

March 29, 2024

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 2024」 Catastrophe Bonds

Mitsui Sumitomo Insurance Company, Limited (President: Shinichiro Funabiki, “Mitsui Sumitomo Insurance”) and Aioi Nissay Dowa Insurance Co., Ltd. (President: Keisuke Niino, “Aioi Nissay Dowa Insurance”), as members of the MS&AD Insurance Group Holdings, Inc., have jointly issued the “Tomoni Re 2024” catastrophe bonds (“cat bonds”^{*1}) in Singapore^{*2} covering domestic natural disaster risks in Japan.

Through appropriate use of reinsurance and cat bonds, the MS&AD Insurance Group Holdings will continue to strengthen risk management and improve soundness of the management, while promoting initiatives to improve the resilience of society.

- *1 : This is the 7th issuance for Mitsui Sumitomo Insurance and 3rd issuance for Aioi Nissay Dowa Insurance.
- *2 : Singapore has introduced various initiatives to develop the market for insurance-linked securities^{*3}, such 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 2024”

Two tranches of notes have been issued by “Tomoni Re Pte. Ltd.”, a Singapore based special-purpose reinsurance vehicle jointly sponsored by Mitsui Sumitomo Insurance and Aioi Nissay Dowa. Each classes of notes provides indemnity reinsurance protection. 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 sponsors as reinsurance in accordance with the amount exceeding threshold.

The Class A tranche, will provide Mitsui Sumitomo Insurance USD 100M of typhoon and flood protection on a per occurrence basis, realizing competitive spread in comparison with similar range of risk level. The other Class B tranche provides Aioi Nissay Dowa USD 100M and covers both typhoon and flood on per occurrence basis, and earthquake on a 3-year rolling aggregate basis by the same shared limit, which is the first cat bond structure introduced on a global basis^{*4}.

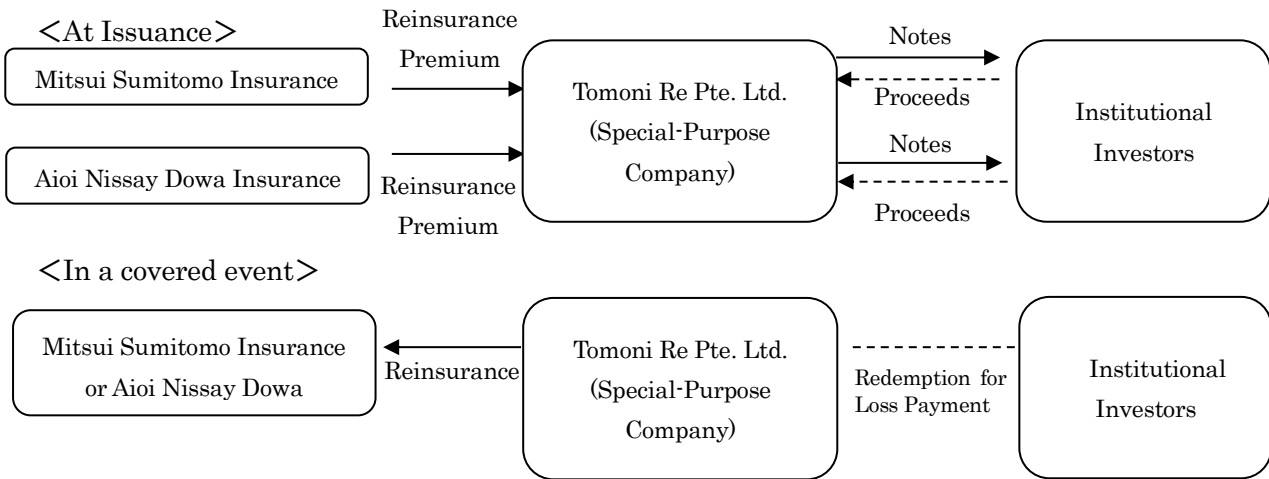
	Class A	Class B
Sponsor	Mitsui Sumitomo Insurance Co., Ltd	Aioi Nissay Dowa Insurance Co., Ltd
Issuer	Tomoni Re Pte. Ltd.	
Issuance Date	March 2024	
Maturity	March end 2028 (4 years)	
Target Risk	Japanese domestic typhoon and flood risk	Japanese domestic typhoon, flood and earthquake risk
Trigger	Per occurrence	Typhoon and flood : Per occurrence Earthquake : 3-yr rolling aggregate
Issuance Amount	USD 100mil (Approx. JPY 15bil ^{*5})	USD 100mil (Approx. JPY 15bil ^{*5})
Spread	Collateral interest + 3.25% ^{*6}	Collateral interest + 4.00% ^{*6}

