Aflac Incorporated

2024
Financial Analysts Briefing

About This Book

This book primarily contains slides and excerpts from Aflac Incorporated’s 2024 Financial Analysts Briefing held on December 3, 2024, at the New York Stock Exchange, along with additional information. All information is intended to provide a comprehensive discussion and analysis of Aflac Incorporated’s operations. The information contained in this book was based on conditions that existed at the end of the third quarter of 2024. Circumstances may have changed materially since these presentations were made. The company undertakes no obligation to update the presentations. This information was prepared as a supplement to the company’s annual and quarterly releases, 10-Ks and 10-Qs. This book does not include footnotes to the financial statements or certain items that appear in reports or registration statements filed with the Securities and Exchange Commission. We believe the information presented in this book was accurate at the time of the presentations, but its accuracy cannot be guaranteed. A webcast of this event’s presentations is available following the event at investors.aflac.com.

Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. The company desires to take advantage of these provisions. This document contains cautionary statements identifying important factors that could cause actual results to differ materially from those projected herein, and in any other statements made by company officials in communications with the financial community and contained in documents filed with the Securities and Exchange Commission (SEC). Forward-looking statements are not based on historical information and relate to future operations, strategies, financial results or other developments. Furthermore, forward-looking information is subject to numerous assumptions, risks and uncertainties. In particular, statements containing words such as “expect,” “anticipate,” “believe,” “goal,” “objective,” “may,” “should,” “estimate,” “intends,” “projects,” “will,” “assumes,” “potential,” “target,” "outlook" or similar words as well as specific projections of future results, generally qualify as forward-looking. Aflac undertakes no obligation to update such forward-looking statements.

The company cautions readers that the following factors, in addition to other factors mentioned from time to time, could cause actual results to differ materially from those contemplated by the forward-looking statements:

- *difficult conditions in global capital markets and the economy, including inflation*
- *defaults and credit downgrades of investments*
- *global fluctuations in interest rates and exposure to significant interest rate risk*
- *concentration of business in Japan*
- *limited availability of acceptable yen-denominated investments*
- *foreign currency fluctuations in the yen/dollar exchange rate*
- *differing interpretations applied to investment valuations*
- *significant valuation judgments in determination of expected credit losses recorded on the Company's investments*
- *decreases in the Company's financial strength or debt ratings*
- *decline in creditworthiness of other financial institutions*
- *the Company's ability to attract and retain qualified sales associates, brokers, employees, and distribution partners*
- *deviations in actual experience from pricing and reserving assumptions*
- *ability to continue to develop and implement improvements in information technology systems and on successful execution of revenue growth and expense management initiatives*
- *interruption in telecommunication, information technology and other operational systems, or a failure to maintain the security, confidentiality, integrity or privacy of sensitive data residing on such systems*
- *subsidiaries' ability to pay dividends to the Parent Company*
- *inherent limitations to risk management policies and procedures*
- *operational risks of third-party vendors*
- *tax rates applicable to the Company may change*
- *failure to comply with restrictions on policyholder privacy and information security*
- *extensive regulation and changes in law or regulation by governmental authorities*
- *competitive environment and ability to anticipate and respond to market trends*
- *catastrophic events, including, but not limited to, as a result of climate change, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, war or other military action, major public health issues, terrorism or other acts of violence, and damage incidental to such events*
- *ability to protect the Aflac brand and the Company's reputation*
- *ability to effectively manage key executive succession*
- *changes in accounting standards*
- *level and outcome of litigation or regulatory inquiries*
- *allegations or determinations of worker misclassification in the United States*

Non-U.S. GAAP Financial Measures and Reconciliations

NON-U.S. GAAP FINANCIAL MEASURES

This document includes references to the Company's financial performance measures which are not calculated in accordance with United States generally accepted accounting principles (U.S. GAAP) (non-U.S. GAAP). The financial measures exclude items that the Company believes may obscure the underlying fundamentals and trends in insurance operations because they tend to be driven by general economic conditions and events or related to infrequent activities not directly associated with insurance operations.

Due to the size of Aflac Japan, where the functional currency is the Japanese yen, fluctuations in the yen/dollar exchange rate can have a significant effect on reported results. In periods when the yen weakens, translating yen into dollars results in fewer dollars being reported. When the yen strengthens, translating yen into dollars results in more dollars being reported. Consequently, yen weakening has the effect of suppressing current period results in relation to the comparable prior period, while yen strengthening has the effect of magnifying current period results in relation to the comparable prior period. A significant portion of the Company's business is conducted in yen and never converted into dollars but translated into dollars for U.S. GAAP reporting purposes, which results in foreign currency impact to earnings, cash flows and book value on a U.S. GAAP basis. Management evaluates the Company's financial performance both including and excluding the impact of foreign currency translation to monitor, respectively, cumulative currency impacts and the currency-neutral operating performance over time. The average yen/dollar exchange rate is based on the published MUFG Bank, Ltd. telegraphic transfer middle rate (TTM).

The Company defines the non-U.S. GAAP financial measures included in this document as follows:

- Adjusted earnings are adjusted revenues less benefits and adjusted expenses. Adjusted earnings per share (basic or diluted) are the adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. The adjustments to both revenues and expenses account for certain items that are outside of management's control because they tend to be driven by general economic conditions and events or are related to infrequent activities not directly associated with insurance operations. Adjusted revenues are U.S. GAAP total revenues excluding adjusted net investment gains and losses. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest from derivatives associated with notes payable but excluding any non-recurring or other items not associated with the normal course of the Company's insurance operations and that do not reflect the Company's underlying business performance. Management uses adjusted earnings and adjusted earnings per diluted share to evaluate the financial performance of the Company's insurance operations on a consolidated basis and believes that a presentation of these financial measures is vitally important to an understanding of the underlying profitability drivers and trends of the Company's insurance business. The most comparable U.S. GAAP financial measures for adjusted earnings and adjusted earnings per share (basic or diluted) are net earnings and net earnings per share, respectively.
- Adjusted earnings excluding current period foreign currency impact are computed using the average foreign currency exchange rate for the comparable prior-year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes. Adjusted earnings per diluted share excluding current period foreign currency impact is adjusted earnings excluding current period foreign currency impact divided by the weighted average outstanding diluted shares for the period presented. The Company considers adjusted earnings excluding current period foreign currency impact and adjusted earnings per diluted share excluding current period foreign currency impact important because a significant portion of the Company's business is conducted in Japan and foreign exchange rates are outside management's control; therefore, the Company believes it is important to understand the impact of translating foreign currency (primarily Japanese yen) into U.S. dollars. The most comparable U.S. GAAP financial measures for adjusted earnings excluding current period foreign currency impact and adjusted earnings per diluted share excluding current period foreign currency impact are net earnings and net earnings per share, respectively.
- Adjusted earnings per share (basic or diluted) is adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. In reliance on the unreasonable efforts exception in Item 10(e)(1)(i)(B) of SEC Regulation S-K, a quantitative reconciliation to the most comparable U.S. GAAP financial measure is not provided for this financial measure. Forward- looking information with regard to the most comparable U.S. GAAP financial measure, earnings per share, is not available without unreasonable effort. This is due to the unpredictable and uncontrollable nature of these reconciling items, which would require an unreasonable effort to forecast and we believe would result in such a broad range of projected values that would not be meaningful to investors. For this reason, we believe that the probable significance of such information is low.
- Adjusted revenues excluding current period foreign currency impact are adjusted revenues calculated using the average foreign currency exchange rate for the comparable prior year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted revenues excluding current period foreign currency impact is total revenues.
- Adjusted return on equity is annualized adjusted earnings divided by average shareholders' equity, excluding accumulated other comprehensive income (AOCI). Management uses adjusted return on equity to evaluate the financial performance of the Company's insurance operations on a consolidated basis and believes that a presentation of this financial measure is vitally important to an understanding of the underlying profitability drivers and trends of the Company's insurance business. The Company considers adjusted return on equity important as it excludes components of AOCI, which fluctuate due to market

movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity is return on average equity (ROE) as determined using annualized net earnings and average total shareholders' equity.

- Adjusted return on equity excluding foreign currency remeasurement is annualized adjusted earnings divided by average shareholders' equity, excluding both AOCI and the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The Company considers adjusted return on equity excluding foreign currency remeasurement important because it excludes both AOCI and the cumulative foreign currency remeasurement gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity excluding foreign currency remeasurement is return on average equity (ROE) as determined using annualized net earnings and average total shareholders' equity.
- Adjusted return on equity excluding foreign currency impact [New] is annualized adjusted earnings excluding the current period foreign currency impact divided by average shareholders' equity, excluding both AOCI and the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The Company considers adjusted return on equity excluding foreign currency impact important as it holds constant the prior period foreign currency exchange rate for the current period, while also excluding both AOCI and the cumulative foreign currency gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity excluding foreign currency impact is return on average equity (ROE) as determined using annualized net earnings and average total shareholders' equity.
- U.S. dollar-denominated investment income excluding foreign currency impact represents amounts excluding foreign currency impact on U.S. dollar-denominated investment income using the average foreign currency exchange rate for the comparable prior year period. The Company considers U.S. dollar-denominated investment income excluding foreign currency impact important as it eliminates the impact of foreign currency changes on the Aflac Japan segment results, which are outside management's control. The most comparable U.S. GAAP financial measure for U.S. dollar-denominated investment income excluding foreign currency impact is the corresponding net investment income amount from the U.S. dollar denominated investments translated to yen.
- Amortized hedge costs/income represent costs/income incurred or recognized as a result of using foreign currency derivatives to hedge certain foreign exchange risks in the Company's Japan segment or in Corporate and other. These amortized hedge costs/income are estimated at the inception of the derivatives based on the specific terms of each contract and are recognized on a straight-line basis over the contractual term of the derivative. The Company believes that amortized hedge costs/income measure the periodic currency risk management costs/income related to hedging certain foreign currency exchange risks and are an important component of net investment income. There is no comparable U.S. GAAP financial measure for amortized hedge costs/income.
- Adjusted book value is the U.S. GAAP book value (representing total shareholders' equity), less AOCI as recorded on the U.S. GAAP balance sheet. Adjusted book value per common share is adjusted book value at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value and adjusted book value per common share important as they exclude AOCI, which fluctuates due to market movements that are outside management's control. The most comparable U.S. GAAP financial measures for adjusted book value and adjusted book value per common share are total book value and total book value per common share, respectively.
- Adjusted book value excluding foreign currency remeasurement is the U.S. GAAP book value (representing total shareholders' equity), less AOCI as recorded on the U.S. GAAP balance sheet and excluding the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. Adjusted book value excluding foreign currency remeasurement per common share is adjusted book value excluding foreign currency remeasurement at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share important as they exclude both AOCI and the cumulative foreign currency remeasurement gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measures for adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share are total book value and total book value per common share, respectively.
- Adjusted debt is the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding 50% of subordinated debentures and perpetual bonds and all pre-funding of debt maturities. The Company considers adjusted debt important as it measures outstanding debt consistently with expectations of the Company's rating agency stakeholders. The most comparable U.S. GAAP financial measure for adjusted debt is notes payable. Note: Pre-funding of debt maturities refers to new debt proceeds that will be used to extinguish existing debt at a later date. These amounts are excluded to avoid "double counting" of debt issuances that are meant to represent one liability and temporarily are both outstanding due to the "roll over" timing.
- Adjusted debt including 50% of subordinated debentures and perpetual bonds is the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding pre-funding of debt maturities. The Company considers adjusted debt including 50% of subordinated debentures and perpetual bonds important as it measures outstanding debt consistently with expectations of the Company's rating agency stakeholders. The most comparable U.S. GAAP financial measure for adjusted debt including 50% of subordinated debentures and perpetual bonds is notes payable.

- Adjusted net investment income is net investment income adjusted for i) amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity, and ii) net interest income/expense from foreign currency and interest rate derivatives associated with certain investment strategies, which are reclassified from net investment gains and losses to net investment income. The Company considers adjusted net investment income important because it provides a more comprehensive understanding of the costs and income associated with the Company's investments and related hedging strategies. The most comparable U.S. GAAP financial measure for adjusted net investment income is net investment income.
- Adjusted net investment gains and losses are net investment gains and losses adjusted for i) amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity, ii) net interest income/expense from foreign currency and interest rate derivatives associated with certain investment strategies, which are both reclassified to net investment income, and iii) the impact of interest from derivatives associated with notes payable, which is reclassified to interest expense as a component of total adjusted expenses. The Company considers adjusted net investment gains and losses important as it represents the remainder amount that is considered outside management's control, while excluding the components that are within management's control and are accordingly reclassified to net investment income and interest expense. The most comparable U.S. GAAP financial measure for adjusted net investment gains and losses is net investment gains and losses.
- Aflac Japan's underlying net earned premiums is a measure that adjusts Aflac Japan's net earned premiums under U.S. GAAP for significant variables including the increase in paid-up policies, the change in deferred profit liability (DPL) on limited payment contracts and the ceded premiums that are part of the Company's internal reinsurance strategy initiated in January 2023. The most comparable U.S. GAAP measure is net earned premiums. The Company feels this measure is useful for investors to understand the impacts these items have on Aflac Japan's net earned premiums. In reliance on the "unreasonable efforts" exception in Item 10(e)(1)(i)(B) of SEC Regulation S-K, a quantitative reconciliation to the most comparable U.S. GAAP measure is not provided for this financial measure as forecasted. Forward-looking information with regard to the most comparable U.S. GAAP financial measure, net earned premium, is not available without unreasonable effort. This is due to the unpredictable and uncontrollable nature of the reconciling items, which would require an unreasonable effort to forecast and we believe would result in such a broad range of projected values that would not be meaningful to investors. For this reason, we believe that the probable significance of such information is low. Note: The change in DPL was reclassified from the benefits/claims expense line item to net earned premium line item in conjunction with the adoption of Accounting Standards Update 2018-12, "Financial Services - Insurance, Targeted Improvements to the Accounting for Long-Duration Contracts" on January 1, 2023. The internal reinsurance strategy was executed in 2023 where premiums from Aflac Japan are ceded to Aflac Re Bermuda Ltd, an entity included in the Corporate and Other segment.

