

Solvency margin ratio on a consolidated basis as of September 30, 2018

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, 2018 is as follows.

(Yen in millions)

	As of March 31, 2018	As of September 30, 2018
(A) Total amount of solvency margin	4,564,023	4,578,299
Shareholders' equity less adjusting items	750,760	798,750
Price fluctuation reserve	91,437	94,160
Contingency reserve	4,139	4,671
Catastrophe loss reserve	1,116,234	1,106,024
General allowance for doubtful accounts	1,485	1,379
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,170,926	2,162,301
Unrealized gains (losses) on land	222,183	228,808
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(24,929)	(23,654)
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	160,944	182,969
Others	392,731	388,826
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,254,541	1,256,588
General insurance risk on property and casualty insurance contracts (R ₁)	345,643	348,940
Life insurance risk (R ₂)	14,077	13,850
Third sector insurance risk (R ₃)	36,511	38,417
Insurance risk of Small Amount and Short Term Insurers (R ₄)	-	-
Assumed interest rate risk (R ₅)	21,491	21,083
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	833,724	848,822
Business administration risk (R ₈)	30,767	30,889
Catastrophe risk on property and casualty insurance contracts (R ₉)	286,940	273,336
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	727.6%	728.6%

(Note) "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice 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.