

April 4, 2018

Group Joint Issuance of Catastrophe Bond “Akibare Re 2018-1”

Mitsui Sumitomo Insurance Co., Ltd. (President: Noriyuki Hara, “MSI”) and Aioi Nissay Dowa Insurance Co., Ltd. (President: Yasuzo Kanasugi, “ADI”), which are subsidiaries of MS&AD Insurance Group Holdings Inc. (President & CEO: Yasuyoshi Karasawa), have jointly sponsored catastrophe bond (“cat bond”) Akibare Re Ltd. Series 2018-1 Notes (“Akibare Re 2018-1”), which will provide MSI and ADI with protection against qualifying natural catastrophes in Japan.

Akibare Re 2018-1 is the first cat bond in the non-life insurance industry to provide protection against flood risks as well as typhoon risks in Japan. The tranche of notes sponsored by MSI also covers risk of Earthquake Fire Expenses*. The fixed risk spread marked a low level of 1.90% for both tranches.

MS&AD Insurance Group strives to continuously make effective use of reinsurance and cat bonds, thereby further strengthening its risk management and enhancing financial soundness.

* An expense insurance coverage that pays out extraordinary expenses incurred in respect of damage to the insured property from fire following an earthquake, volcanic eruption, or tsunami arising from an earthquake or volcanic eruption.

1. Summary of Akibare Re 2018-1

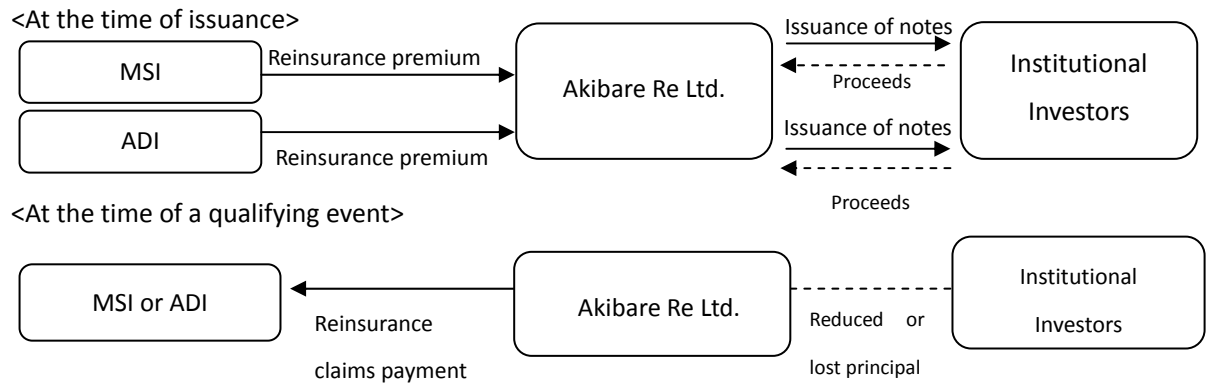
Akibare Re 2018-1 is a cat bond sponsored by MSI and ADI and issued to institutional investors via Akibare Re Ltd., a Bermuda-domiciled special purpose insurer. The cat bond is structured so that all or part of the principal otherwise due for return to investors at maturity would be transferred to the sponsors, if the incurred loss amount from natural catastrophe events in Japan exceeds a pre-defined threshold.

	Class A Notes	Class B Notes
Sponsor	MSI* ¹	ADI* ¹
Issuer	Akibare Re Ltd.	
Issuance	March 2018	
Expected Maturity	End of March 2022 (4-year risk period)	
Covered Event	1) Typhoon event in Japan 2) Flood event in Japan 3) Earthquake fire expense event in Japan	1) Typhoon event in Japan 2) Flood event in Japan
Size	USD 220 million (Approx. JPY 23.3 billion* ²)	USD 100 million (Approx. JPY 10.6 billion* ²)
Risk Spread	1.90 % per annum	1.90 % per annum

*¹ 4th issuance for MSI, first issuance for ADI

*² Yen value converted at the rate of 1 USD =JPY 106

[Transaction Schematic]



2. Background of Akibare Re 2018-1

In recent years, Japan has experienced an increasing number of large losses resulting from natural catastrophes, such as typhoon and flood events. In preparation for these, MSI and ADI have utilized reinsurance in order to reduce their net retained risk amount. Furthermore, given the growing interest amongst institutional investors towards cat bonds covering natural catastrophe risks in Japan, the two companies jointly sponsored the cat bond utilizing their knowledge and expertise, as well as reducing the cost for risk transfer.

End

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc. is a leading global insurance organization, engaging in the management of its group companies which are Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd. and others. Our mission is to contribute to the development of a vibrant society and help secure a sound future for the world. MS&AD Insurance Group enables safety and peace of mind through the world-leading insurance and financial services business to customers in 47 countries and jurisdictions. For a sustainable and resilient society, MS&AD Insurance Group commits to build on creating shared value with stakeholders.

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