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Aflac Incorporated Strategic Overview

Daniel P. Amos
Chairman and Chief Executive Officer, Aflac Incorporated

Thank you for joining us this morning. Our third quarter 2024 results rounded out a solid nine months for Aflac in 2024. I am very proud of our management team and their many accomplishments since our last Financial Analysts Briefing.

Before members of our management team cover our operations and financials, I'd like to take a moment to note two very special milestones in 2024 that have been five decades in the making. First, June 14 of this year marked 50 years since Aflac Incorporated stock was first listed on the New York Stock Exchange. I was here that day, and the first stock traded, and I will never forget it. On that day, stock was trading at around $7.00 per share. Adjusted for stock splits, would anyone like to take a guess? It was $0.06 per share. Today, of course, it's $111 per share. To this day, the excitement of being listed left such an impression on me – that I'll never forget it!

Second, November 15th marked 50 years of doing business in Japan – a milestone established by the vision of Aflac's principal founder, my uncle, John Amos, Yoshiki Otake, and every dedicated employee in Japan since.

An immeasurable number of events have taken place over these last five decades – but it's not the number of years that matters most. It's the opportunities and the privilege of benefiting the lives of millions of people. Most notably, we have accomplished this by providing protection and peace of mind to our policyholders during some of the most difficult times of their lives, but it also extends to our shareholders, employees, sales associates and teams, and the communities in which we operate.

I have had the pleasure of working with some of the finest members of our management team, Board of Directors, employees and sales force one could ever imagine. Our strong focus on people is not surprising, because I have always said that "if you're in the business of insurance, you're in the people business." Even with all the technological innovations and AI, that is still true today.

You've probably heard me say many times that in conjunction with the Board, one of my main responsibilities is succession planning for key roles. We are focused on cultivating a strong bench of leaders to lay the groundwork for seamless transitions, as well as continuity in experience, expertise and strategic execution. I look forward to continuing to work with this team and prepare for the future. Today you'll hear from some of those leaders about our strategic plan and outlook for 2025 through 2027.

Let me be clear: I am still enjoying what I do, building and cultivating the management team to grow the company. Recently, the Board and I recognized the expanded roles and significant contributions of Virgil Miller, Max Brodén and Audrey Tillman by announcing their promotions effective January 1, 2025. Both Virgil and Max will present today, as will Koide-san and Brad Dyslin.

From Japan, Charles Lake, Steve Beaver and Yoshizumi-san will join Koide-san and me on the Aflac Japan Q&A session. In fact, Steve did such an outstanding job coordinating the conversion of Aflac Japan from a Branch to a subsidiary in 2018, that he has transitioned easily from his seat in the U.S. to become CFO of Aflac Japan.

When Steve took on the Aflac Japan CFO role, Fred Simard joined as CFO of Aflac U.S. Fred Simard has been critical in helping us with the issues of Aflac Dental & Vision, and he will add the title of Aflac U.S. Chief Operating Officer to his current role as of January 1, 2025. He will join Virgil and me for the Aflac U.S. Q&A panel.

Through the years, I have always been excited that Aflac has generated such strong financial results and performance and adapted to all types of macro-economics. Whether it be a weak or strong yen; inflation or deflation, or numerous other factors we can't control, it is our people who have adapted to make the results happen.

We are addressing a vital need in both countries: Citizens face rising health care costs that are not covered by the national plan in Japan or major medical insurance in the U.S. We believe we have the right strategy to "close the gap" that so many Americans face when a medical event occurs, as Virgil will tell you. This is conveyed simply in some of our recent commercials with the tagline "Get help with expenses health insurance doesn't cover."

Koide-san, who has been doing an outstanding job as president of Aflac Japan for seven years, will explain Aflac Japan's new long-term vision. He will also cover how not only product, distribution but also customer-centric solutions form an ecosystem aiming to address the strain on the national social security and public health insurance system in Japan.

We have broadened our product lines in both countries. In the U.S., our sales results reflect strong growth in our group life absence management and disability, which is encouraging as we continue to scale up that platform. In addition, it was good to see a continued increase in cancer insurance sales, given our efforts to enhance the value proposition to our cancer policyholders. In Japan, we have maintained our initial momentum from the June launch of *Tsumitasu*, which combines asset formation and a nursing care option. It is part of our strategy to attract new and younger customers while also introducing them to our third sector product and policies. *Tsumitasu* also played an important role in the sales growth in our agencies. These examples highlight how our acquisitions and expanded product portfolio in both countries have real potential to open doors for our business.

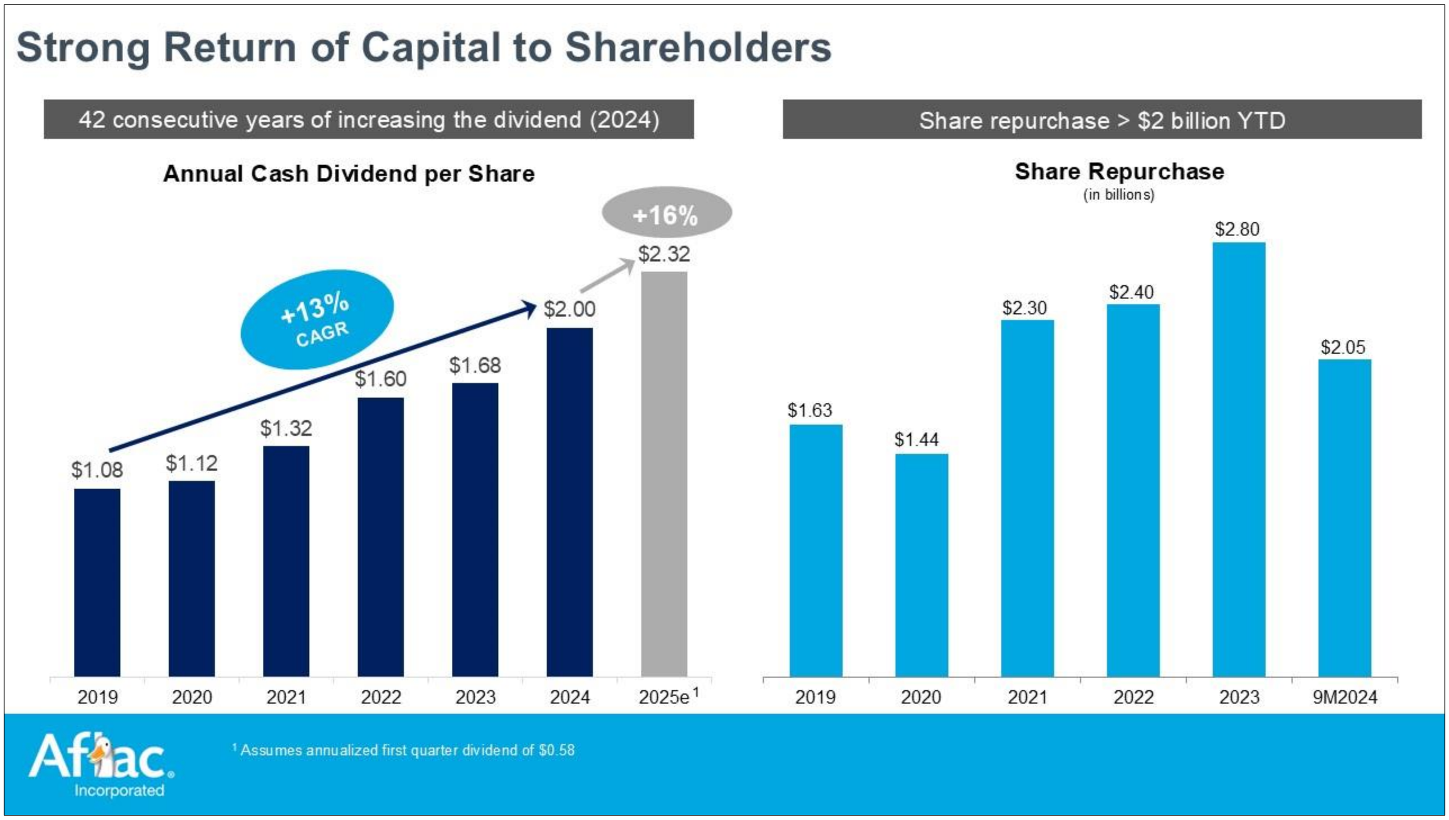
My job as CEO is to run the company in such a way that empowers a capable management team to drive strong results; but it really doesn't stop there. My job is also to ensure Aflac is a trusted, respected and powerful brand. We are continuing to build on our leading position in Japan and the United States. We believe Aflac's powerful brand and wide-reaching distribution will boost our ability to be where people want to purchase insurance.

An outstanding and trusted brand and reputation can go a long way, not only with sales opportunities, but with value in other ways. For example, you may not have seen this, but Dr Pepper's popular "Fansville" advertising campaign for football currently features the Aflac Duck in one of their commercials. The Aflac Duck showing up there continues to make us relevant in pop culture, which is very important to us. So not only does this advertising help reach key demographics for us, but it also aligns with our busiest sales period when we want Aflac's name everywhere.

I don't think it is coincidental that Aflac has achieved our level of success while focusing on doing the right things. In fact, I believe they go hand in hand. I'm proud of what we have accomplished in balancing both our purpose and our earnings performance, which results in strong shareholder return. Doing the right thing is an approach Aflac has taken as far back as I can remember. Since 1995, the Aflac family has been giving back to the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta with more than $185 million in donations. About half of that comes from our sales force, who make their own personal donations. In Japan, through the three Aflac Parents House locations, which is like the Ronald McDonald House in the U.S., we have also helped more than 150,000 children and their families who are facing cancer and other diseases. In both countries, we funded and developed *"My Special Aflac Duck,"* a social robot companion to help the children cope with the difficult cancer treatments.

Let me be clear: this particular invention is not a toy; it is truly to help the kids fight the issues concerning cancer. In fact, *"My Special Aflac Duck"* was named by TIME Magazine to its list of the "Best Inventions of 2018" the year it was introduced. It also won the "Best in Show" category at the "Consumer Electronics Show" in Las Vegas. We have invested more than $7 million and given over 32,000 *"My Special Aflac Ducks"* to pediatric cancer and sickle cell patients. Today, we give a "My Special Aflac Duck" to any child diagnosed with cancer in the U.S. and Japan, and we will continue to do so as we move forward. We find that people want to be associated with a company that does the right thing, and we look to continue doing so.

At Aflac, we manage our business for the long term while remaining focused on achieving the near-term financial results. As a management team and as CEO, we are dedicated to addressing the challenges of growth. Our approach to driving long-term shareholder value is straightforward: the pursuit of growth, strong pretax margins and tactical capital deployment. I think that our shareholders have benefited from our approach, as demonstrated on this slide.



As for capital deployment, I am very happy with how management has handled capital deployment and liquidity, and specifically, how well we've adapted to this environment. Many of you have even mentioned that to me. Max has done an exceptional job as CFO over the last five years, investing in the challenging environment, including the weakening yen, which is positioning the company for the future.

I am thrilled that we still have among the highest return on capital and lowest cost of capital in the industry. Max will cover more on this, but let me just say that we work hard to maintain strong capital ratios on behalf of our policyholders in both the U.S. and Japan, while at the same time remaining tactical in our deployment of capital.

I know you saw yesterday's announcement that we have increased the first quarter 2025 dividend 16%. This increase follows 42 consecutive years of increasing the dividend and compounded annual growth of 13% over the last five years. This track record is supported by the strength of our capital and cash flows. Year to date, Aflac Incorporated deployed more than $2 billion in capital to repurchase 23.5 million shares of our stock. Combined with dividends, this means we delivered $2.9 billion back to shareholders for the first nine months of this year.

All this is to say that I am well-pleased with what our management team has accomplished so far this year, and our goal is to finish strong. You'll hear more about that from our team today, as we are all very excited about our future.

