

Solvency margin ratio on a consolidated basis as of March 31, 2020

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, 2020 is as follows.

(Yen in millions)

	As of March 31, 2019	As of March 31, 2020
(A) Total amount of solvency margin	4,118,479	4,008,414
Shareholders' equity less adjusting items	791,157	664,252
Reserve for price fluctuation	96,859	102,874
Contingency reserve	5,449	6,213
Catastrophe loss reserve	979,088	913,540
General allowance for doubtful accounts	1,608	1,513
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	1,861,289	1,637,362
Unrealized gains (losses) on land	231,650	245,915
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(12,251)	(11,656)
Excess of premium reserve, etc.	-	-
Subordinated debt, etc.	-	200,000
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	-	-
Deductions	243,651	172,267
Others	407,277	420,667
(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	1,138,973
General insurance risk on non-life insurance contracts (R ₁)	337,100	353,204
Life insurance risk (R ₂)	15,208	15,283
Third sector insurance risk (R ₃)	40,676	37,241
Insurance risk of Small Amount and Short Term Insurers (R ₄)	-	-
Assumed interest rate risk (R ₅)	20,092	18,765
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	782,743	725,659
Business administration risk (R ₈)	29,239	28,399
Catastrophe risk on non-life insurance contracts (R ₉)	266,143	269,814
(C) Solvency margin ratio on a consolidated basis [(A)/{(B)×1/2}]×100	696.3%	703.8%

(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.