

Solvency margin ratio on a consolidated basis as of September 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 September 30, 2017 is as follows.

(Yen in millions)

	As of March 31, 2017	As of September 30, 2017
(A) Total amount of solvency margin	5,304,574	5,712,998
Shareholders' equity less adjusting items	1,005,411	1,080,947
Price fluctuation reserve	93,645	97,115
Contingency reserve	50,529	53,409
Catastrophe loss reserve	1,146,033	1,183,802
General allowance for doubtful accounts	2,287	1,763
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	2,010,280	2,271,877
Unrealized gains (losses) on land	204,540	223,712
Total amount of unrecognized actuarial difference and unrecognized prior service costs (before tax effect deductions)	(24,832)	(22,398)
Excess of premium reserve, etc.	310,471	316,703
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	64	87
Deductions	99,919	147,193
Others	506,060	553,171
(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	1,212,761
General insurance risk on property and casualty insurance contracts (R ₁)	335,090	339,013
Life insurance risk (R ₂)	30,463	29,618
Third sector insurance risk (R ₃)	41,535	40,591
Insurance risk of Small Amount and Short Term Insurers (R ₄)	13	10
Assumed interest rate risk (R ₅)	29,035	28,715
Minimum guarantee risk on life insurance contracts (R ₆)	3,008	2,894
Asset management risk (R ₇)	756,231	792,533
Business administration risk (R ₈)	29,477	30,161
Catastrophe risk on property and casualty insurance contracts (R ₉)	278,515	274,687
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	897.3%	942.1%

(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 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.