

Consolidated Solvency Margin Ratio as of September 30, 2018

(Yen in millions)

	March 31, 2018	September 30, 2018
(A) Total amount of solvency margin	1,284,815	1,305,534
Total net assets	328,075	308,153
Reserve for price fluctuation	1,688	2,553
Contingency reserve	747	757
Catastrophe reserve	348,058	355,503
General bad debt reserve	199	231
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (Prior to tax effect deductions)	522,163	559,611
Net unrealized gains/(losses) on land	18,126	23,574
Total amount of unrecognized actuarial gains/(losses) and unrecognized past service costs (Prior to tax effect deductions)	10,248	11,643
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	17,600	13,200
Amount excluded from the margin, out of (a) and (b)	-	-
Total margin relating to small amount and short term insurance provider	-	-
Deductions	2,503	2,502
Others	40,411	32,807
(B) Total amount of risks		
$\sqrt{(\sqrt{R_1^2 + R_2^2 + R_3 + R_4})^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$	319,689	345,013
General insurance risk of non-life insurance contracts (R ₁)	113,309	114,072
Insurance risk of life insurance contracts (R ₂)	139	144
Insurance risk of third sector insurance contracts (R ₃)	-	-
Insurance risk relating to small amount and short term insurance provider (R ₄)	-	-
Assumed interest rate risk (R ₅)	7,831	7,644
Minimum guarantee risk of life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	220,952	231,017
Business administration risk (R ₈)	7,972	8,497
Catastrophe risk of non-life insurance contracts (R ₉)	56,410	71,993
(C) Consolidated solvency margin ratio		
$[(A)/\{(B) \times 1/2\}] \times 100$	803.7%	756.8%

(Note) 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.