

Solvency margin ratio on a consolidated basis as of September 30, 2017

Solvency margin ratio on a consolidated basis (sufficiency of solvency of insurance company and its subsidiaries, etc. to fulfill payment obligations such as insurance claims) of Tokio Marine & Nichido Fire Insurance Co., Ltd. as of September 30, 2017 is as follows.

(Yen in millions)

	As of March 31, 2017	As of September 30, 2017
(A) Total amount of solvency margin	4,209,793	4,660,070
Shareholders' equity less adjusting items	675,636	843,929
Price fluctuation reserve	86,090	88,697
Contingency reserve	3,178	3,354
Catastrophe loss reserve	1,084,279	1,119,049
General allowance for doubtful accounts	1,793	1,374
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	1,855,228	2,106,298
Unrealized gains (losses) on land	203,100	221,228
Total amount of unrecognized actuarial difference and unrecognized prior service costs (before tax effect deductions)	(20,850)	(18,871)
Excess of premium reserve, etc.	-	-
Subordinated debt, etc.	-	-
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	-	-
Total margin of Small Amount and Short Term Insurers	-	-
Deductions	80,285	150,193
Others	401,622	445,200
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,130,448	1,167,538
General insurance risk on property and casualty insurance contracts (R ₁)	320,248	327,230
Life insurance risk (R ₂)	14,983	13,538
Third sector insurance risk (R ₃)	36,251	35,113
Insurance risk of Small Amount and Short Term Insurers (R ₄)	-	-
Assumed interest rate risk (R ₅)	23,020	22,723
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	725,173	765,135
Business administration risk (R ₈)	27,866	28,705
Catastrophe risk on property and casualty insurance contracts (R ₉)	273,645	271,527
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	744.8%	798.2%

(Note) "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 86 paragraph 2 and Article 88 of the Enforcement Regulation of the Insurance Business Act and with Ordinance No.23 issued by the Financial Services Agency in 2011. The ratio is one of the objective indicators used by the regulatory authority to supervise corporate groups headed by an insurance company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.