

Solvency margin ratio on a consolidated basis as of March 31, 2019

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 March 31, 2019 is as follows.

(Yen in millions)

	As of March 31, 2018	As of March 31, 2019
(A) Total amount of solvency margin	5,734,000	5,284,950
Shareholders' equity less adjusting items	1,126,693	1,154,895
Reserve for price fluctuation	100,511	108,457
Contingency reserve	55,233	56,705
Catastrophe loss reserve	1,182,527	1,041,011
General allowance for doubtful accounts	1,952	2,075
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,362,090	2,098,278
Unrealized gains (losses) on land	225,307	235,371
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(28,272)	(14,896)
Excess of premium reserve, etc.	319,252	319,977
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 Insurers	176	215
Deductions	203,107	317,751
Others	491,636	500,611
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,304,081	1,237,259
General insurance risk on property and casualty insurance contracts (R ₁)	357,844	350,053
Life insurance risk (R ₂)	30,403	31,507
Third sector insurance risk (R ₃)	42,275	46,925
Insurance risk of Small Amount and Short Term Insurers (R ₄)	9	8
Assumed interest rate risk (R ₅)	27,461	26,079
Minimum guarantee risk on life insurance contracts (R ₆)	2,833	2,439
Asset management risk (R ₇)	865,232	818,629
Business administration risk (R ₈)	32,328	30,916
Catastrophe risk on property and casualty insurance contracts (R ₉)	290,373	270,188
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	879.3%	854.2%

(Note) "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 210-11-3 and 210-11-4 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 holding company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.