*4 : The first cat bond structure on a global basis to cover both typhoon and flood per occurrence, and earthquake on a 3-yr rolling aggregate by the same share limit (Source: Aon Securities)

*5 : Assuming USD 1=JPY 150

*6 : Expected loss (calculated loss amount through catastrophe loss model) differs between Class A and Class B

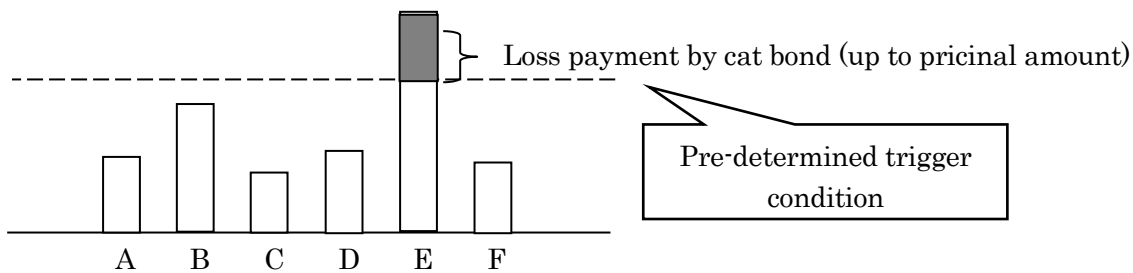
【Structure】



【Trigger for Loss Payment/Redemption】

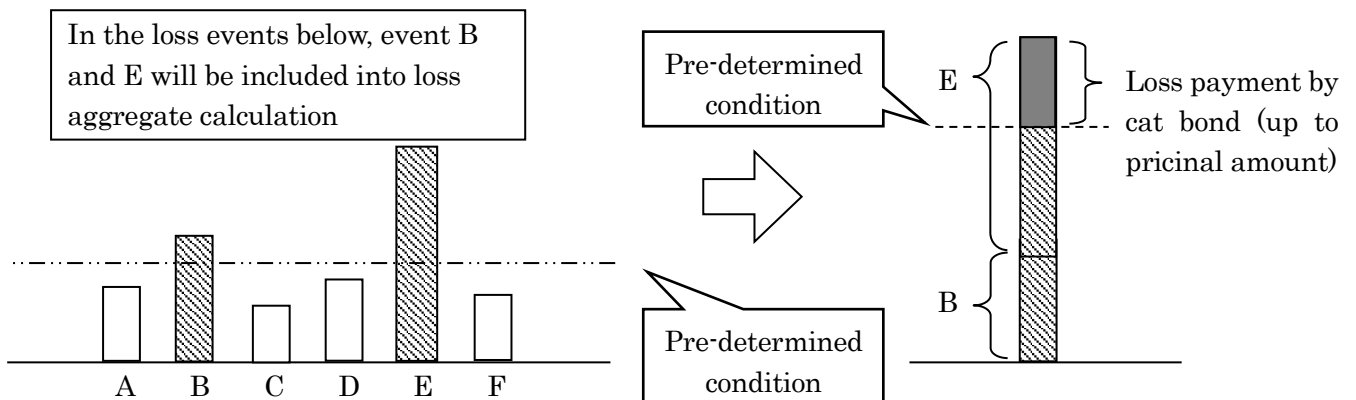
<Per Occurrence Trigger>

Loss amount in excess of pre-determined trigger condition per loss event occurrence will be paid from principal of cat bond with maximum limit of principal amount.



<Term Aggregate Trigger>

Loss aggregate amount of all loss events that are in excess of pre-determined condition will be paid from principal of cat bond with maximum limit principal amount.



2. Background of Cat Bond Issuance

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 to enhance the group's risk management strategies through the purchase of reinsurance.