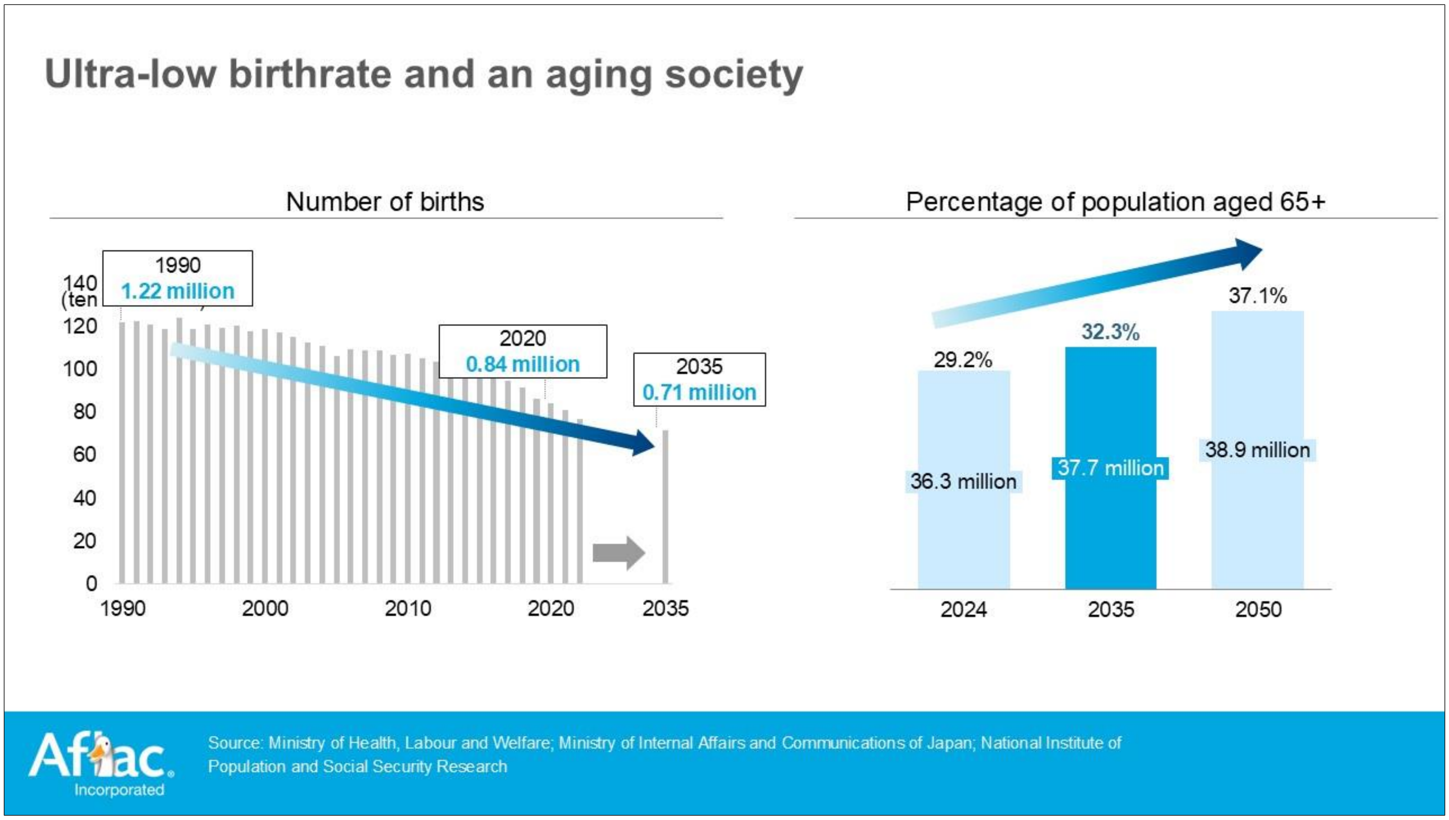
Overview of Japan's Political Economy

Charles D. Lake II
Chairman and Representative Director, Aflac Life Insurance Japan;
President, Aflac International

In 2024, Aflac Japan celebrated 50 years in Japan and announced a new long-term vision – "by creating 'living in your own way,' create new shared value." In developing this Long-term Vision and the new Medium-term Management Strategy (2025-2027), Aflac Japan conducted an in-depth external environment analysis to identify customer and societal needs, mapping out the most effective approach to utilizing Aflac Japan's unique resources and experience to address those needs and create shared economic value.

This presentation sets the stage for discussion of Aflac Japan's growth strategy over the mid-term. As Koide-san will discuss, Aflac Japan aims to address societal issues and create shared value based on our deep understanding of such issues and pain-points and addressing the needs of customers and society.

First, let us provide an update on Japan's macroeconomic, political, and public policy issues relevant to Aflac Japan.



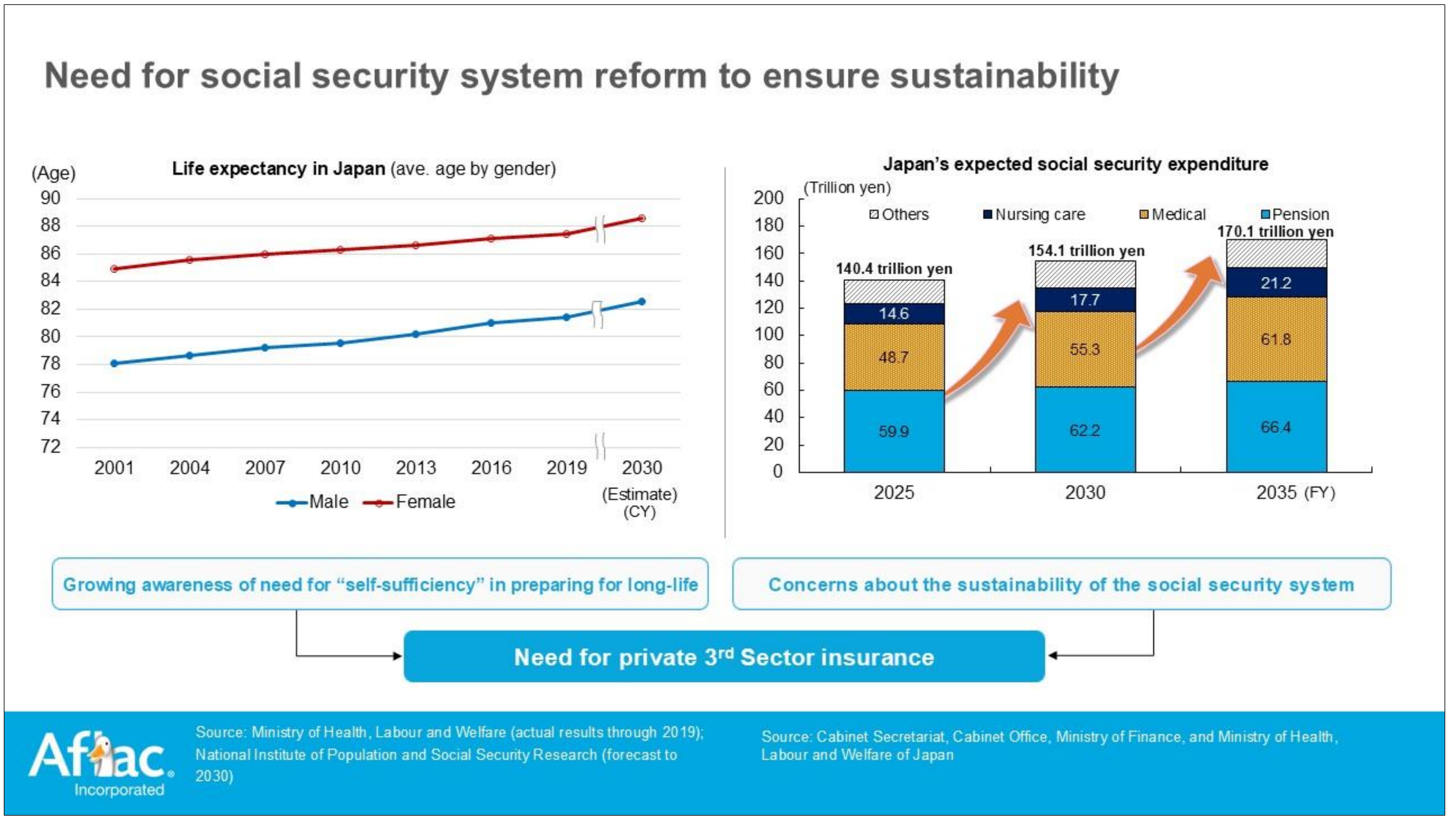
As we have discussed over the years, Japan continues to have an ultra-low birthrate and an aging society.

The number of marriages dropped 6% from 2022 to 2023 to its lowest level in the post-war period, and there were record low births in 2023. The fertility rate also dropped for the eighth straight year to 1.2 children per woman. This is well below the rate of 2.06-2.07 needed to maintain a population. According to Japan's National Institute of Population and Social Security Research, in 2035, Japan will likely only have around 716,000 births, approximately 85% of 2020 levels.

Meanwhile, the population above age 65 has more than quadrupled in the past 50 years, from 8.5 million in 1974 to 36 million in 2024. Those aged 65 and older now account for 29% of Japan's population. By 2035, this number will grow to 32%. By 2050, 37% of the total population could be 65 or older.

A decline of the working age population (ages 15-64) is also expected to quickly progress, further impeding economic growth.

Having said that, rapid technological advances, including in generative artificial intelligence, are expected to bring about labor market changes, including increased worker productivity and efficiency gains over time. The Japanese Government is taking steps to implement digital transformation to further promote these trends which will be discussed later.



In light of these demographic challenges, Japan also faces an increasing burden on its social security system. The current national burden ratio (income to local taxes / social insurance premiums) is approximately 45%, having risen more than ten points over the past two decades.

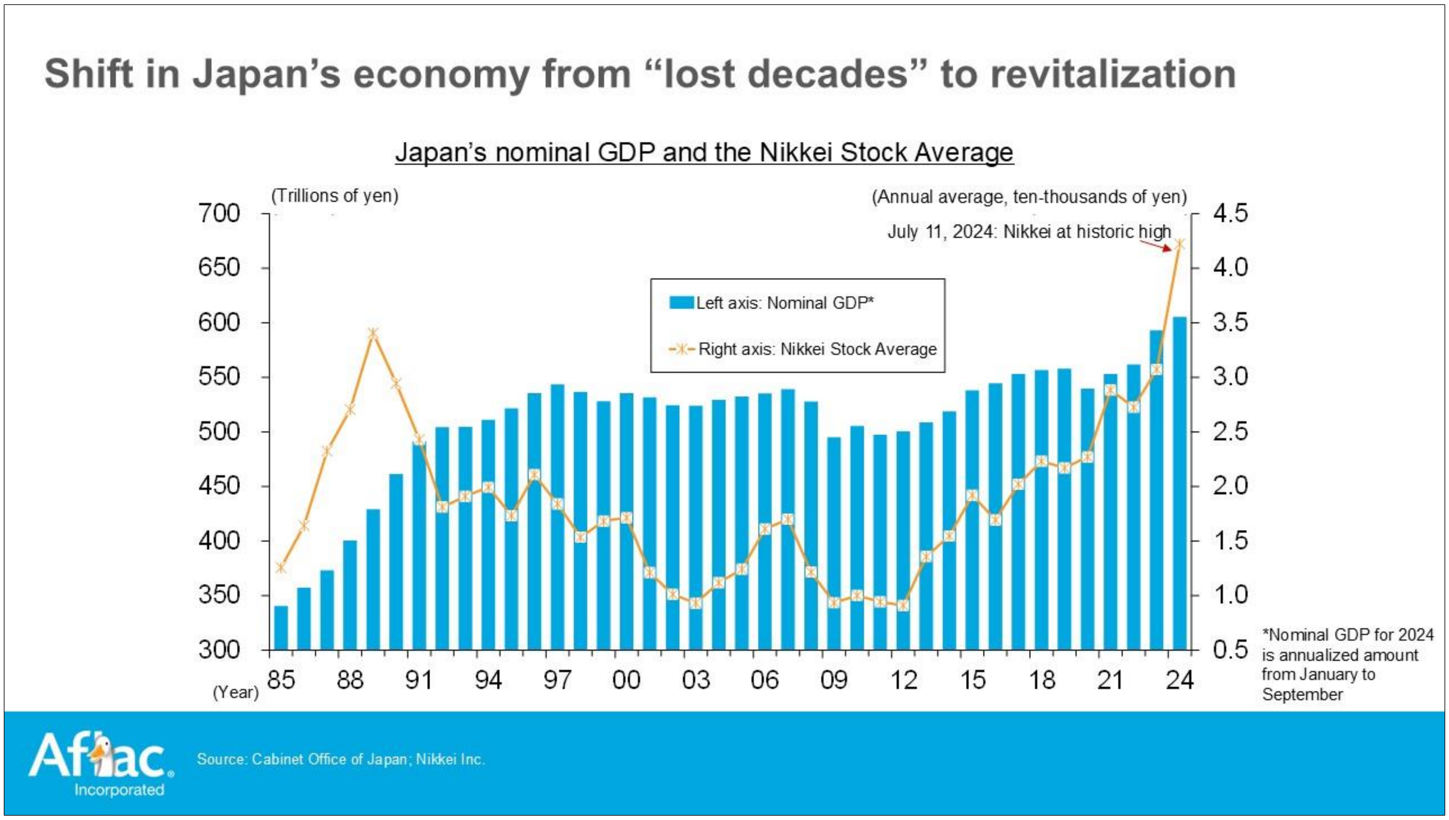
Policymakers are seeking to shift Japan's social security system away from primarily benefiting the elderly to one that addresses the needs of all generations, without burdening the working generations and ensuring long-term financial viability.

