

March 9, 2012

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.
Name of Representative: Toshiaki Egashira, President
(Securities Code No.: 8725, Tokyo, Osaka and Nagoya)

Notice Regarding Issuance of US Dollar-Denominated Subordinated Notes due 2072
by Mitsui Sumitomo Insurance

MS&AD Insurance Group Holdings, Inc. announces that its wholly-owned subsidiary, Mitsui Sumitomo Insurance Company, Limited (President: Yasuyoshi Karasawa, hereinafter “MSI”) has decided to issue US dollar-denominated subordinated notes due 2072 with interest deferral options (the “Notes”) in order to improve its financial soundness and increase its capital buffer for implementing various measures including growth strategies. Details of the Notes are as follows:

- (1) Issuer: Mitsui Sumitomo Insurance Company, Limited
- (2) Type: US dollar-denominated subordinated notes due 2072 with interest deferral options
- (3) Principal amount: USD 1.3 billion
- (4) Offering price: 100% of principal amount
- (5) Interest rate: A fixed rate of 7.00% per annum before March 15, 2022 and a floating rate with step-up thereafter
- (6) Maturity date: March 15, 2072
The Notes are callable on each interest payment date on and after March 15, 2022 at the discretion of MSI, subject to prior governmental approval, etc.
- (7) Subordination: In the event of liquidation, etc., the Notes will be subordinated to all senior indebtedness of MSI and shall rank substantially *pari passu* with preferred stock of MSI (if any).
- (8) Offering: The Notes will be offered in overseas securities markets, including Europe, Asia and the United States, but not in Japan. (They will not be offered or sold within the United States, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the United States Securities Act of 1933.)
- (9) Listed securities exchange: The Notes will be listed on the Singapore Exchange.
- (10) Payment date: March 15, 2012

This press release has been prepared for the sole purpose of publicly announcing MSI's issuance of securities, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release is not an offer of securities for sale in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. No securities issued by MSI will be publicly offered or sold in the United States in connection with MSI's issuance of the Notes.