

Solvency margin ratio on a consolidated basis as of September 30, 2016

Solvency margin ratio on a consolidated basis (situation of the enhancement of the ability to pay for insurance claims, etc. of an insurance holding company and its subsidiary companies, etc.) of Tokio Marine Holdings, Inc. as of September 30, 2016 is as follows.

(Yen in millions, except for %)

	As of March 31, 2016	As of September 30, 2016
(A) Total amount of solvency margin	4,793,890	5,180,732
Shareholders' equity less adjusting items	710,374	986,329
Price fluctuation reserve	88,144	90,841
Contingency reserve	48,068	48,698
Catastrophe loss reserve	1,108,072	1,133,945
General allowance for doubtful accounts	1,876	1,876
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	2,004,174	2,022,067
Unrealized gains (losses) on land	193,708	206,711
Total amount of unrecognized actuarial difference and unrecognized prior service costs (prior to tax effect deductions)	(24,411)	(19,477)
Excess of premium reserve, etc.	286,376	298,431
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 Insurer	71	95
Deductions	62,490	81,926
Others	439,924	493,138
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,211,446	1,107,581
General insurance risk on property and casualty insurance contracts (R ₁)	324,557	306,422
Life insurance risk (R ₂)	64,482	27,297
Third sector insurance risk (R ₃)	4,655	36,595
Insurance risk of Small Amount and Short Term Insurer (R ₄)	25	20
Assumed interest rate risk (R ₅)	30,547	30,241
Minimum guarantee risk on life insurance contracts (R ₆)	2,995	2,965
Asset management risk (R ₇)	727,747	717,854
Business administration risk (R ₈)	30,087	27,505
Catastrophe risk on property and casualty insurance contracts (R ₉)	349,385	253,878
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	791.4%	935.5%

(Note) "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 210 paragraph 11, section 3 and section 4 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 indicators used by the regulatory authority to supervise corporate groups headed by an insurance holding company. Ratio exceeding 200% indicates that the ability to meet payments of insurance claims, etc. is adequate.