

Solvency margin ratio on a consolidated basis as of June 30, 2020

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, 2020 is as follows.

(Yen in millions)

	As of March 31, 2020	As of June 30, 2020
(A) Total amount of solvency margin	5,064,907	5,209,061
Shareholders' equity less adjusting items	891,439	1,032,893
Reserve for price fluctuation	118,071	120,513
Contingency reserve	57,854	58,143
Catastrophe loss reserve	972,525	994,630
General allowance for doubtful accounts	1,973	1,718
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	1,838,462	1,772,761
Unrealized gains (losses) on land	250,588	251,324
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(14,213)	(13,157)
Excess of premium reserve, etc.	312,273	310,383
Subordinated debt, etc.	300,000	300,000
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	299	299
Deductions	178,267	178,267
Others	513,898	557,817
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,197,647	1,204,606
General insurance risk on non-life insurance contracts (R ₁)	367,085	368,624
Life insurance risk (R ₂)	31,391	31,356
Third sector insurance risk (R ₃)	43,714	43,731
Insurance risk of Small Amount and Short Term Insurers (R ₄)	9	9
Assumed interest rate risk (R ₅)	24,747	24,417
Minimum guarantee risk on life insurance contracts (R ₆)	2,501	2,398
Asset management risk (R ₇)	765,263	774,929
Business administration risk (R ₈)	30,178	30,350
Catastrophe risk on non-life insurance contracts (R ₉)	274,192	272,067
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	845.8%	864.8%

(Note) 1. "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.

2. Solvency margin ratio as of June 30, 2020 is calculated partially based on data as of March 31, 2020.