

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)
Contact: Corporate Communications and Investor Relations Dept.
<http://www.ms-ad-hd.com/en/ir/contact/index.html>

**Notice Regarding the Completion of the Initial Acquisition and
Subscription for Further Equity in ReAssure**

Having obtained necessary approvals from all regulatory authorities, MS&AD Insurance Group Holdings, Inc. (the “Company”, President & CEO: Yasuyoshi Karasawa) has completed the initial acquisition of ReAssure Jersey One Limited (“ReAssure”) shares, which was announced to the public on October 6, 2017, and a subscription for further equity in ReAssure. The Company has acquired a stake of approximately 13.2% with this investment.

1. Outline of the Investment

Shares obtained	Approximately 13.2% of the outstanding shares of ReAssure (total of (1) and (2) below)
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Source of funds	Cash on hand
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(1) Initial acquisition of the outstanding shares (announced on October 6, 2017)

Investment amount	GBP 175 million (approx. JPY 26.3 billion, GBP 1 = JPY 150)
Time of completion	January 23, 2018

(2) Subscription for further equity

Investment amount	GBP 330 million (approx. JPY 49.5 billion, GBP 1 = JPY 150)
Time of completion	January 23, 2018
Purpose of the fund	Acquisition of a closed life book by ReAssure, announced on December 6, 2017 by Swiss Re Ltd. http://www.swissre.com/media/news_releases/nr20171206_reassure.html#). The outline is shown in point 2 below.

2. Acquisition of a closed life book by ReAssure

ReAssure has agreed to acquire a closed life book including with-profit, unit-linked and saving products from Legal & General Group PLC. The transaction is subject to regulatory approvals. Upon completion of this transaction, ReAssure will administer an additional 1.1 million policies, bringing the total number of owned or administered policies to approximately 4.7 million, while increasing ReAssure’s assets under management by GBP 33 billion to approximately GBP 77 billion. This transaction is a substantial expansion of ReAssure's operations, which further enhances its capabilities in the UK closed life book market.

3. Next steps

The Company has committed to invest GBP 800 million in total into the equity of ReAssure, including the investment set out in point 1. above, for up to a three-year period from deal closing, with a maximum shareholding of 15%. Once the 15% shareholding threshold has been reached, both Swiss Re and the Company will subscribe to any further equity in ReAssure on a pro rata basis. Upon reaching a 15% stake in ReAssure, the Company will account for the investment as an affiliated company by the equity-method.

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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 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. 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.