

Solvency margin ratio on a consolidated basis as of September 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 September 30, 2020 is as follows.

(Yen in millions)

	As of March 31, 2020	As of September 30, 2020
(A) Total amount of solvency margin	5,064,907	5,385,640
Shareholders' equity less adjusting items	891,439	934,356
Reserve for price fluctuation	118,071	123,002
Contingency reserve	57,854	58,906
Catastrophe loss reserve	972,525	1,016,527
General allowance for doubtful accounts	1,973	3,504
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	1,838,462	2,003,589
Unrealized gains (losses) on land	250,588	263,336
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(14,213)	(11,855)
Excess of premium reserve, etc.	312,273	307,785
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	377
Deductions	178,267	155,604
Others	513,898	541,713
(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	1,202,259
General insurance risk on non-life insurance contracts (R ₁)	367,085	367,106
Life insurance risk (R ₂)	31,391	31,013
Third sector insurance risk (R ₃)	43,714	44,752
Insurance risk of Small Amount and Short Term Insurers (R ₄)	9	9
Assumed interest rate risk (R ₅)	24,747	24,528
Minimum guarantee risk on life insurance contracts (R ₆)	2,501	2,323
Asset management risk (R ₇)	765,263	772,962
Business administration risk (R ₈)	30,178	30,288
Catastrophe risk on non-life insurance contracts (R ₉)	274,192	271,738
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	845.8%	895.9%

(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.