

Consolidated Solvency Margin Ratio as of September 30, 2023

(Yen in millions)

	March 31, 2023	September 30, 2023
(A) Total amount of solvency margin	2,873,804	3,409,998
Total net assets	552,748	686,249
Reserve for price fluctuation	31,590	33,733
Contingency reserve	814	1,069
Catastrophe reserve	620,474	632,491
General bad debt reserve	354	393
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (Prior to tax effect deductions)	1,219,307	1,609,373
Net unrealized gains/(losses) on land	57,650	60,739
Total amount of unrecognized actuarial gains/(losses) and unrecognized past service costs (Prior to tax effect deductions)	(12,583)	(11,399)
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	330,902	330,902
Amount excluded from the margin, out of (a) and (b)	-	-
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	-	6,924
Total margin relating to small amount and short term insurance provider	-	-
Deductions	164,875	190,905
Others	237,421	250,427
(B) Total amount of risks	877,042	1,022,207
$\sqrt{\left(\sqrt{R_1^2 + R_2^2} + R_3 + R_4\right)^2 + \left(R_5 + R_6 + R_7\right)^2} + R_8 + R_9$		
General insurance risk of non-life insurance contracts (R_1)	262,177	279,844
Insurance risk of life insurance contracts (R_2)	561	682
Insurance risk of third sector insurance contracts (R_3)	489	957
Insurance risk relating to small amount and short term insurance provider (R_4)	-	-
Assumed interest rate risk (R_5)	9,848	9,576
Minimum guarantee risk of life insurance contracts (R_6)	3,595	3,697
Asset management risk (R_7)	619,865	723,152
Business administration risk (R_8)	21,332	24,548
Catastrophe risk of non-life insurance contracts (R_9)	170,090	209,512
(C) Consolidated solvency margin ratio [(A)/{(B)×1/2}]×100	655.3%	667.1%

- (Notes) 1. The consolidated solvency margin ratio is calculated pursuant to the provisions of Article 86.2 (the consolidated solvency margin) and Article 88 (the consolidated risk) of the Insurance Business Act Enforcement Regulations and Public Notice No. 23 issued by the Financial Services Agency in 2011.
2. Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS) 17 "Insurance Contract" from the beginning of the period for the six months ended September 30, 2023, since these entities have been already adopted IFRS. Therefore, in terms of transition to IFRS 17, consolidated financial statements for the year ended March 31, 2023 were retrospectively restated. However, the consolidated solvency margin ratio for the year ended March 31, 2023 in the above, which is not retrospectively restated.