

Consolidated Solvency Margin Ratio

(Millions of yen)

| | As of March 31, 2018 | As of September 30, 2018 |
|---|----------------------|--------------------------|
| (A) Total Consolidated Solvency Margin | 2,891,980 | 2,959,237 |
| Capital and funds, etc. | 389,839 | 428,049 |
| Reserve for price fluctuation | 79,257 | 81,335 |
| Contingency reserve | 623 | 623 |
| Catastrophic loss reserve | 560,080 | 553,702 |
| General allowance for possible credit losses | 2,390 | 2,566 |
| Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions) | 1,188,206 | 1,207,304 |
| Unrealized gains and losses on land | 93,032 | 106,907 |
| Total of unrecognized actual difference and unrecognized prior service costs (before tax effect deductions) | △4,142 | △3,658 |
| Surplus such as premium fund | — | — |
| Subordinated debt, etc. | 433,560 | 433,560 |
| Excess amount of surplus such as premium fund and subordinated debt, etc. which are excluded from total solvency margin | — | — |
| Total solvency margin related to small amount and short term insurance companies | — | — |
| Deductions | 38,322 | 38,562 |
| Others | 187,452 | 187,407 |
| (B) Total Consolidated Risks | | |
| $\sqrt{(\sqrt{R_1^2 + R_2^2 + R_3 + R_4})^2 + (R_5 + R_6 + R_7)^2 + R_8 + R_9}$ | 747,553 | 781,028 |
| Underwriting risk for property and casualty insurance business (R ₁) | 250,523 | 249,389 |
| Underwriting risk for life insurance business (R ₂) | 749 | 598 |
| Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃) | — | — |
| Underwriting risk related to small amount and short term insurance companies (R ₄) | — | — |
| Guaranteed interest rate risk (R ₅) | 19,371 | 19,094 |
| Guaranteed minimum benefit risk for life insurance policies (R ₆) | — | — |
| Investment risk (R ₇) | 498,791 | 503,610 |
| Business management risk (R ₈) | 18,837 | 19,499 |
| Major catastrophe risk for property and casualty insurance policies (R ₉) | 153,168 | 182,377 |
| (C) Consolidated Solvency Margin Ratio | | |
| $[(A) / \{(B) \times 1/2\}] \times 100$ | 773.7% | 757.7% |

Note) The above amounts and figures are calculated based on provisions of Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 of the Financial Services Agency (2011).