

**Consolidated Solvency Margin Ratio as of September 30, 2021**

The following table summarizes the consolidated solvency margin ratio as of September 30, 2021.

(Yen in millions)

	March 31, 2021	September 30, 2021
(A) Total amount of solvency margin	5,827,727	6,044,287
Total net assets	1,393,233	1,433,747
Reserve for price fluctuation	244,975	248,556
Contingency reserve	121,972	121,223
Catastrophe reserve	912,793	970,239
General bad debt reserve	364	330
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (Prior to tax effect deductions)	2,026,382	2,144,167
Net unrealized gains/(losses) on land	55,881	52,891
Total amount of unrecognized actuarial gains/(losses) and unrecognized past service costs (Prior to tax effect deductions)	5,982	5,265
Excess of policyholders' contract deposits (a)	328,788	313,031
Subordinated debts, etc. (b)	691,493	687,093
Amount excluded from the margin, out of (a) and (b)	-	-
Total margin relating to small amount and short term insurance provider	-	0
Deductions	267,090	278,698
Others	312,951	346,436
(B) Total amount of risks	1,272,348	1,342,256
$\sqrt{(\sqrt{R_1^2 + R_2^2} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$		
General insurance risk of non-life insurance contracts (R <sub>1</sub> )	330,809	333,368
Insurance risk of life insurance contracts (R <sub>2</sub> )	19,277	19,355
Insurance risk of third sector insurance contracts (R <sub>3</sub> )	17,636	18,375
Insurance risk relating to small amount and short term insurance provider (R <sub>4</sub> )	-	0
Assumed interest rate risk (R <sub>5</sub> )	58,638	55,338
Minimum guarantee risk of life insurance contracts (R <sub>6</sub> )	6,727	6,764
Asset management risk (R <sub>7</sub> )	924,726	968,506
Business administration risk (R <sub>8</sub> )	30,987	32,447
Catastrophe risk of non-life insurance contracts (R <sub>9</sub> )	191,555	220,646
(C) Consolidated solvency margin ratio [(A)/{(B)×1/2}]×100	916.0%	900.6%

(Note) The consolidated solvency margin ratio is calculated pursuant to the provisions of Article 210.11.3 (the consolidated solvency margin) and Article 210.11.4 (the consolidated risk) of the Insurance Business Act Enforcement Regulations and Public Notice No. 23 issued by the Financial Services Agency in 2011.

(Reference: Consolidated Solvency Margin Ratio)

The Group mainly runs non-life insurance business and life insurance business.

While insurance company groups set aside reserves to provide for payments of insurance claims in case that an insured event occurs and maturity refunds of savings-type insurance, they are also required to maintain sufficient funds to pay out in an event outside the normal range of expectations such as a major catastrophe and a significant drop in the value of their assets.

The consolidated solvency margin ratio, or item (C) in the above table, which is calculated in accordance with the Insurance Business Act, is the ratio of “solvency margin of insurance company groups calculated based on their capital and other reserves”, or (A) the total amount of solvency margin, to “risks exceeding the normal range of estimates”, or (B) the total amount of risks.

While the scope of consolidation in calculating the consolidated solvency margin ratio follows the scope of consolidation in accounting, all subsidiaries which fall within the definition of subsidiary set forth in the Insurance Business Act (i.e. subsidiaries whose more than 50% share of voting rights is owned by the Group) are, in principle, included in the calculation process regardless of their importance.

The consolidated solvency margin ratio is one of the objective indicators used by the insurance regulatory authorities to supervise insurance companies and insurance holding companies. A consolidated solvency margin ratio of 200% or over indicates adequate ability to satisfy insurance claims and other payment requirements.