

Solvency margin ratio on a consolidated basis as of December 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 December 31, 2019 is as follows.

(Yen in millions)

	As of March 31, 2019	As of December 31, 2019
(A) Total amount of solvency margin	5,284,950	6,054,765
Shareholders' equity less adjusting items	1,154,895	1,312,211
Reserve for price fluctuation	108,457	115,104
Contingency reserve	56,705	58,281
Catastrophe loss reserve	1,041,011	949,092
General allowance for doubtful accounts	2,075	1,826
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,098,278	2,384,664
Unrealized gains (losses) on land	235,371	248,213
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(14,896)	(12,342)
Excess of premium reserve, etc.	319,977	315,600
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	279
Deductions	317,751	148,341
Others	500,611	530,175
(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	1,217,183
General insurance risk on non-life insurance contracts (R ₁)	350,053	351,020
Life insurance risk (R ₂)	31,507	31,231
Third sector insurance risk (R ₃)	46,925	44,909
Insurance risk of Small Amount and Short Term Insurers (R ₄)	8	9
Assumed interest rate risk (R ₅)	26,079	25,731
Minimum guarantee risk on life insurance contracts (R ₆)	2,439	2,380
Asset management risk (R ₇)	818,629	810,035
Business administration risk (R ₈)	30,916	30,489
Catastrophe risk on non-life insurance contracts (R ₉)	270,188	259,139
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	854.2%	994.8%

(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 December 31, 2019 is calculated partially based on data as of September 30, 2019.