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 Name of Representative: Yasuyoshi Karasawa, President
 (Securities Code: 8725, Tokyo Stock Exchange and Nagoya Stock Exchange)
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Strengthening Corporate Governance

MS&AD Insurance Group Holdings, Inc. (the “Company”) is endeavoring to build a management framework that allows us to make business decisions in a manner that is both transparent and fair as well as quick and decisive. For example, we have appointed a number of outside directors and we have established internal committees of Board of Directors, such as the Nomination Committee and the Remuneration Committee. Now, in order to further strengthen this framework, we have created the Governance Committee, whose members are mainly outside directors, and we have established criteria for electing our directors.

With the aims of ensuring the group's sustainable growth and enhancing enterprise value, the Company is also working to strengthen corporate governance as we move towards the adoption of a Corporate Governance Code in June 2015.

1. Establishment of new Governance Committee, whose members are mainly outside directors

(1) Establishment of Governance Committee

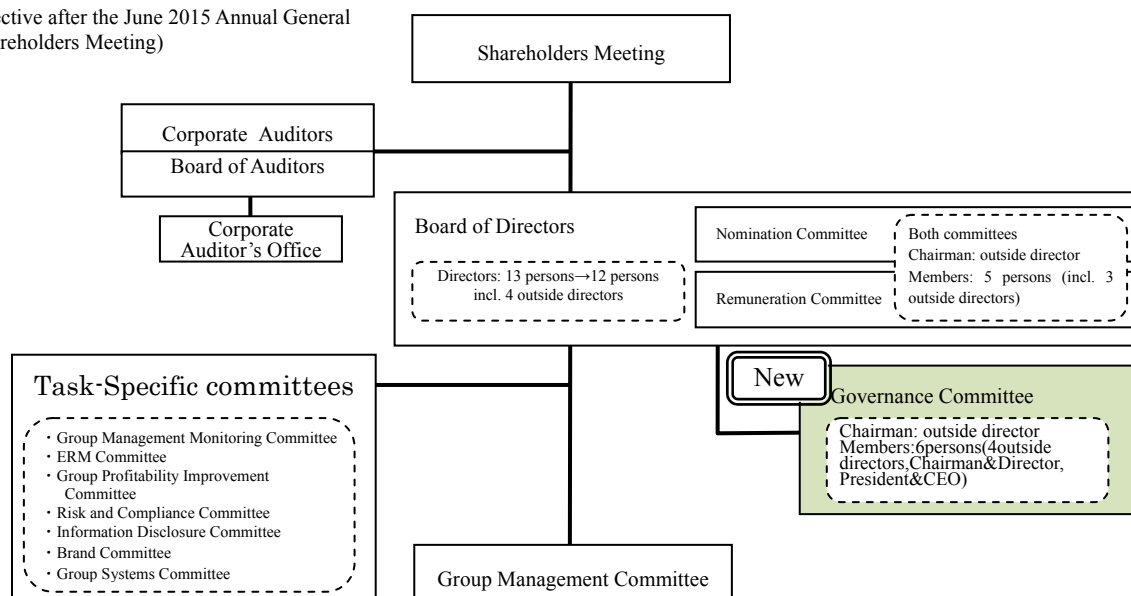
The Company established the Governance Committee, a committee under the Board of Directors, in fiscal year 2015.

Status	Committee under the Board of Directors*
Composition	All Outside Directors (4 persons), Chairman & Director, President and CEO
Committee chairman	Elected by mutual vote among the outside directors. Tadashi Ogawa was elected as the chairman at the first meeting held on May 7, 2015.
Purpose	Outside Directors will discuss the state of corporate governance and matters concerning corporate governance policy and systems with the Chairman & Director, President & CEO, and make recommendations to the Board of Directors as necessary.
Meeting frequency	About two times each year

*Non-statutory, optional advisory committee for a company with a board of company auditors.

Governance Structure

(Effective after the June 2015 Annual General Shareholders Meeting)



(2) Opportunities for outside directors to exchange ideas

The company has established the following councils as opportunities for outside directors to freely engage in constructive discussion and exchanges of ideas, and the meetings will be held on a regular basis starting in fiscal year 2015.

① Outside Director Council

We have established an Outside Director Council, whose members are only Outside Directors (4 persons). The Governance Committee uses discussions within the Outside Director Council as a basis to discuss matters with the chairman of the board and president.

② Outside Directors-Corporate Auditors Joint Council

We have established the Outside Directors-Corporate Auditors Joint Council, whose members are the Outside Directors (4) and corporate auditors (3 outside, 2 internal), to liaise between the outside directors and corporate auditors.

2. Ratio of independent outside directors to be increased to 1/3

The Company's Board of Directors currently has 13 members (12 male, 1 female), of whom four are outside directors*. The total number of director candidates submitted at the Annual General Shareholders Meeting scheduled for June 22, 2015 will be reduced to 12 (11 male, 1 female), and the number of outside director candidates will remain 4 (reappointments), so the ratio of outside directors will increase to 1/3.

We expect that along with continuing to use their expertise to provide advice from the standpoint of enhancing enterprise value over the medium to long term in furtherance of the company's sustainable growth, these independent outside directors will perform a role in overseeing management.

* The Company has submitted to the Japanese financial instrument exchanges where the company is listed Independent Director/Auditor Notifications, indicating that these four people are Independent Officer.

3. Establishment of "Criteria for the Selection of Director Candidates and Corporate Auditor Candidates"

(1) Overview

The Company's Board of Directors has approved "Criteria for the Selection of Director Candidates and Corporate Auditor Candidates" concerning the desirable qualities, abilities and aptitudes for the Company's directors and corporate auditors so that the Board of Directors and Board of Auditors can effectively fulfill their roles and responsibilities (overview in Appendix 1).

