

Solvency margin ratio on a consolidated basis as of March 31, 2016

Solvency margin ratio on a consolidated basis (situation of the enhancement of the ability to pay for insurance claims, etc. of an insurance company and its subsidiary companies, etc.) of Tokio Marine & Nichido Fire Insurance Co., Ltd. as of March 31, 2016 is as follows.

(Yen in millions, except for %)

	As of March 31, 2015	As of March 31, 2016
(A) Total amount of solvency margin	4,416,640	3,683,846
Shareholders' equity less adjusting items	759,757	331,298
Price fluctuation reserve	76,134	81,060
Contingency reserve	774	2,974
Catastrophe loss reserve	957,252	1,051,399
General allowance for doubtful accounts	1,568	1,399
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)	2,264,446	1,746,681
Unrealized gains (losses) on land	177,957	193,956
Total amount of unrecognized actuarial difference and unrecognized prior service costs (prior to tax effect deductions)	(26,319)	(18,896)
Excess of premium reserve, etc.	-	-
Subordinated debt, etc.	-	-
Amounts within "Excess of premium reserve, etc." and "Subordinated debt, etc." not calculated into the margin	-	-
Total margin of Small Amount and Short Term Insurer	-	-
Deductions	36,067	37,119
Others	241,136	331,094
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,310,923	1,158,459
General insurance risk on property and casualty insurance contracts (R ₁)	259,815	309,981
Life insurance risk (R ₂)	39,092	49,827
Third sector insurance risk (R ₃)	-	-
Insurance risk of Small Amount and Short Term Insurer (R ₄)	-	-
Assumed interest risk (R ₅)	25,588	24,447
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	907,353	696,919
Business administration risk (R ₈)	30,853	28,488
Catastrophe risk on property and casualty insurance contracts (R ₉)	310,836	343,242
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	673.8%	635.9%

(Note) "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 86 paragraph 2 and Article 88 of the Enforcement Regulation of the Insurance Business Act and with Ordinance No.23 issued by Financial Service Agency in 2011. The ratio is one of the indicators for the regulatory authorities to supervise corporate groups headed by an insurance company. A ratio exceeding 200% indicates adequate ability to meet payments of insurance claims.

The ratio as of March 31, 2015 is calculated in accordance with the regulations prior to revision by Ordinance No. 16 issued by Cabinet Office in 2016 and Ordinance No. 10 issued by Financial Service Agency in 2016. The figure of "Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (prior to tax effect deductions)" as of March 31, 2015 is the figure calculated based on the regulations prior to the revision.