

September 19, 2012

MS&AD Insurance Group Holdings, Inc.

Notice Regarding Issuance of Domestic Subordinated Unsecured Bonds
by Aioi Nissay Dowa Insurance Co., Ltd.

MS&AD Insurance Group Holdings, Inc. announces that its wholly-owned subsidiary, Aioi Nissay Dowa Insurance Co., Ltd. (“Aioi Nissay Dowa”) has decided to issue domestic subordinated unsecured bonds.

For detailed information, please refer to the attached notice by Aioi Nissay Dowa.

Attachment: “Notice Regarding Issuance of Domestic Subordinated Unsecured Bonds”

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Notice Regarding Issuance of Domestic Subordinated Unsecured Bonds

September 19, 2012

Aioi Nissay Dowa Insurance Co., Ltd. (Headquarters: 1-28-1 Ebisu, Shibuya-ku, Tokyo; President: Hisahito Suzuki) has decided to issue domestic subordinated unsecured bonds, as noted below, in order to improve its financial base and increase the amount of capital included in its solvency margin.

Issuer	Aioi Nissay Dowa Insurance Co., Ltd.	
Type	First Round of Unsecured Bonds (Subordinated)	Second Round of Callable Unsecured Bonds (Subordinated)
Principal amount	¥22.0 billion	¥28.0 billion
Offering price	¥100 per amount of ¥100 of each bond	
Interest rate	1.809% per annum	Until and including September 27, 2017: 1.27% per annum After and excluding September 27, 2017: 6-month euro yen LIBOR + 2.35%
Maturity date	September 27, 2022	September 27, 2022 Provided, however, all bonds are callable on each interest payment date from and including September 27, 2017, upon approval of the supervisory authorities.
Application period	September 19, 2012	
Method of Offering	Public offering in Japan	
Payment date	September 27, 2012	
Subordination	Subordinated	
Underwriters	Nomura Securities Co., Ltd., Daiwa Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd., Tokai Tokyo Securities Co., Ltd.	
Credit Rating	A+ (by Rating & Investment Information, Inc.)	

This press release entitled “Notice Regarding Issuance of Domestic Subordinated Unsecured Bonds” has been prepared for the sole purpose of publicly announcing the Company’s issuance of securities, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. When investing in these bonds, investors should make their own decision after reading the registered securities prospectus (including revisions thereof, if any). This press release is not an offer of securities for sale in the United States. The bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”), and the bonds may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The bonds are issued and offered in Japan, and there are no plans to offer or sell the bonds in the United States.