

Solvency margin ratio on a consolidated basis as of September 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 September 30, 2018 is as follows.

(Yen in millions)

	As of March 31, 2018	As of September 30, 2018
(A) Total amount of solvency margin	5,734,000	5,557,484
Shareholders' equity less adjusting items	1,126,693	1,025,443
Price fluctuation reserve	100,511	104,469
Contingency reserve	55,233	55,698
Catastrophe loss reserve	1,182,527	1,171,531
General allowance for doubtful accounts	1,952	1,758
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,362,090	2,327,240
Unrealized gains (losses) on land	225,307	231,992
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(28,272)	(26,591)
Excess of premium reserve, etc.	319,252	319,797
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	184
Deductions	203,107	243,242
Others	491,636	489,202
(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	1,309,978
General insurance risk on property and casualty insurance contracts (R ₁)	357,844	361,430
Life insurance risk (R ₂)	30,403	30,184
Third sector insurance risk (R ₃)	42,275	44,408
Insurance risk of Small Amount and Short Term Insurers (R ₄)	9	8
Assumed interest rate risk (R ₅)	27,461	27,072
Minimum guarantee risk on life insurance contracts (R ₆)	2,833	2,526
Asset management risk (R ₇)	865,232	884,894
Business administration risk (R ₈)	32,328	32,538
Catastrophe risk on property and casualty insurance contracts (R ₉)	290,373	276,423
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	879.3%	848.4%

(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.