

Solvency margin ratio on a consolidated basis as of June 30, 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 June 30, 2019 is as follows.

(Yen in millions)

	As of March 31, 2019	As of June 30, 2019
(A) Total amount of solvency margin	5,284,950	5,671,411
Shareholders' equity less adjusting items	1,154,895	1,282,315
Reserve for price fluctuation	108,457	110,432
Contingency reserve	56,705	57,154
Catastrophe loss reserve	1,041,011	1,063,119
General allowance for doubtful accounts	2,075	2,161
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,098,278	2,147,296
Unrealized gains (losses) on land	235,371	234,871
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(14,896)	(14,252)
Excess of premium reserve, etc.	319,977	318,831
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	215	215
Deductions	317,751	161,605
Others	500,611	530,872
(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	1,209,228
General insurance risk on non-life insurance contracts (R_1)	350,053	350,574
Life insurance risk (R_2)	31,507	31,490
Third sector insurance risk (R_3)	46,925	47,005
Insurance risk of Small Amount and Short Term Insurers (R_4)	8	8
Assumed interest rate risk (R_5)	26,079	25,729
Minimum guarantee risk on life insurance contracts (R_6)	2,439	2,444
Asset management risk (R_7)	818,629	795,154
Business administration risk (R_8)	30,916	30,327
Catastrophe risk on non-life insurance contracts (R_9)	270,188	263,986
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	854.2%	938.0%

(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, 2019 is calculated partially based on data as of March 31, 2019.