April 1st, 2022

MS&AD Insurance Group Holdings, Inc. Mitsui Sumitomo Insurance Co., Ltd. Aioi Nissay Dowa Insurance Co., Ltd.

Regarding the Group joint issuance of 「Tomoni Re 2022」 Catastrophe Bonds

Mitsui Sumitomo Insurance Company, Limited (President: Shinichiro Funabiki, "MSI") and Aioi Nissay Dowa Insurance Co., Ltd. (President: Keisuke Niiro, "ADI"), members of the MS&AD Insurance Group, have jointly issued the "Tomoni Re 2022" catastrophe bonds ("cat bonds" *1) in Singapore *2 covering domestic natural disaster risks in Japan.

The MS&AD Insurance Group will continue to strengthen risk management and improve soundness of the management through appropriate use of reinsurance and cat bonds.

- *1: This is the 6th issuance for MSI and 2nd issuance for ADI (after merger of Aioi Insurance & Nissay Dowa Insurance).
- *2 : Singapore has introduced various initiatives to develop the market for insurance-linked securities securities as an "Insurance Linked Securities Grant Scheme" to subsidize costs of cat bond issuances.
- *3 : A generic term for securitized products of insurance risks, which are used as a method of insurance risk transfer through the capital markets. Investment in insurance-linked securities enables investors to earn investment returns that have limited correlation with broader financial markets.

1. Summary of "Tomoni Re 2022"

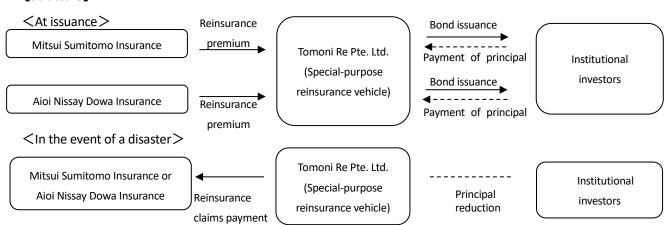
"Tomoni Re 2022" have been issued for institutional investors by MSI and ADI through the newly established Singapore-based special-purpose reinsurance vehicle Tomoni Re Pte. Ltd.

When losses due to natural disasters in Japan exceed a certain threshold, a portion or the entire amount of the principal is paid to the investors as reinsurance in accordance with the amount exceeding the threshold.

| | Class A | Class B |
|-----------------|--|--------------------------------|
| Company | Mitsui Sumitomo Insurance | Aioi Nissay Dowa Insurance |
| Issuer | Tomoni Re Pte. Ltd. | |
| Issuance Date | March 2022 | |
| Maturity | March end 2026 (4 years) | |
| Target Risk | Japanese domestic typhoon and flood risk | |
| Trigger | Per occurrence | |
| Issuance Amount | USD 100mil | USD 120mil |
| | (Approx. JPY 12.0bil *4) | (Approx. JPY 14.4bil *4) |
| Spread | Collateral interest+ 2.00% *5 | Collateral interest + 2.75% *5 |

^{*4 :} Assuming USD1=JPY 120

[Structure]



^{*5 :} Expected loss differs between Class A and Class B.

2. Background of Cat Bond Issuance

In recent years, Japan has been hit by frequent natural disasters such as typhoons and floods, causing widespread damage, which has heightened uncertainty in the reinsurance market. However, cat bonds covering natural disaster risks in Japan remain an attractive investment for institutional investors.

Under these circumstances, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance diversified their capacity sources and secured long-term coverage by jointly issuing catastrophe bonds, leveraging the know-how and expertise of both companies, while continuing risk management through the purchase of reinsurance.