As people in Japan are living longer and healthier lives, the Government is projecting that total overall social security expenditure will increase by approximately 20% over the next decade, raising concerns about the sustainability of Japan's universal health and elderly care systems.

In October 2022, the Government expanded the scope of people aged 75+ who must pay more for healthcare copays, with discussions ongoing to consider further expansion. Over the medium-term, the Government will need to further raise copays or reduce coverage in both health and long-term care insurance schemes, which would increase out-of-pocket expenses.

Against this backdrop, demand is growing for private third sector insurance, that anticipates increasing copays under public health insurance.

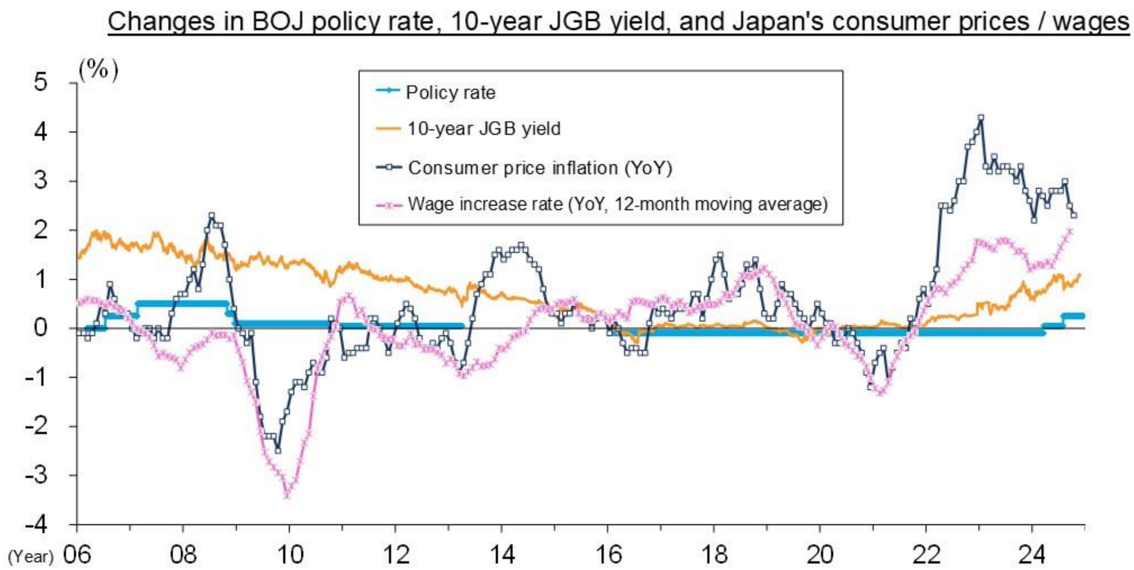
Furthermore, the combination of Japan's prolonged relatively low-economic growth, low-interest rate environment, and its aging population is leading to increased demand for products that facilitate asset accumulation.



The Japanese economy is gradually recovering and breaking away from the "lost decades" phenomenon of the last 30 years. Since 2021, the Japanese economy has seen positive real economic growth with real GDP growing by 2.7% in 2021, and 1.2% in 2022, and 1.7% in 2023. Japan's stock market has also seen strong performances, with the Nikkei Stock Average hitting several all-time highs this year, and even exceeding 42,000 for the first time in July 2024.

Amid this backdrop of positive economic growth, Japanese workers have also gained substantial wage increases recently. The annual spring wage negotiations for Japanese unions in 2024 resulted in a 5.3% wage increase, an increase from 3.6% in 2023 and the first wage increase to surpass 5% since 1991.

Bank of Japan ends ultra-easy monetary policy and begins policy normalization

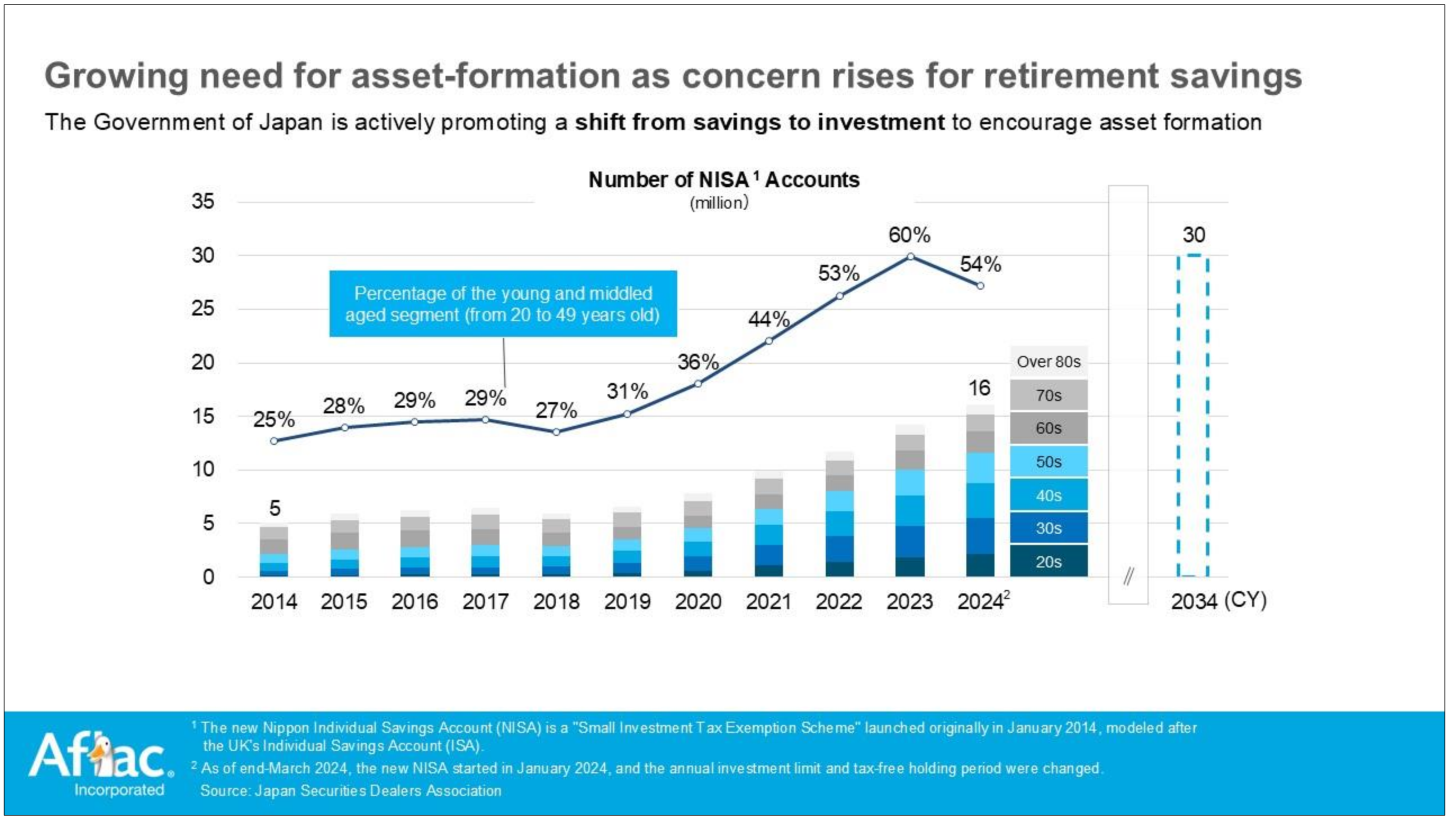


Source: Bank of Japan; Ministry of Finance; Ministry of Internal Affairs and Communications; Ministry of Health, Labour and Welfare of Japan

The Bank of Japan has made major monetary policy changes in light of positive economic trends, ending its negative interest rate policy in March 2024 and implementing an additional rate hike in July to usher in a new era of positive interest rates. This major shift came as the Bank of Japan expressed confidence that conditions were right for a sustainable inflation rate of 2% due to wage increases and inflation expectations.

Consumer price inflation in Japan has exceeded 2% for the last two years. The Bank of Japan estimates that medium to long-term inflation will reach a level generally consistent with the price stability target through fiscal 2026.

The gap between domestic and foreign interest rates still remains wide, which has led to sustained yen depreciation mainly against the dollar. However, these policy changes have led to new opportunities for the Japanese bond market and increased investment flow.



As Japan enters an era of 100-year lifespans and exits deflation, the Government is actively promoting a shift from savings to investment to transform Japan into a leading asset-management center to address structural societal needs.

Former Prime Minister Kishida's flagship initiative to transform Japan into an asset management powerhouse, which I will discuss further below, has helped to accelerate a shift toward asset formation products.

As you can see in the chart, the Nippon Individual Savings Account (NISA) provides a clear indication of the strong demand for asset formation opportunities, particularly among the young and middle-aged when compared to the previous decade. This rising demand is driven by growing awareness of the need for self-sufficiency that prepares one for life after retirement, as well as concerns about the social security system's sustainability and healthcare.

Roadmap

1. Macro-economic Overview
2. **Japan Political System Overview**
3. Japan Political Environment Update
4. Financial Regulatory Developments

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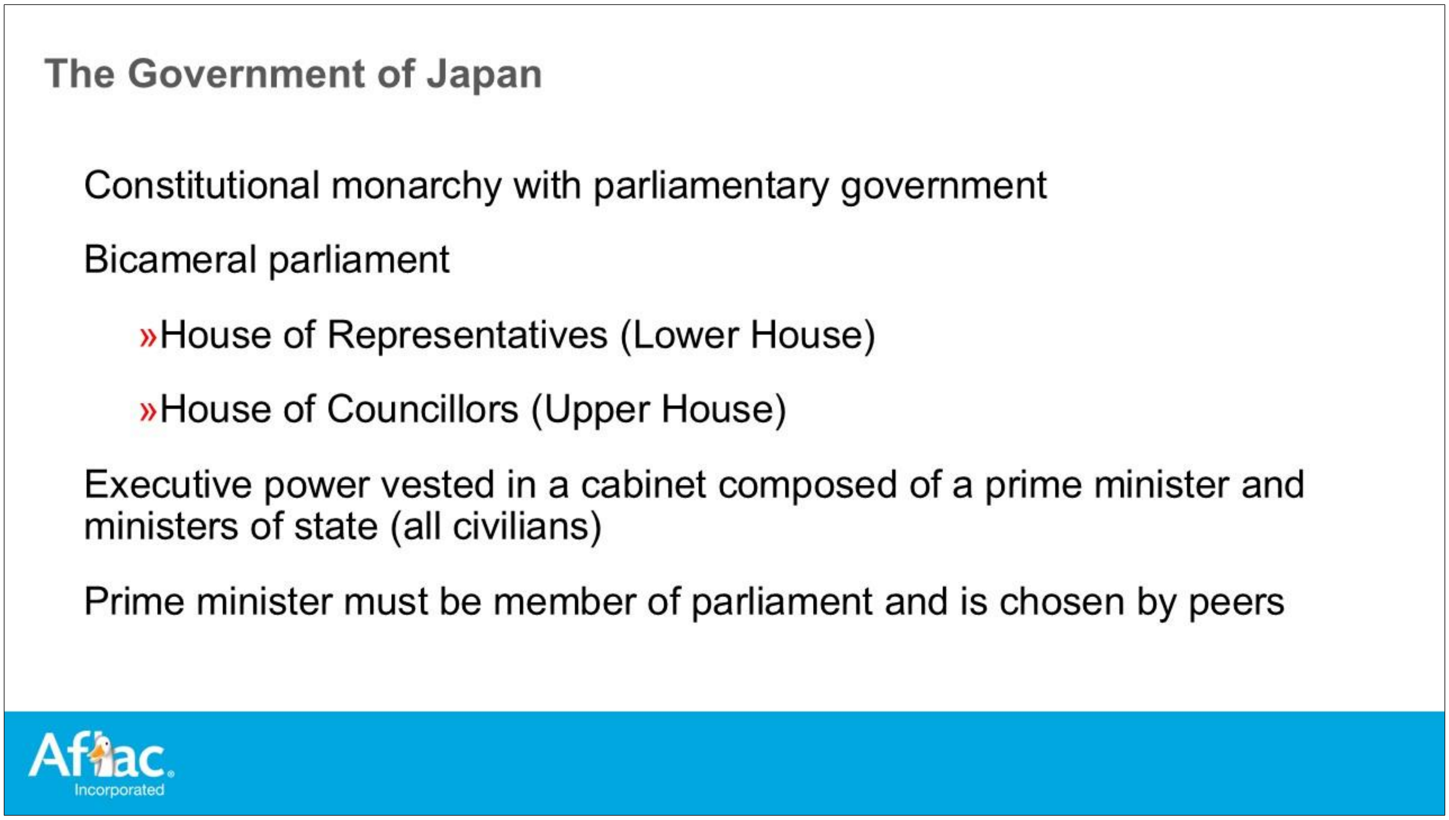


Japan is a constitutional monarchy with a parliamentary government. Sovereignty is vested in the Japanese people, with the Emperor defined as a symbol of the state.

