

**Solvency margin ratio on a consolidated basis as of March 31, 2019**

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, 2019 is as follows.

(Yen in millions)

	As of March 31, 2018	As of March 31, 2019
(A) Total amount of solvency margin	4,564,023	4,118,479
Shareholders' equity less adjusting items	750,760	791,157
Reserve for price fluctuation	91,437	96,859
Contingency reserve	4,139	5,449
Catastrophe loss reserve	1,116,234	979,088
General allowance for doubtful accounts	1,485	1,608
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,170,926	1,861,289
Unrealized gains (losses) on land	222,183	231,650
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(24,929)	(12,251)
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	160,944	243,651
Others	392,731	407,277
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,254,541	1,182,806
General insurance risk on property and casualty insurance contracts (R <sub>1</sub> )	345,643	337,100
Life insurance risk (R <sub>2</sub> )	14,077	15,208
Third sector insurance risk (R <sub>3</sub> )	36,511	40,676
Insurance risk of Small Amount and Short Term Insurers (R <sub>4</sub> )	-	-
Assumed interest rate risk (R <sub>5</sub> )	21,491	20,092
Minimum guarantee risk on life insurance contracts (R <sub>6</sub> )	-	-
Asset management risk (R <sub>7</sub> )	833,724	782,743
Business administration risk (R <sub>8</sub> )	30,767	29,239
Catastrophe risk on property and casualty insurance contracts (R <sub>9</sub> )	286,940	266,143
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	727.6%	696.3%

(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.