

Consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
(A) Total Consolidated Solvency Margin	2,764,768	3,230,673
Capital and funds, etc.	734,666	805,665
Reserve for price fluctuation	62,487	69,397
Contingency reserve	28,844	29,617
Catastrophic loss reserve	567,883	583,768
General allowance for possible credit losses	1,900	1,938
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,022,501	1,122,766
Unrealized gains and losses on land	20,093	33,278
Total of unrecognized actual difference and unrecognized prior service costs (before tax effect deductions)	△34,189	△32,290
Surplus such as premium fund	137,836	143,842
Subordinated debt, etc.	133,560	333,560
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	54,755	47,554
Others	143,938	186,683
(B) Total Consolidated Risks		
$\sqrt{(\sqrt{R_1^2 + R_2^2} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	649,415	694,141
Underwriting risk for property and casualty insurance business (R ₁)	213,001	213,308
Underwriting risk for life insurance business (R ₂)	13,946	14,297
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃)	7,794	8,475
Underwriting risk related to small amount and short term insurance companies (R ₄)	—	—
Guaranteed interest rate risk (R ₅)	30,396	30,036
Guaranteed minimum benefit risk for life insurance policies (R ₆)	366	372
Investment risk (R ₇)	404,924	468,480
Business management risk (R ₈)	16,630	17,658
Major catastrophe risk for property and casualty insurance policies (R ₉)	144,137	130,322
(C) Consolidated Solvency Margin Ratio		
$[(A) / \{(B) \times 1/2\}] \times 100$	851.4%	930.8%

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, 2016 are partially based on simplified methods including but not limited to use of data as of September 30, 2016.