Japan's government structure is a parliamentary democracy, with a House of Representatives, or "Lower House," and a House of Councillors, or "Upper House." Executive power is vested in a cabinet composed of a prime minister and ministers of state, all of whom must be civilians. The prime minister must be a member of parliament, known as the "National Diet," and is chosen by colleagues. The prime minister has the power to appoint and remove ministers, a majority of whom must also be Diet members.

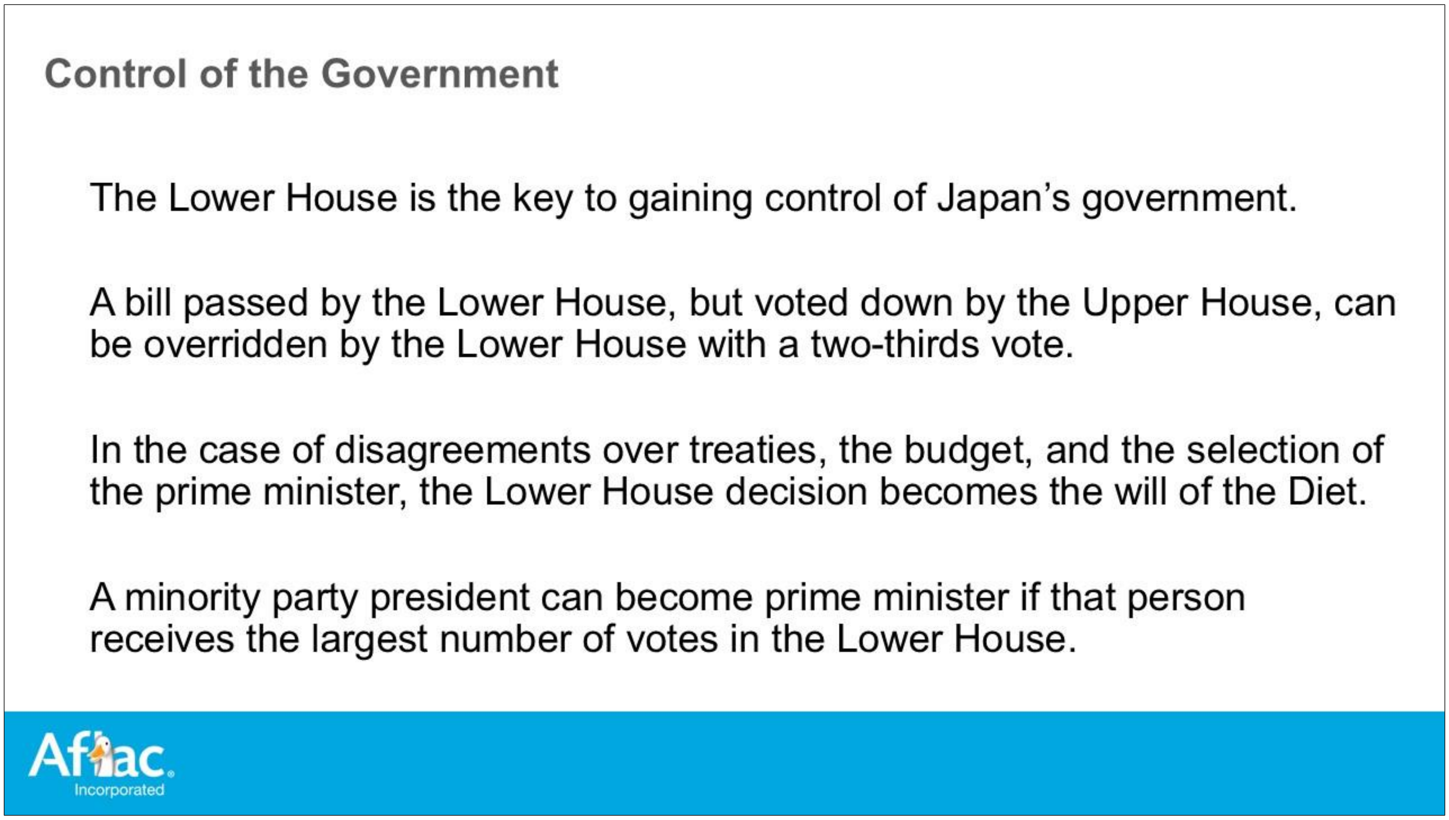
House of Representatives (Lower House)

The Lower House has 465 members elected for four-year terms. The Lower House can be dissolved and an election called at any time by the prime minister, which means that its election schedule is not fixed.

House of Councillors (Upper House)

The Upper House has 248 members elected for six-year terms. Upper House elections are held every three years, during which one-half – 124 seats – are contested. The Upper House cannot be dissolved by the prime minister.

The last Upper House election was held in July 2022 and the LDP-led coalition modestly increased its majority in the Upper House with a total of 146 seats out of 248. The next Upper House election will be held in July 2025.



The Lower House has several powers separate from the Upper House, making it the key to gaining control of Japan’s government. For example, if a bill passes in the Lower House, but is voted down in the Upper House, the Lower House can override the decision with a two-thirds vote. In the case of treaties, the budget, and selection of the prime minister, if both houses reach different decisions that cannot be resolved, the decision of the Lower House becomes the will of the Diet.

As a result, the party that controls the majority of seats in the Lower House holds the reins of power, and the leader of that party generally serves as prime minister.

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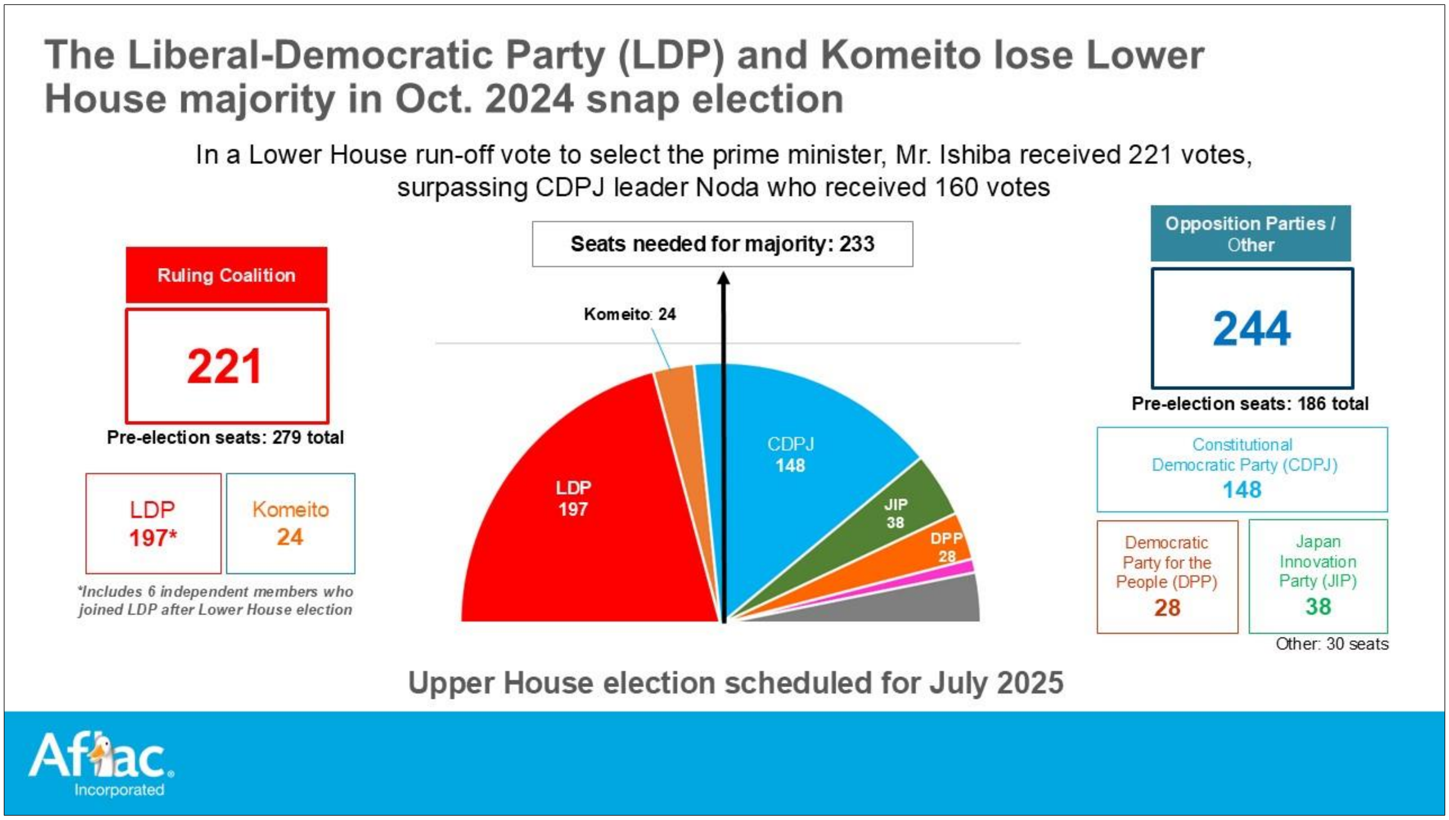


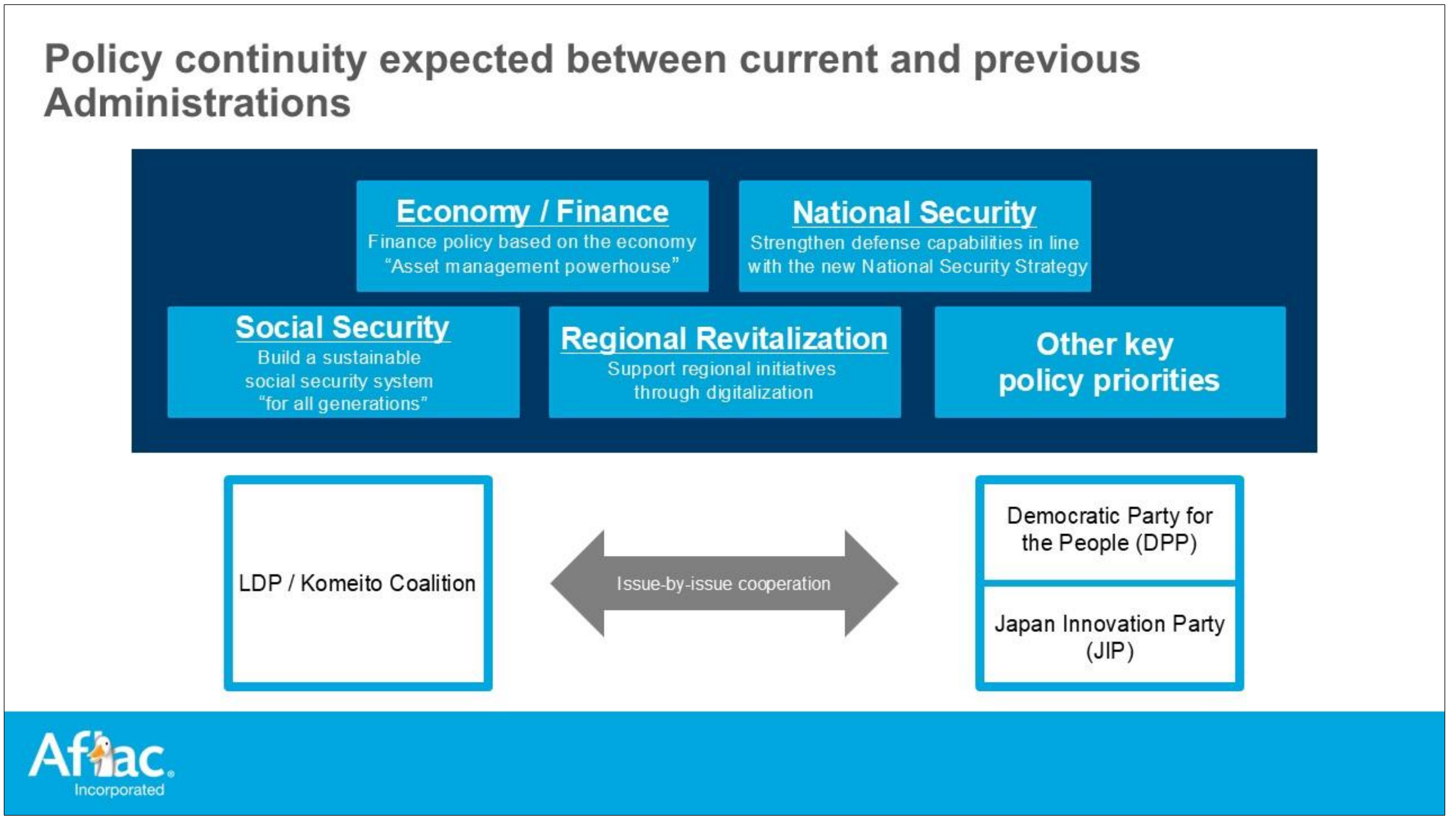
Political Parties and Coalitions

The Liberal Democratic Party (LDP) has been the dominant political party since 1955, losing power only twice in 1993-1994 and 2009-2012. There are a number of other political parties that vary in size and influence, including Komeito, the Constitutional Democratic Party of Japan (CDPJ), the Democratic Party for the People (DPP), and the Japan Innovation Party (JIP).

