

Solvency margin ratio on a consolidated basis as of March 31, 2018

Solvency margin ratio on a consolidated basis (sufficiency of solvency of insurance company and its subsidiaries, etc. to fulfill payment obligations such as insurance claims) of Tokio Marine & Nichido Fire Insurance Co., Ltd. as of March 31, 2018 is as follows.

(Yen in millions)

	As of March 31, 2017	As of March 31, 2018
(A) Total amount of solvency margin	4,209,793	4,564,023
Shareholders' equity less adjusting items	675,636	750,760
Price fluctuation reserve	86,090	91,437
Contingency reserve	3,178	4,139
Catastrophe loss reserve	1,084,279	1,116,234
General allowance for doubtful accounts	1,793	1,485
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions (before tax effect deductions)	1,855,228	2,170,926
Unrealized gains (losses) on land	203,100	222,183
Total amount of unrecognized actuarial difference and unrecognized prior service costs (before tax effect deductions)	(20,850)	(24,929)
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 Insurers	-	-
Deductions	80,285	160,944
Others	401,622	392,731
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,130,448	1,254,541
General insurance risk on property and casualty insurance contracts (R ₁)	320,248	345,643
Life insurance risk (R ₂)	14,983	14,077
Third sector insurance risk (R ₃)	36,251	36,511
Insurance risk of Small Amount and Short Term Insurers (R ₄)	-	-
Assumed interest rate risk (R ₅)	23,020	21,491
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	725,173	833,724
Business administration risk (R ₈)	27,866	30,767
Catastrophe risk on property and casualty insurance contracts (R ₉)	273,645	286,940
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	744.8%	727.6%

(Note) "Solvency margin ratio on a consolidated basis" is calculated in accordance with Article 86-2 and 88 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 company. A ratio exceeding 200% indicates sufficient solvency to fulfill payment obligations such as insurance claims.