

Solvency margin ratio on a consolidated basis as of March 31, 2021

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 March 31, 2021 is as follows.

(Yen in millions)

	As of March 31, 2020	As of March 31, 2021
(A) Total amount of solvency margin	4,008,414	4,754,992
Shareholders' equity less adjusting items	664,252	696,016
Reserve for price fluctuation	102,874	109,013
Contingency reserve	6,213	6,623
Catastrophe loss reserve	913,540	981,590
General allowance for doubtful accounts	1,513	2,541
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	1,637,362	2,258,883
Unrealized gains (losses) on land	245,915	258,223
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(11,656)	(20,203)
Excess of premium reserve, etc.	-	-
Subordinated debt, etc.	200,000	200,000
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	172,267	142,571
Others	420,667	404,874
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,138,973	1,247,513
General insurance risk on non-life insurance contracts (R ₁)	353,204	359,736
Life insurance risk (R ₂)	15,283	15,825
Third sector insurance risk (R ₃)	37,241	38,053
Insurance risk of Small Amount and Short Term Insurers (R ₄)	-	-
Assumed interest rate risk (R ₅)	18,765	17,226
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	725,659	846,605
Business administration risk (R ₈)	28,399	30,858
Catastrophe risk on non-life insurance contracts (R ₉)	269,814	265,486
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	703.8%	762.3%

(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.