

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

Solvency margin ratio on a consolidated basis (sufficiency of solvency of insurance holding company and its subsidiaries, etc. to fulfill payment obligations such as insurance claims) of Tokio Marine Holdings, Inc. as of June 30, 2017 is as follows.

(Yen in millions)

	As of March 31, 2017	As of June 30, 2017
(A) Total amount of solvency margin	5,304,574	5,616,303
Shareholders' equity less adjusting items	1,005,411	1,135,716
Price fluctuation reserve	93,645	95,305
Contingency reserve	50,529	51,966
Catastrophe loss reserve	1,146,033	1,166,309
General allowance for doubtful accounts	2,287	2,094
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	2,010,280	2,115,071
Unrealized gains (losses) on land	204,540	204,624
Total amount of unrecognized actuarial difference and unrecognized prior service costs (prior to tax effect deductions)	(24,832)	(23,864)
Excess of premium reserve, etc.	310,471	314,781
Subordinated debt, etc.	100,000	100,000
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	-	-
Total margin of Small Amount and Short Term Insurer	64	64
Deductions	99,919	99,907
Others	506,060	554,140
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,182,223	1,164,480
General insurance risk on property and casualty insurance contracts (R ₁)	335,090	331,461
Life insurance risk (R ₂)	30,463	30,306
Third sector insurance risk (R ₃)	41,535	40,271
Insurance risk of Small Amount and Short Term Insurer (R ₄)	13	13
Assumed interest rate risk (R ₅)	29,035	28,666
Minimum guarantee risk on life insurance contracts (R ₆)	3,008	2,959
Asset management risk (R ₇)	756,231	750,120
Business administration risk (R ₈)	29,477	29,059
Catastrophe risk on property and casualty insurance contracts (R ₉)	278,515	269,192
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	897.3%	964.6%

(Note) 1. "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 objective indicators used by the regulatory authority to supervise corporate groups headed by an insurance holding company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.

2. Solvency margin ratio as of June 30, 2017 was calculated by methods which the company regarded as reasonable in conformity with the Insurance Business Act and other related regulations. The calculation was partially based on simplified methods including but not limited to use of data as of March 31, 2017.