Political parties in Japan's parliamentary system often form partnerships, or coalitions, including in cases when they need to gain a majority in one or both houses of the Diet to pass legislation.

On October 9, 2024, just eight days after taking office, Prime Minister Shigeru Ishiba dissolved the Lower House and called a snap election, leading to the shortest post-war Cabinet period on record. This move represented an attempt to leverage an anticipated rise in the LDP's approval ratings, following the election of a new Prime Minister, to overcome public discontent about recent LDP political funding misconduct. However, the snap election resulted in the LDP and its coalition partner Komeito losing its majority for the first time since 2012. The LDP and Komeito secured only 215 seats – losing over 60 seats – well-short of the 233 needed and failed to secure a majority while the main opposition party, the CDP, gained over 50 seats.

Now the LDP and Komeito must coordinate with opposition parties to secure votes on a policy-by-policy basis. In this new environment, the DPP will be a key player in whether policy initiatives gain Diet support. Against this backdrop, such intra-party negotiations may weaken the Government's capacity to implement reform initiatives and policy, which I will discuss further below.



Since entering office on October 1, 2024, Prime Minister Ishiba has emphasized continuity with key policies of the previous Kishida administration.

Former Prime Minister Kishida's signature economic policy initiative was to pursue a "New Form of Capitalism," with "investment in people" as a top priority. A key element of his economic growth policy is to promote Japan as a "asset management powerhouse" and encourage the Japanese people to shift their substantial cash savings into investments to double citizens' "asset income." Prime Minister Ishiba intends to continue these policies, especially the initiatives to expand and strengthen Japan's asset management capacity.

The Government also placed a strong emphasis on policy to enhance Japan's defense capabilities based on a new National Security Strategy, ensure sustainability of social security, revitalize regional areas of the country, and promote digital and green transformations (known as "DX" and "GX" in Japan) of Japanese society.

Ishiba Administration Key Policies

With this as background, the Ishiba Administration aims to achieve a "growth-oriented economy driven by wage increases and investment," broadly following the path set by its predecessor. The goal is to ensure that the current momentum in the Japanese economy leads to sustainable growth and full recovery as Japan moves away from the "lost three decades" of economic stagnation and deflation.

The Administration aims to pass a supplementary budget to secure funding for additional growth measures and realize a planned budget surplus in FY 2025 through increased tax revenues driven by growth rather than spending cuts.

Regarding monetary policy, the Administration reaffirmed the cooperation between the executive branch and the Bank of Japan (BOJ), as outlined in the 2013 Joint Statement adopted during the Abe Administration. The Administration is expected to align with the BOJ's gradual adjustment of monetary easing, aiming for moderate interest rate hikes and normalization.

Prime Minister Ishiba's government also places a high priority on addressing Japan's demographic challenges as mentioned earlier. The Administration plans to implement policies to support families raising children, reform the social security system "for all generations," including a review of the burdens and benefits of the system to ensure its sustainability and implement labor market reforms to ensure better utilization of workers as human capital.

Foreign and National Security Policies

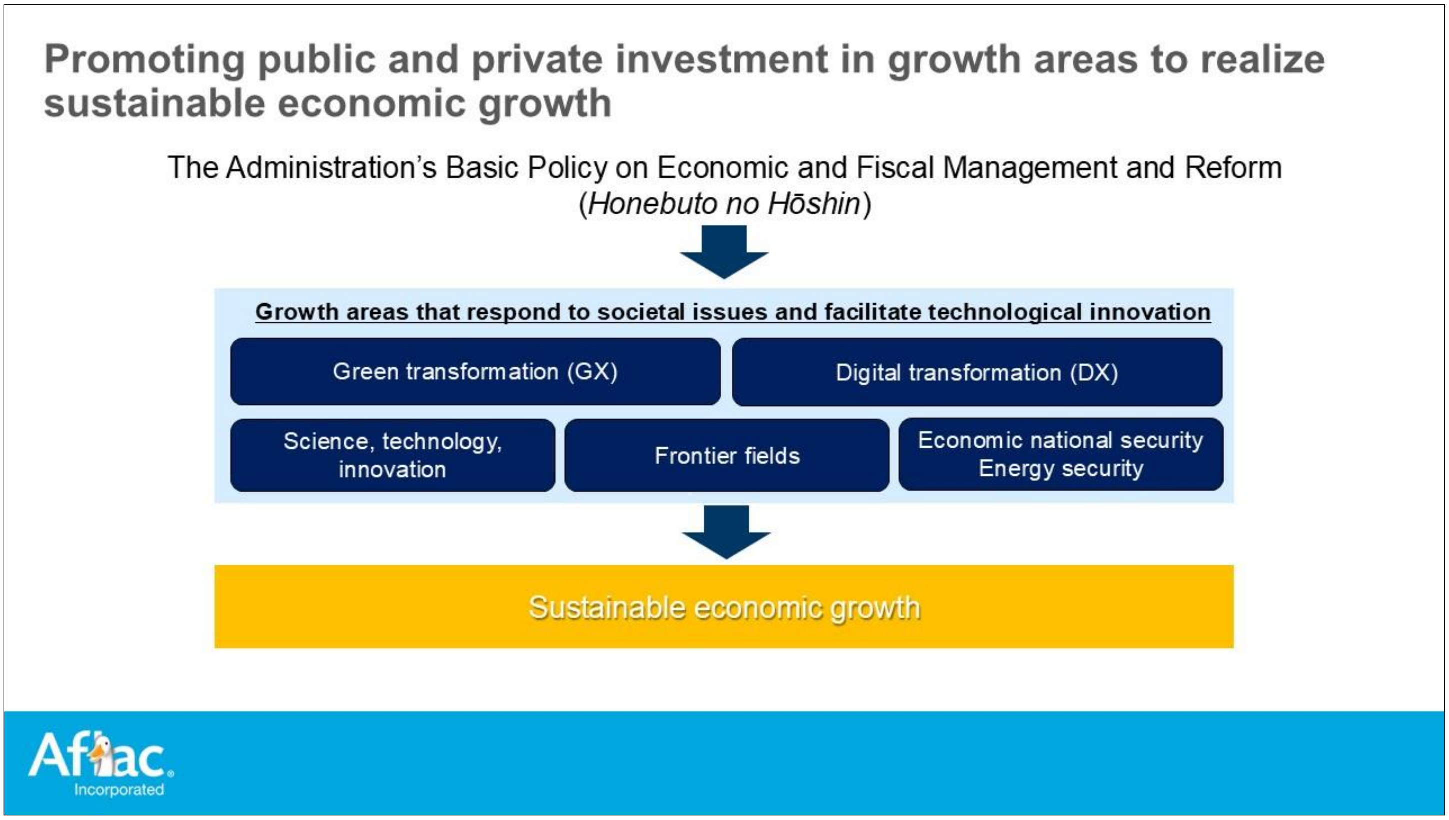
The new Administration is also very focused on challenges in foreign affairs, including the most complex and dynamic national security environment surrounding Japan since the end of World War II. The Administration is addressing mounting national security issues through a combination of diplomatic initiatives and policy measures to enhance Japan's defense, intelligence, and security-related economic/technological capabilities.

In December 2022, the Kishida administration signaled a significant shift in Japanese defense policy, releasing three major strategic documents: the National Security Strategy, the National Defense Strategy, and the Defense Buildup Program. With these documents, the Administration announced its intent to strengthen Japanese defense capabilities by committing to increase defense-related spending from 1% to 2% of GDP by fiscal year 2027, to enhance Self-Defense Forces operations, and to strengthen its regional security partnerships.

Prime Minister Ishiba, a national security expert, reaffirmed his predecessor's commitment to sharply increasing Japan's defense posture. That said, he will need domestic political stability to pursue ambitious defense-related goals, including to increase defense spending.

The Administration will also seek to strengthen its energy and critical supply chain resilience with more stringent requirements on procurement. Such requirements will involve collaboration with like-minded countries to ensure stable supply of oil, natural gas, and critical minerals. The Government will also provide public support for investments in R&D and mass production capabilities in key sectors such as artificial intelligence and semiconductors.

To improve Japan's cybersecurity, the Administration is considering the adoption of active cyber defense and security clearance systems which would require specific qualifications to gain access to critical government-held national security information.



The Ishiba Administration will also carry forward its predecessors' emphasis on public/private collaborations to promote long term strategic investments in thematic areas such as green and digital technology, scientific research and development, and economic and energy security.

In digital technology growth fields, companies are using generative AI to automate and streamline operations, while remaining cognizant of emerging risks. Japan will closely monitor international standard-setting and new laws and regulations in Europe, the U.S., and other countries with an eye toward strengthening its own institutional response to AI.

Furthermore, digitalization ("DX" in Japan) in medical practices is advancing rapidly and normalizing telemedicine and in-home care. DX will continue to be relevant to Japan's future in these sectors, but an ecosystem needs to be set up in phases, in which stakeholders form partnerships and work together to support patients.

In green and energy growth fields, the Government of Japan continues toward achieving carbon neutrality by 2050 by investing over 150 trillion yen into greening initiatives, but opposition parties may now block certain industrial or energy investment policies, potentially hindering policy implementation.

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The Financial Services Agency (FSA) policy priorities

2024-2025 Policy Priorities

FSA's Policy Priorities for 2024-2025 support the New Form of Capitalism

Under three pillars, FSA aims to:

1. Contribute to sustainable economic growth through financial mechanisms
2. Ensure the stability and reliability of the financial system and the provision of high-quality financial services
3. Enhance the FSA's administrative capacities

Insurance supervision and guiding insurers' functional role

In Japan's insurance industry, FSA continues to focus on:

- Building sustainable business models through customer-centric business operations
- Facilitating a smooth transition to an economic value-based solvency regime
- Contributing to Japanese citizens' stable asset formation and institutional investors' stewardship responsibilities

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Even in a dynamic political environment, Japan has a stable and experienced financial regulator so no material changes are expected in the near-term that would impact the financial services' business environment.

FSA's new structure

Turning to Japan's financial regulatory regime, in July 2024, Hideki Ito became Financial Services Agency (FSA) Commissioner. The Commissioner's previous positions, include Policy and Markets Bureau Director-General, and during the former Kishida Administration, played a key role in formulating policies designed to promote Japan as a leading asset-management nation, including the Asset Income Doubling Plan and the overhaul of the large shareholding reporting system.

Commissioner Ito is expected to continue efforts to establish Japan as an asset-management powerhouse and support Japanese household's stable asset management and asset management sector reform. By seeking to promote Japan as an asset management powerhouse, the FSA will seek to ensure that corporate asset value growth will be returned to the people through a virtuous cycle that fosters new investment and consumption. Specific policy measures include improving governance of the asset management sector, promoting new entries of domestic and foreign asset management firms, and facilitating diversification of investment opportunities.

The FSA will also continue to promote overall corporate governance reforms, sustainable finance, DX in financial services, and other measures, recognizing the nexus between financial and capital market institutions and Japan's continued economic growth.

FSA policy pillars for 2024

The FSA has established three policy pillars for the 2024 fiscal year, reflecting structural changes in the domestic and international economy and growing uncertainty with respect to Japan's financial and economic direction.

The first pillar, "Contributing to Sustainable Economic Growth Through Financial Mechanisms," promotes a policy environment in which the resolution of societal issues fosters the creation of new markets, contributing to the growth and productivity of the economy.

The second pillar, "Ensure the Stability and Reliability of the Financial System and the Provision of High-Quality Financial Services," will utilize in-depth inspection and supervision to ensure appropriate business practices, the stability of financial institutions, and the delivery of high-quality, customer-centric financial service offerings.

The third pillar, “Enhance the FSA’s Administrative Capacities,” introduces internal data utilization measures to improve the agency’s ability to communicate its policies to domestic and international stakeholders.

Key FSA insurance supervision policies

Insurance companies are obligated to provide high-quality services that satisfy customers’ needs. The FSA supervises insurers to ensure their adherence to “Customer-Centric Business Conduct,” a concept that embraces the provision of adequate coverage closely aligned with customers’ life stages and the creation of profitable, sustainable business models that are adapted to secular trends, such as declining birthrates, aging populations, and more frequent and destructive natural disasters.

To carry out its mission, the FSA has specific expectations of insurers which it addresses through its policy measures. The FSA encourages sound group and global governance, enhanced internal audits, and implementation of economic value-based solvency requirements in cooperation with overseas authorities.

The FSA also requires insurers to implement necessary governance functions, to manage capital and risks to ensure sustainable financial soundness, and to develop products and sales practices that meet changing policyholder needs.

