

Consolidated Solvency Margin Ratio

(Millions of yen)

| | As of March 31, 2019 | As of December 31, 2019 |
|---|----------------------|-------------------------|
| (A) Total Consolidated Solvency Margin | 3,264,797 | 3,425,062 |
| Capital and funds, etc. | 799,920 | 879,353 |
| Reserve for price fluctuation | 90,722 | 94,207 |
| Contingency reserve | 32,571 | 33,395 |
| Catastrophic loss reserve | 501,491 | 476,418 |
| General allowance for possible credit losses | 2,745 | 3,005 |
| Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions) | 947,259 | 997,909 |
| Unrealized gains and losses on land | 84,297 | 101,584 |
| Total of unrecognized actual difference and unrecognized prior service costs (before tax effect deductions) | △4,970 | △4,576 |
| Surplus such as premium fund | 172,796 | 179,973 |
| 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 | 0 | 0 |
| Deductions | 38,048 | 49,000 |
| Others | 242,452 | 279,230 |
| (B) Total Consolidated Risks | | |
| $\sqrt{(\sqrt{R_1^2 + R_2^2} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$ | 759,401 | 745,595 |
| Underwriting risk for property and casualty insurance business (R ₁) | 251,559 | 257,361 |
| Underwriting risk for life insurance business (R ₂) | 14,865 | 15,252 |
| Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃) | 9,961 | 10,397 |
| Underwriting risk related to small amount and short term insurance companies (R ₄) | — | 0 |
| Guaranteed interest rate risk (R ₅) | 26,533 | 26,154 |
| Guaranteed minimum benefit risk for life insurance policies (R ₆) | 388 | 390 |
| Investment risk (R ₇) | 466,050 | 461,423 |
| Business management risk (R ₈) | 19,430 | 19,220 |
| Major catastrophe risk for property and casualty insurance policies (R ₉) | 181,719 | 169,552 |
| (C) Consolidated Solvency Margin Ratio | | |
| $[(A) / \{(B) \times 1/2\}] \times 100$ | 859.8% | 918.7% |

Note) The above amounts and figures are calculated based on provisions of Articles 210-11-3 and 210-11-4 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 23 of the Financial Service Agency (2011). However, the above amounts and figures as of December 31, 2019 are partially based on simplified methods including but not limited to use of data as of September 30, 2019.