

Solvency margin ratio on a consolidated basis as of March 31, 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 March 31, 2020 is as follows.

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020
(A) Total amount of solvency margin	5,284,950	5,064,907
Shareholders' equity less adjusting items	1,154,895	891,439
Reserve for price fluctuation	108,457	118,071
Contingency reserve	56,705	57,854
Catastrophe loss reserve	1,041,011	972,525
General allowance for doubtful accounts	2,075	1,973
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,098,278	1,838,462
Unrealized gains (losses) on land	235,371	250,588
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(14,896)	(14,213)
Excess of premium reserve, etc.	319,977	312,273
Subordinated debt, etc.	100,000	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	215	299
Deductions	317,751	178,267
Others	500,611	513,898
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,237,259	1,197,647
General insurance risk on non-life insurance contracts (R ₁)	350,053	367,085
Life insurance risk (R ₂)	31,507	31,391
Third sector insurance risk (R ₃)	46,925	43,714
Insurance risk of Small Amount and Short Term Insurers (R ₄)	8	9
Assumed interest rate risk (R ₅)	26,079	24,747
Minimum guarantee risk on life insurance contracts (R ₆)	2,439	2,501
Asset management risk (R ₇)	818,629	765,263
Business administration risk (R ₈)	30,916	30,178
Catastrophe risk on non-life insurance contracts (R ₉)	270,188	274,192
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	854.2%	845.8%

(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.