

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

(Yen in millions)

	As of March 31, 2019	As of September 30, 2019
(A) Total amount of solvency margin	4,118,479	4,611,044
Shareholders' equity less adjusting items	791,157	1,022,088
Reserve for price fluctuation	96,859	99,642
Contingency reserve	5,449	6,150
Catastrophe loss reserve	979,088	1,013,923
General allowance for doubtful accounts	1,608	1,348
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	1,861,289	1,962,877
Unrealized gains (losses) on land	231,650	243,641
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(12,251)	(10,924)
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	243,651	151,058
Others	407,277	423,355
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,182,806	1,128,459
General insurance risk on non-life insurance contracts (R_1)	337,100	336,568
Life insurance risk (R_2)	15,208	14,952
Third sector insurance risk (R_3)	40,676	38,543
Insurance risk of Small Amount and Short Term Insurers (R_4)	-	-
Assumed interest rate risk (R_5)	20,092	19,854
Minimum guarantee risk on life insurance contracts (R_6)	-	-
Asset management risk (R_7)	782,743	737,617
Business administration risk (R_8)	29,239	28,050
Catastrophe risk on non-life insurance contracts (R_9)	266,143	254,997
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	696.3%	817.2%

(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.