

Consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
(A) Total Consolidated Solvency Margin	2,929,303	3,513,998
Capital and funds, etc.	581,789	678,568
Reserve for price fluctuation	74,200	83,417
Contingency reserve	30,154	30,560
Catastrophic loss reserve	577,363	568,190
General allowance for possible credit losses	2,785	2,493
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,055,534	1,330,901
Unrealized gains and losses on land	29,657	46,112
Total of unrecognized actual difference and unrecognized prior service costs (before tax effect deductions)	△41,126	△38,333
Surplus such as premium fund	146,556	160,671
Subordinated debt, etc.	333,560	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	47,666	37,022
Others	186,493	254,878
(B) Total Consolidated Risks		
$\sqrt{(\sqrt{R_1^2 + R_2^2} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	782,195	848,223
Underwriting risk for property and casualty insurance business (R ₁)	258,253	254,512
Underwriting risk for life insurance business (R ₂)	14,600	14,408
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R ₃)	8,725	9,114
Underwriting risk related to small amount and short term insurance companies (R ₄)	—	—
Guaranteed interest rate risk (R ₅)	29,114	28,730
Guaranteed minimum benefit risk for life insurance policies (R ₆)	374	379
Investment risk (R ₇)	512,555	580,947
Business management risk (R ₈)	20,006	21,396
Major catastrophe risk for property and casualty insurance policies (R ₉)	157,779	162,082
(C) Consolidated Solvency Margin Ratio		
$[(A) / \{(B) \times 1/2\}] \times 100$	748.9%	828.5%

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, 2017 are partially based on simplified methods including but not limited to use of data as of September 30, 2017.