

Solvency margin ratio on a consolidated basis as of June 30, 2018

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, 2018 is as follows.

(Yen in millions)

	As of March 31, 2018	As of June 30, 2018
(A) Total amount of solvency margin	5,734,000	5,870,378
Shareholders' equity less adjusting items	1,126,693	1,268,216
Price fluctuation reserve	100,511	102,400
Contingency reserve	55,233	55,746
Catastrophe loss reserve	1,182,527	1,198,895
General allowance for doubtful accounts	1,952	1,805
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,362,090	2,305,794
Unrealized gains (losses) on land	225,307	224,970
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(28,272)	(27,657)
Excess of premium reserve, etc.	319,252	319,631
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	176	176
Deductions	203,107	203,107
Others	491,636	523,505
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,304,081	1,283,306
General insurance risk on property and casualty insurance contracts (R ₁)	357,844	349,375
Life insurance risk (R ₂)	30,403	29,870
Third sector insurance risk (R ₃)	42,275	40,188
Insurance risk of Small Amount and Short Term Insurers (R ₄)	9	9
Assumed interest rate risk (R ₅)	27,461	27,084
Minimum guarantee risk on life insurance contracts (R ₆)	2,833	2,779
Asset management risk (R ₇)	865,232	859,325
Business administration risk (R ₈)	32,328	31,777
Catastrophe risk on property and casualty insurance contracts (R ₉)	290,373	280,230
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	879.3%	914.8%

(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, 2018 is calculated by methods which the company regards as reasonable in accordance with the Insurance Business Act and other related regulations. The calculation is partially based on simplified methods including but not limited to use of data as of March 31, 2018.