

February 4, 2016

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 Domestic Subordinated Unsecured Bonds Issued by Mitsui Sumitomo Insurance Company, Limited**

Mitsui Sumitomo Insurance Company, Limited (“MSI”, President: Yasuyoshi Karasawa), a subsidiary of MS&AD Insurance Group Holdings, Inc., today determined the terms and conditions of the domestic subordinated unsecured bonds announced on December 25, 2015, and hereby notify the outline thereof in the below.

(1) Issuer	Mitsui Sumitomo Insurance Company, Limited	
(2) Name of bond	Mitsui Sumitomo Insurance Company, Limited first series of domestic subordinated unsecured bond with interest deferrable option and early redeemable option	Mitsui Sumitomo Insurance Company, Limited second series of domestic subordinated unsecured bond with interest deferrable option and early redeemable option
(3) Principal amount	¥100 billion	¥50 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	February 10, 2076 (60-year bonds) MSI may, at its discretion, redeem the bond (i) on any interest payment date on and after February 10, 2021 or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after February 10, 2016, subject to a prior approval of the regulatory authority	February 10, 2076 (60-year bonds) MSI may, at its discretion, redeem the bond (i) on any interest payment date on and after February 10, 2026 or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after February 10, 2016, subject to a prior approval of the regulatory authority

(8) Interest rate	(i) From the day immediately following February 10, 2016 until February 10, 2021 : 1.07% per annum (ii) From the day immediately following February 10, 2021 until February 10, 2026 : 6-month Japanese yen LIBOR plus 1.05% (iii) From the day immediately following February 10, 2026 : 6-month Japanese yen LIBOR plus 2.05%	(i) From the day immediately following February 10, 2016 until February 10, 2026 : 1.39% per annum (ii) From the day immediately following February 10, 2026 : 6-month Japanese yen LIBOR plus 2.1%
(9) Interest payment dates	February 10 and August 10 of each year	
(10) Subscription period	February 4, 2016	
(11) Payment date	February 10, 2016	
(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 working capital	
(15) Method of offering	Public offering in Japan. The bonds will be offered mainly to institutional investors in domestic security market.	
(16) Joint lead underwriters	Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., Citigroup Global Markets Japan Inc., JPMorgan Securities Japan Co., Ltd., Merrill Lynch Japan Securities Co., Ltd.	
(17) Underwriters	SMBC Friend Securities Co., Ltd., 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 "Notice Regarding Determination of Terms and Conditions of Domestic Subordinated Unsecured Bonds Issued by Mitsui Sumitomo Insurance Company, Limited" has been prepared for the sole purpose of publicly announcing the issuances of MSI first series of domestic subordinated unsecured bond with interest deferrable option and early redeemable option and MSI second series of domestic subordinated unsecured bond 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 and 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.