

Consolidated Solvency Margin Ratio as of March 31, 2016

(Yen in millions)

	March 31, 2015	March 31, 2016
(A) Total amount of solvency margin	2,593,146	2,195,007
Total net assets	529,818	283,757
Reserve for price fluctuation	60,519	64,133
Contingency reserve	284	483
Catastrophe reserve	442,547	495,691
General bad debt reserve	232	199
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (Prior to tax effect deductions)	1,498,594	1,135,076
Net unrealized gains/(losses) on land	48,190	53,997
Total amount of unrecognized actuarial gains/(losses) and unrecognized past service costs (Prior to tax effect deductions)	14,228	(28,319)
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	106,191	256,191
Amount excluded from the margin, out of (a) and (b)	-	-
Total margin relating to small amount and short term insurance provider	-	-
Deductions	198,106	170,641
Others	90,644	104,435
(B) Total amount of risks	741,109	773,500
$\sqrt{(\sqrt{R_1^2 + R_2^2} + R_3 + R_4)^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$		
General insurance risk of non-life insurance contracts (R_1)	136,939	197,238
Insurance risk of life insurance contracts (R_2)	-	-
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)	18,400	17,579
Minimum guarantee risk of life insurance contracts (R_6)	6,229	5,803
Asset management risk (R_7)	520,971	506,441
Business administration risk (R_8)	16,884	18,337
Catastrophe risk of non-life insurance contracts (R_9)	161,701	189,816
(C) Consolidated solvency margin ratio [(A)/{(B)×1/2}]×100	699.8%	567.5%

(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. Since the consolidated solvency margin ratio as of March 31, 2015 was calculated based on the previous method which is before amendments under Cabinet Office Ordinance No. 16 in 2016 and Public Notice No. 10 issued by the Financial Services Agency in 2016, "Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (prior to tax effect deductions)" in "(A) Total amount of solvency margin" represents the amount of net unrealized gains/(losses) on investments in securities (prior to tax effect deductions).