The agency monitors the financial and operational soundness of insurers, and their management of assets against the background of economic and financial market trends. The FSA expects insurers to play a role in maintaining vibrant capital markets and stable asset formation, while remaining cognizant of their obligations to policyholders.

In terms of product development and sales that respond to changing customer needs, insurers are expected to provide and promote stable asset-formation methods, unique to the insurance industry, based not only on traditional protection-type products, but the growing need for “Long-Term, Accumulated, Diversified” investments in line with policies and market conditions aimed at realizing an asset management nation. To achieve this, it is important for insurers to set up proper product governance systems with appropriate leadership and control by the management team.

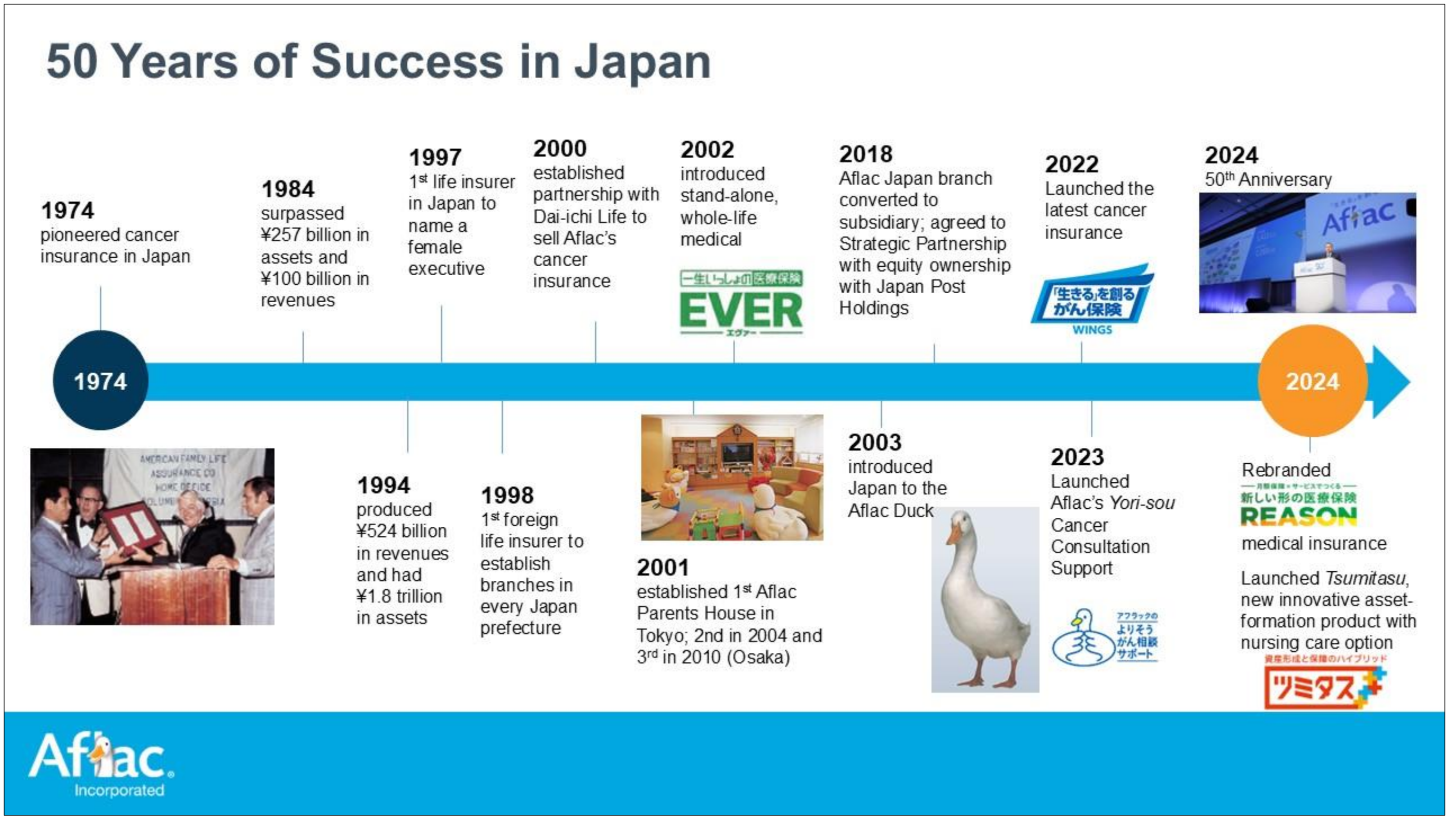
In conclusion, I am pleased to note that Aflac Japan is well-positioned to take advantage of business opportunities that will be created by the emerging economic developments, public policy, and regulatory changes in Japan.

Just as we have anticipated change in the past and formulated proactive strategies, we are ready to leverage new opportunities in the coming years, maintain our leadership position, and continue to grow. Koide-san will discuss this further in his presentation.

Aflac Japan Strategic Overview and Growth Strategy

Masatoshi Koide

President and Representative Director, Aflac Life Insurance Japan



Today, I will provide an overview of Aflac Japan's strategy for growth over the mid- to long-term. Aflac Japan was founded in 1974 with a desire to "save cancer patients from financial hardship." We became the first company to offer cancer insurance in Japan. That was a time when even mentioning the word "cancer" was considered taboo. However, as the pioneer for cancer insurance, Aflac Japan confronted the issue head-on, worked to raise societal awareness, and was able to establish a cancer insurance market to meet customers' changing needs.

Since then, Aflac Japan has created value based on its "corporate purpose" and core philosophy. We have done this by introducing innovative products that meet the needs of society, like the medical stand-alone whole life policy EVER in 2002, our cancer insurance product WINGS in 2022, and *Tsumitasu* in 2024, which is the industry's first hybrid asset formation product with a third sector coverage option. We also want to ensure that we are where people want to purchase protection through agencies, banks and partnerships, including our strategic alliance with the Japan Post Group.

As Dan has shared many times, we also are a company that takes pride in doing the right thing, which includes being the first life insurer in Japan to name a female executive in 1997. We also established the first Parents House in Tokyo in 2001 and later a second and a third, allowing families to be near their children as they seek treatment for serious illnesses, like cancer. We also believe people - associates, employees, policyholders and others – want to be associated with a company that does the right thing.

Over the decades, we have worked hard to address societal issues – such as the financial hardship of a major health event – and have met customers' changing needs while delivering shared value.

Celebrating 50 Years in Japan

50th Anniversary

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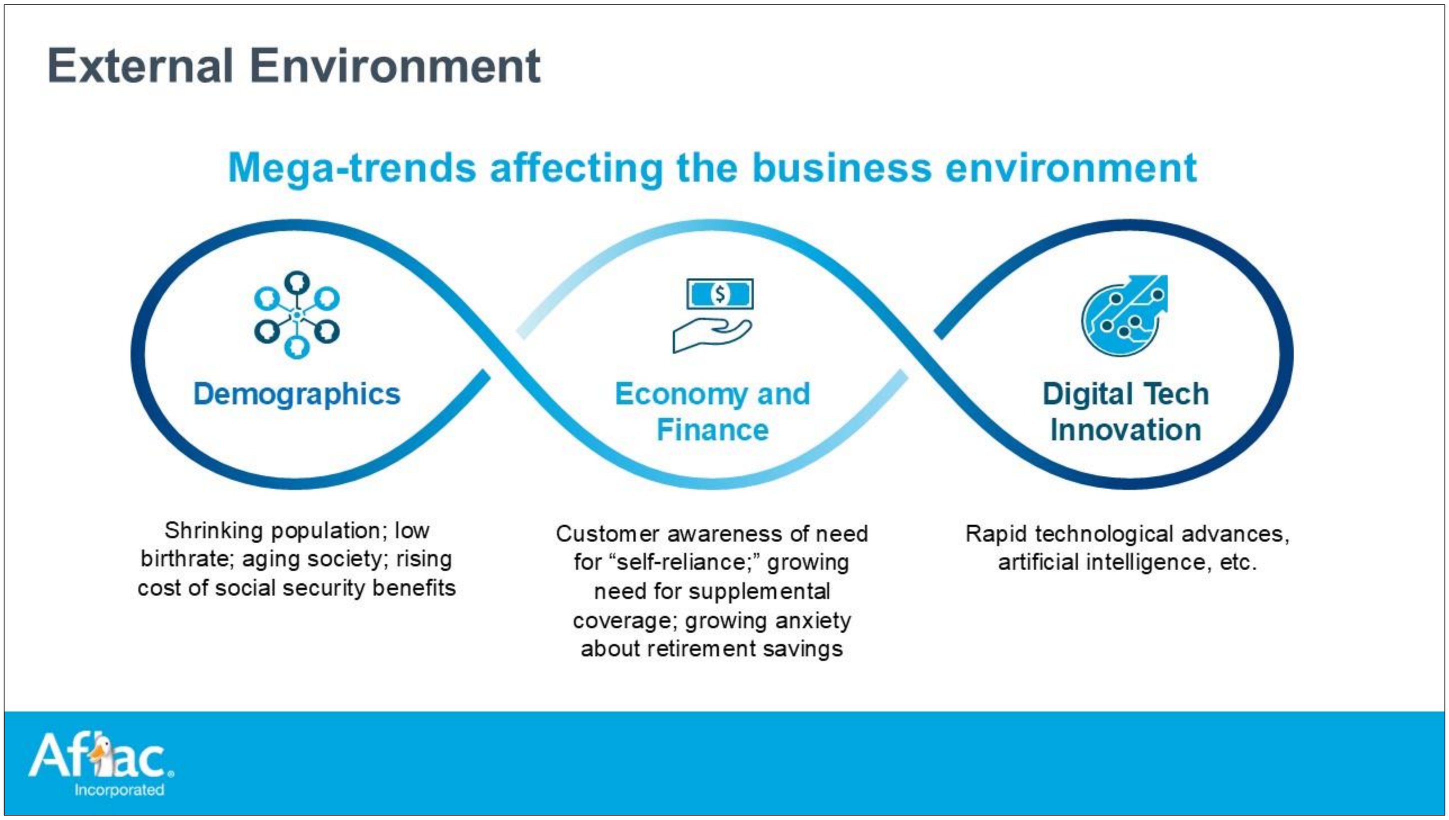
I am pleased to say that this year, Aflac celebrated 50 years in Japan, and I am proud of what we have accomplished. This year, while we celebrated the past, we were also keenly focused on the future. Today, I would like to provide an overview of the major-trends impacting Japan’s insurance market, share with you our vision for the future, and introduce our medium-term strategy for achieving growth over the mid- to long-term.



As we have discussed over the years, Japan's population is aging and birth rates continue to decline. Today, over 29 percent of the population is over age 65, with those under age 14 representing a shrinking proportion of the overall population.

At the same time, people in Japan are living longer and healthier than ever before. This trend, coupled with a declining working-age population, means that Japan's social security and national healthcare systems are under increasing strain. The Government of Japan, for example, projects total overall social security expenditure will increase by approximately 20 percent over the next 10 years.

This dynamic is leading to concerns about sustainability of the social security system and is contributing to greater awareness on the part of the young and middle-aged of the need for self-sufficiency. As is relates to insurance, this dynamic is contributing to continued gradual growth in Japan's third sector market, which is Aflac Japan's core business area. As Japan enters an era of 100-year lifespans, and begins its exit from deflation, the Government is actively promoting a shift from savings to investment and is striving to make Japan an asset-management powerhouse. Growth of the Nippon Individual Savings Account, or NISA, indicates the strong demand, especially by the young and middle-aged, for asset formation opportunities. It is in this environment that Aflac sees opportunities to address diverse customer needs and create shared value.