(2) Reassessment of independence criteria

The criteria for the independence of outside directors and outside corporate auditors were disclosed in fiscal year 2012. We have reviewed these criteria, in light of the revised Companies Act and the independence standards set by financial instruments exchanges, and incorporated them into our selection criteria.

(3) Establishment of term limits

The total terms of office for newly elected outside directors and outside corporate auditors in the future have been established as follows:

Outside directors	The expectation is 4 terms, 4 years, renewable for a maximum of 8 terms, 8 years.
Outside corporate auditors	In principle the total term is 1 term, 4 years, but this is renewable for a maximum of 2 terms, 8 years.

4. Introduction of stock options as stock-based compensation

To increase officer awareness of business results, the Company increased the proportion of performance-linked compensation within officer compensation from about 20% to about 30% starting in fiscal year 2014.

Additionally, at the Annual General Shareholders Meeting scheduled for June 22, 2015 we will propose the introduction of stock options as stock-based compensation starting in fiscal year 2015. The objective is for the officers of the Company and our core insurance companies to share the benefit of increase in share price arising from improved business results as well as the risk of share price fluctuations with our shareholders.

Qualified persons*	<ul style="list-style-type: none"> • The Company's directors (excluding outside directors) and executive officers <p>The Company plans to issue stock acquisition rights of the similar nature as outlined above to the Executive Officers and associate directors of the Company as well as directors (excluding outside directors), executive officers, and board members of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd., which are the main subsidiaries of the Company..</p>
Description of the stock option plan*	<ul style="list-style-type: none"> • A portion of the company performance-linked compensation (cash payment) will be changed to payment with company stock (allotment of stock acquisition rights). • The exercise price will be 1 yen (i.e. one share may be acquired for 1 yen), and the rights may be exercised within 10 days of the day after the officer has separated from MS&AD or one of the main group companies.
Implementation schedule	<ul style="list-style-type: none"> • The officer compensation structure has been revised starting in fiscal year 2015, and the Series 1 stock option allotment will take place in July 2016 when performance-linked compensation for fiscal year 2015 will be paid.

* For more information about the stock options, please refer to the "Notice Concerning the Introduction of Stock Options as Stock Based Compensation (Subscription Rights to Shares)" with today's date.

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Criteria for the Selection of Director Candidates and Corporate Auditor Candidates

1. Outside director candidates and outside corporate auditor candidates

Candidates must meet the following requirements.

- Must not be disqualified from serving as a director or corporate auditor pursuant to the Companies Act.
- Must not be disqualified from serving as a director or corporate auditor of an insurance holding company pursuant to the Insurance Business Act.
- Must have a sufficient level of social credibility.
- An outside corporate auditor must satisfy the eligibility requirements for a corporate auditor pursuant to the Insurance Business Act.

Additionally, candidates must satisfy the following three requirements.

(1) Eligibility

A candidate must have the qualities listed below that are necessary to monitor the overall management of the company and provide advice, based on a general knowledge of company management and a basic understanding of the roles of the directors and board of directors.

- Ability to discern facts from materials and reports
- Capability to detect problems and risks and apply own knowledge to solve them
- Capacity to appropriately monitor business strategy and provide advice
- Mental independence to openly question, debate, re-examine, continuously deliberate, and propose ideas in opposition to a resolution

(2) Expertise

Must have knowledge in a specialized field such as management, accounting, finance, law, administration, or social/cultural affairs, and have a record of achievement in that field.

(3) Independence

The following persons are ineligible.

- ① An executing person of the Company or an subsidiary of the Company.
- ② A director or corporate auditor of an subsidiary of the Company.
- ③ A person for whom the Company is a major business partner (i.e. a person who received payments from the Company or subsidiaries of the Company that represent 2% or more of annual consolidated sales for the most recent fiscal year), or an executing person thereof
- ④ A major business partner of the Company (i.e. a person who made payments to subsidiaries of the Company representing 2% or more of the Company consolidated direct premiums written excluding deposit premium from policy holders for the most recent fiscal year), or an executing person thereof
- ⑤ Any of the Company's top 10 largest shareholders (or, if the shareholder is a corporation, an executing person thereof)
- ⑥ An executing person of a company to which the Company or an subsidiary of the Company has appointed a director
- ⑦ A consultant, accounting professional, or legal professional who has received, other than officer compensation, average cash or other financial benefits of at least 10 million yen per year for the past three years from the Company or subsidiaries of the Company.
- ⑧ A person falling under items ② -⑦ during the past five years.
- ⑨ An individual who was an executing person of the Company or subsidiaries of the Company in the past
- ⑩ A spouse or second-degree or closer relative of a person listed in items ①-⑨ above

(4) Term limits

The total terms of office for newly elected outside directors and outside corporate auditors from April 1, 2015 onwards are as listed below.

- ① For outside directors, the expectation is 4 terms, 4 years, renewable for a maximum of 8 terms, 8 years.
- ② For outside corporate auditors, in principle the total term is 1 term, 4 years, but this is renewable for a maximum of 2 terms, 8 years.

2. Candidates for director other than outside director and candidates for corporate auditor other than outside corporate auditor

Candidates must meet the following requirements.

- Must not be disqualified from serving as a director or corporate auditor pursuant to the Companies Act.
- Must not be disqualified from serving as a director or corporate auditor of an insurance holding company pursuant to the Insurance Business Act.
- Must satisfy the eligibility requirements for a director or corporate auditor who engages in daily business at an insurance company pursuant to the Insurance Business Act.

Additionally, a candidate must have varied experience as well as highly specialized experience and must embody our corporate philosophy in the exercise of leadership.

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