after January 31, 2017, subject to a prior approval of the regulatory authority.
(8) Interest rate	(i) From the day immediately following January 31, 2017 until January 31, 2027 : 1.18% per annum (ii) From the day immediately following January 31, 2027 : 6-month Japanese yen LIBOR plus 1.92%
(9) Interest payment dates	January 31 and July 31 of each year
(10) Subscription period	January 18, 2017 to January 30, 2017
(11) Payment date	January 31, 2017

(12) Subordination	As to the payment of debt in the Company'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+ (Japan Credit Rating Agency, Ltd.)
(14) Use of funds	Investments in consolidated subsidiaries, funds for repurchase of own shares and long-term investment funds
(15) Method of offering	Public offering in Japan. The bonds will be offered to individual investors etc. in the domestic securities market.
(16) Underwriters	Daiwa Securities Co. Ltd., SMBC Nikko Securities Inc.
(17) Bond administrator	Sumitomo Mitsui Banking Corporation
(18) Securities depository	Japan Securities Depository Center, Incorporated

This timely disclosure entitled "Notice Regarding Determination of the Terms and Conditions of the Issuance of Domestic Subordinated Unsecured Bonds" has been prepared for the sole purpose of publicly announcing the issuance of MS&AD Insurance Group Holdings, Inc. third series of domestic subordinated unsecured bonds with interest deferral option and early redemption 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.

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