

Consolidated Solvency Margin Ratio as of March 31, 2016

(Yen in millions)

	March 31, 2015	March 31, 2016
(A) Total amount of solvency margin	1,268,863	1,215,369
Total net assets	349,630	339,848
Reserve for price fluctuation	29,883	36,525
Contingency reserve	747	747
Catastrophe reserve	258,030	287,730
General bad debt reserve	388	372
Net unrealized gains/(losses) on investments in securities and net deferred gains/(losses) on hedges (Prior to tax effect deductions)	502,639	427,033
Net unrealized gains/(losses) on land	5,326	9,330
Total amount of unrecognized actuarial gains/(losses) and unrecognized past service costs (Prior to tax effect deductions)	13,571	7,979
Excess of policyholders' contract deposits (a)	-	-
Subordinated debts, etc. (b)	50,000	50,000
Amount excluded from the margin, out of (a) and (b)	-	-
Total margin relating to small amount and short term insurance provider	-	-
Deductions	7,370	7,172
Others	66,017	62,975
(B) Total amount of risks	304,422	287,402
$\sqrt{(\sqrt{R_1^2 + R_2^2 + R_3^2 + R_4^2})^2 + (R_5 + R_6 + R_7)^2} + R_8 + R_9$		
General insurance risk of non-life insurance contracts (R ₁)	102,628	106,395
Insurance risk of life insurance contracts (R ₂)	94	94
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)	9,381	8,919
Minimum guarantee risk of life insurance contracts (R ₆)	-	-
Asset management risk (R ₇)	208,904	188,800
Business administration risk (R ₈)	7,533	7,197
Catastrophe risk of non-life insurance contracts (R ₉)	55,680	55,675
(C) Consolidated solvency margin ratio	833.6%	845.7%
$[(A)/\{(B) \times 1/2\}] \times 100$		

(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).