

Solvency margin ratio on a consolidated basis as of March 31, 2022

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, 2022 is as follows.

(Yen in millions)

	As of March 31, 2021	As of March 31, 2022
(A) Total amount of solvency margin	4,754,992	4,968,014
Shareholders' equity less adjusting items	696,016	867,178
Reserve for price fluctuation	109,013	115,167
Contingency reserve	6,623	7,546
Catastrophe loss reserve	981,590	1,085,378
General allowance for doubtful accounts	2,541	3,030
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,258,883	2,188,146
Unrealized gains (losses) on land	258,223	268,531
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(20,203)	(21,228)
Excess of premium reserve, etc.	-	-
Subordinated debt, etc.	200,000	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	142,571	158,590
Others	404,874	412,854
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,247,513	1,386,899
General insurance risk on non-life insurance contracts (R ₁)	359,736	396,398
Life insurance risk (R ₂)	15,825	18,967
Third sector insurance risk (R ₃)	38,053	44,986
Insurance risk of Small Amount and Short Term Insurers (R ₄)	-	-
Assumed interest rate risk (R ₅)	17,226	15,485
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	846,605	926,139
Business administration risk (R ₈)	30,858	34,289
Catastrophe risk on non-life insurance contracts (R ₉)	265,486	312,476
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	762.3%	716.4%

(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.