

Solvency margin ratio on a consolidated basis as of March 31, 2023

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, 2023 is as follows.

(Yen in millions)

	As of March 31, 2022	As of March 31, 2023
(A) Total amount of solvency margin	4,968,014	4,252,880
Shareholders' equity less adjusting items	867,178	1,037,690
Reserve for price fluctuation	115,167	108,000
Contingency reserve	7,546	9,578
Catastrophe loss reserve	1,085,378	1,081,242
General allowance for doubtful accounts	3,030	3,158
Unrealized gains (losses) on available-for-sale securities and deferred gains (losses) on hedge transactions before tax effect deductions	2,188,146	1,274,054
Unrealized gains (losses) on land	268,531	281,592
Total amount of unrecognized actuarial difference and unrecognized prior service costs before tax effect deductions	(21,228)	(21,156)
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	-	0
Deductions	158,590	155,602
Others	412,854	434,321
(B) Total amount of risks $\sqrt{(\sqrt{(R_1^2 + R_2^2)} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	1,386,899	1,523,448
General insurance risk on non-life insurance contracts (R ₁)	396,398	471,872
Life insurance risk (R ₂)	18,967	23,661
Third sector insurance risk (R ₃)	44,986	59,590
Insurance risk of Small Amount and Short Term Insurers (R ₄)	-	0
Assumed interest rate risk (R ₅)	15,485	13,762
Minimum guarantee risk on life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	926,139	940,371
Business administration risk (R ₈)	34,289	38,044
Catastrophe risk on non-life insurance contracts (R ₉)	312,476	392,951
(C) Solvency margin ratio on a consolidated basis $[(A)/\{(B) \times 1/2\}] \times 100$	716.4%	558.3%

(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.