

Divestment of Tokio Marine Highland's US Construction Division

Tokio Marine Holdings, Inc. (President and Group CEO: Satoru Komiya) is pleased to announce that a definitive agreement has been signed with Intact Insurance Group USA LLC (hereinafter "Intact") for the sale of the U.S. construction division of Tokio Marine Highland (hereinafter "TMH"), a wholly owned subsidiary of Tokio Marine Kiln (hereinafter "TMK"). The transaction is subject to regulatory approvals and is expected to close in the second half of 2022.

1. Background and Purpose

- (1) TMH was established in 1962 and became a member of Tokio Marine Group when TMK completed the acquisition of TMH in 2011. TMH provides multiple insurance products and generated gross premium of approximately \$315 million in 2021 and has been expanding its business over the years.
- (2) Highland Insurance Solutions, LLC (hereinafter "HIS"), a wholly owned subsidiary of TMH provides primary and excess builders risk(construction) insurance in the U.S. As part of TMK's profitability improvement and risk diversification initiative, TMK decided to divest HIS for further portfolio optimization pursuance and has agreed the sale of HIS to Intact, the firm should be a good home for HIS to support its continued appetite for business expansion.
- (3) TMH remains the core managing general agentⁱ to TMK as TMH continues to select and undertake good risks in the U.S. through its disciplined underwriting.
- (4) In response to changes in market conditions, we will continuously review our business portfolio in a timely and appropriate manner for further profitability improvement.

2. Overview of HIS

(1) Company name	Highland Insurance Solutions, LLC
(2) Primary office location	Naperville, IL, U.S.
(3) Nature of business	Insurance agent that provides builder's risk insurance
(4) Gross Premium	Approximately \$125Million(JPY 16.1 billion ⁱⁱ) in 2021.
(5) Number of employees	About 40 employees

ⁱ Managing General Agent; A specialized type of insurance agent or broker that has been granted underwriting authority by an insurer.

ⁱⁱ Exchange rate is \$1= JPY 129.21 as of May 31, 2022.