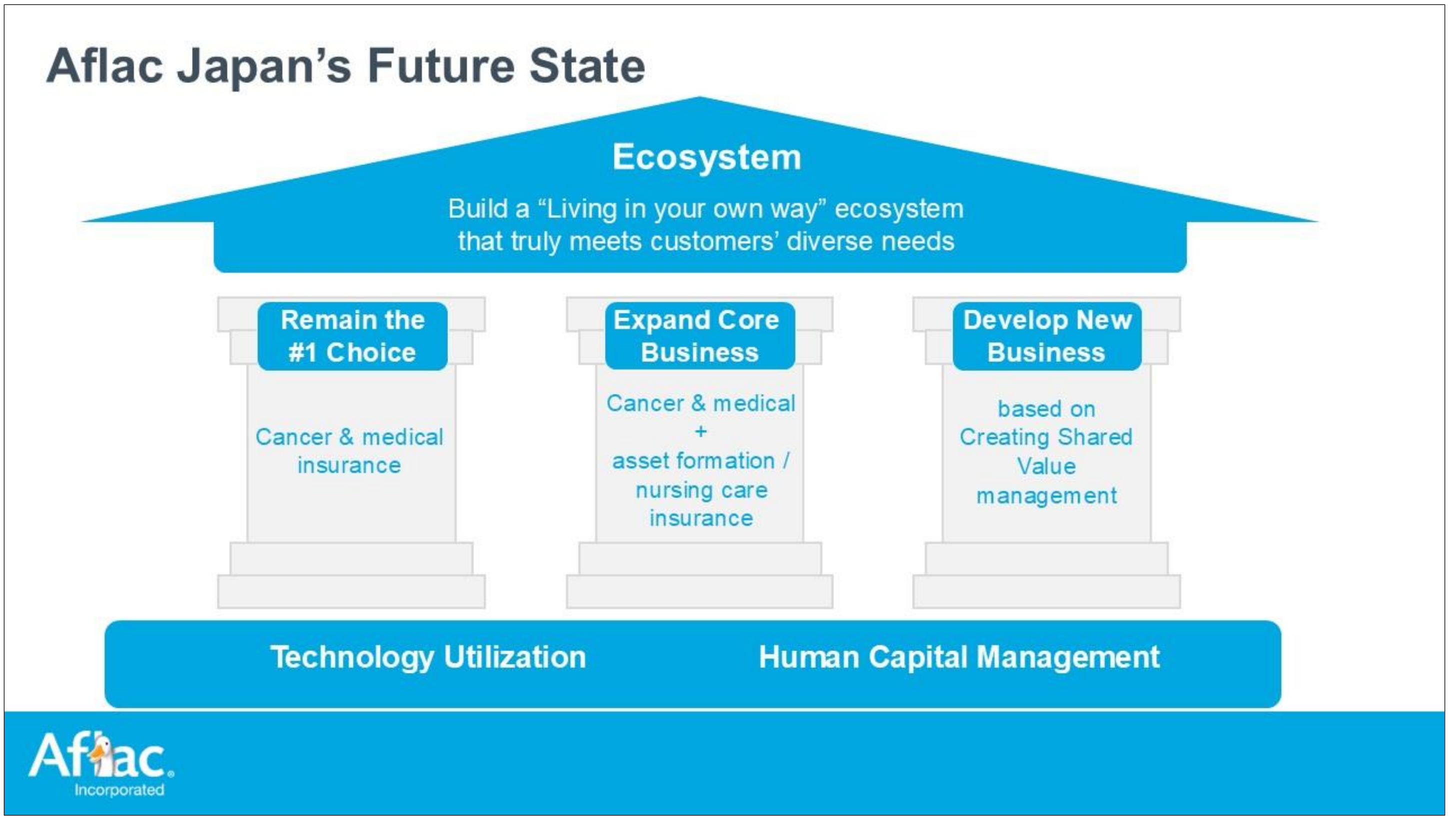
This year, as we celebrated 50 years in Japan, we also developed a new long-term vision for the future, which is “by creating ‘living in your own way,’ create new shared value.” This vision highlights Aflac’s practice of using the Company’s unique knowledge and resources to address societal issues in a manner that meets customer needs and creates economic value over the long-term. Our vision is customer-centric and captures our desire to be the leading provider of not only “Insurance for Living” but also for creating value beyond insurance. As we sustainably increase sales to achieve this vision, Aflac Japan will strengthen the Aflac brand and maintain sales quality and profitability.

To achieve the long-term vision, Aflac Japan has developed a growth strategy which includes at its core, a "Living in Your Own Way" ecosystem.

Specifically, Aflac Japan aims to leverage the cancer knowledge, expertise, and relationships developed over the past five decades to build an ecosystem that addresses issues that arise during the customer's life journey. Creating value through collaboration with the full range of stakeholders will be key to our efforts to meet customers' changing needs.

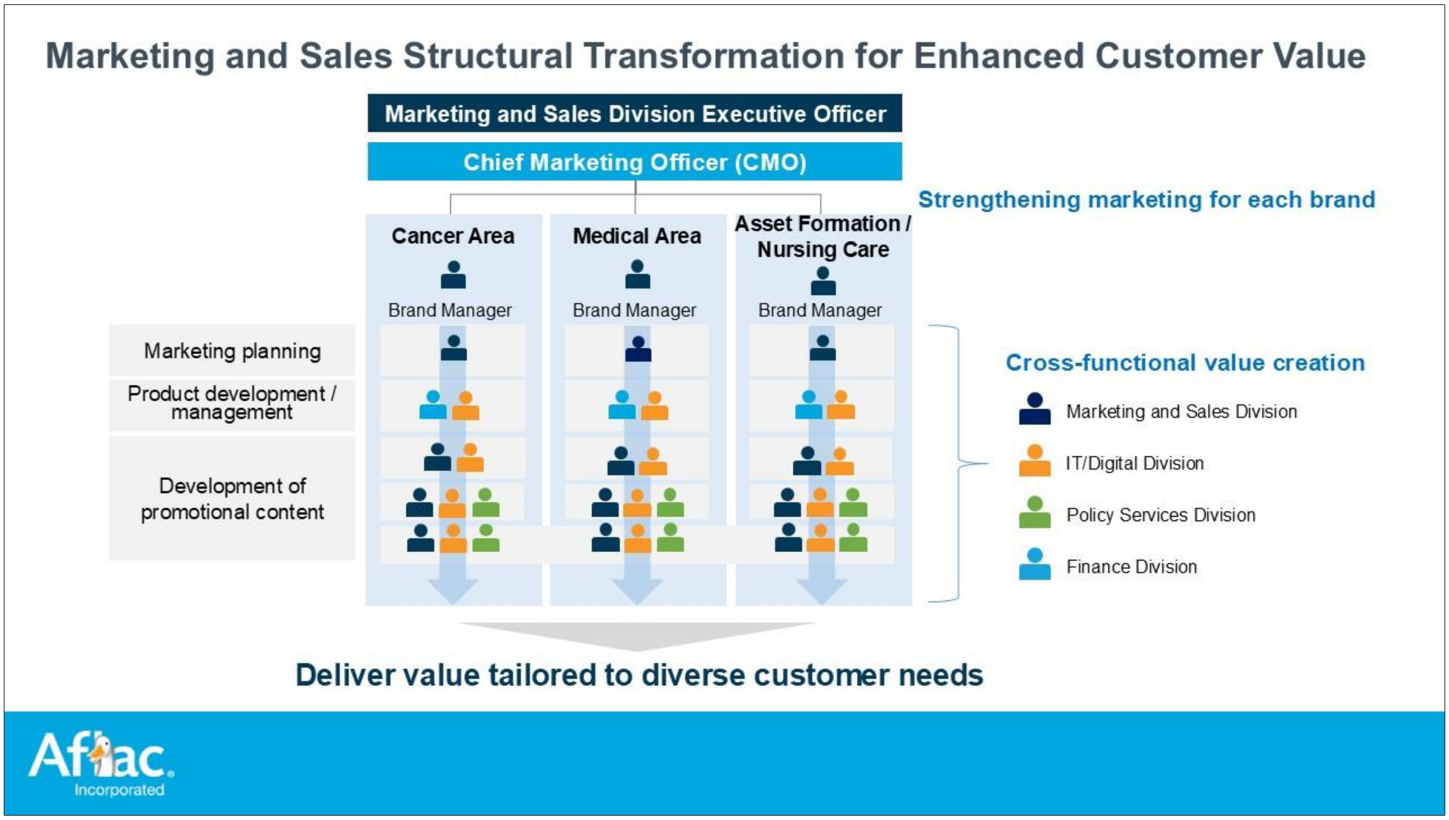
Aflac Japan's cancer insurance product WINGS and the *Yori-sou* cancer consultation support are initial steps in developing a cancer ecosystem. I will speak more about this in a moment, but *Yori-sou* cancer consultation support, for example, is a unique service that provides customers with access to cancer-related experts and provides a full range of services from getting second opinions, employment consultations, to support for daily living, and more. These services provide policyholders with value beyond insurance and further differentiates Aflac from the competition.

In the future, we aim to leverage knowledge gained from the cancer ecosystem for integration into the nursing care and medical areas, which will be used to further enhance and differentiate our core products. By doing so, Aflac Japan aims to address societal issues and create economic value.



Over the next ten years, Aflac Japan will build out its ecosystem. Our aim is to remain as the customer's first choice for cancer and medical insurance in terms of share of policies in force. We also aim to expand our core business of cancer and medical insurance, and to include asset formation and nursing care insurance. We will explore new business areas to further expand our ability to meet customer's changing needs. Robust technology utilization, such as AI and other digital tools, will help enhance our cost competitiveness and drive efficiencies through operational transformation. Human capital management will also be a foundation that will enable Aflac Japan to innovate and deliver on its business strategies.

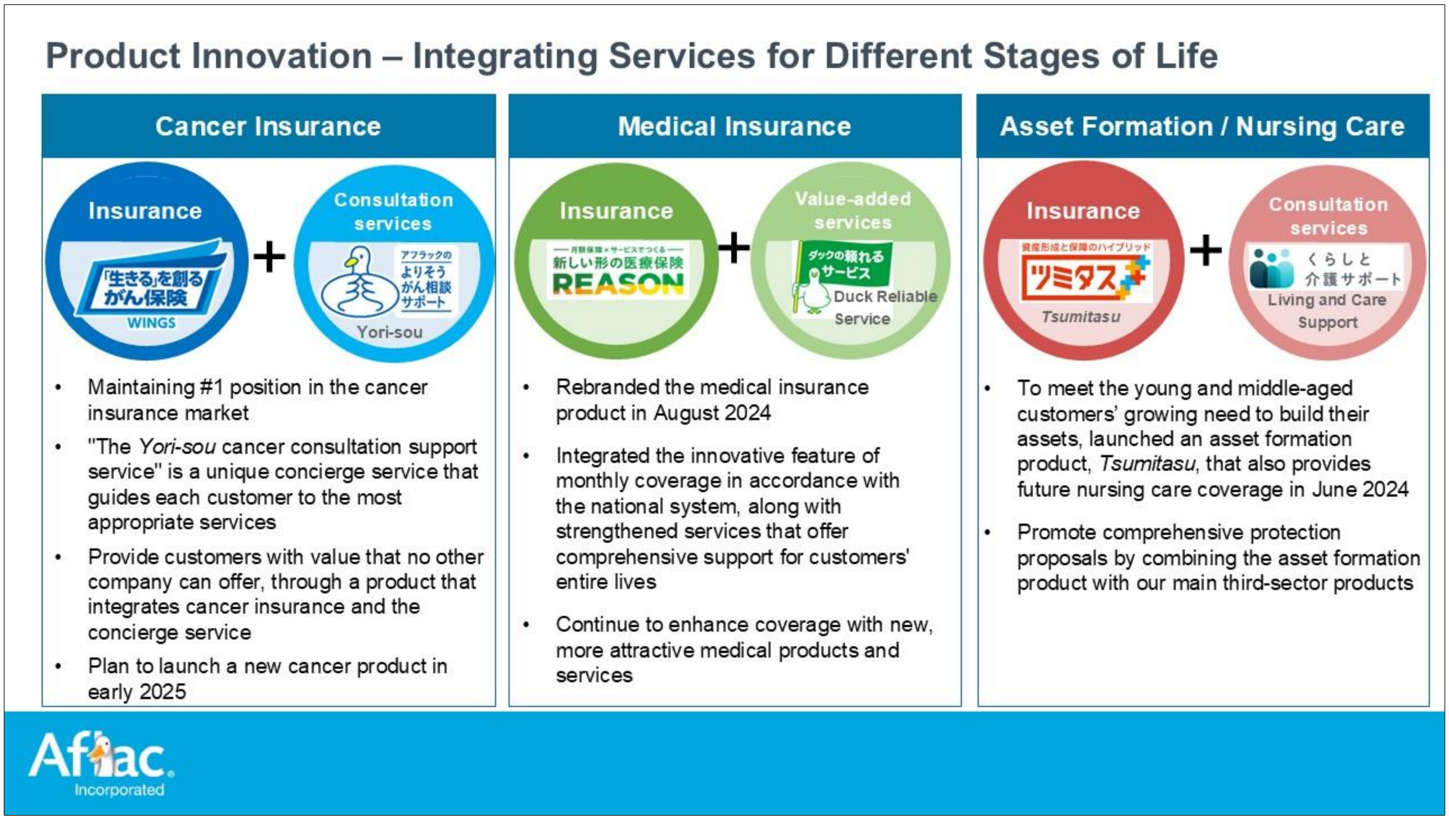
So far, I have shared Aflac Japan's vision, described our ecosystem strategy, and introduced a view of our future state. Now I would like to shift to a near-term view, highlighting specific steps we plan to take over the next three years based on our Medium-term Management Strategy and annual management tactics which we monitor and adjust as necessary on a quarterly basis. This slide depicts the areas I will highlight.



The key element of our next medium-term strategy is to implement a marketing and sales transformation, by which we tailor our marketing efforts to each product area—cancer, medical, and asset formation and nursing care—to meet customer needs.

Aflac Japan will create a brand-based organizational structure by taking a vertical approach to everything from product design to sales promotion and beyond for our cancer, medical, and asset formation and nursing care brands. Cross functional elements will be incorporated into the new structure to ensure a cohesion.

Aflac Japan has hired a Chief Marketing Officer, who will start on January 1st. The CMO will drive the marketing and sales transformation and oversee all brands and Brand Managers, who will be responsible for revenues of individual product lines.



Having attractive, high-value products available when and where people want to purchase insurance is essential for our growth strategy. To drive growth, Aflac Japan aims to deliver products that are unique, flexible, and easy-to-understand. As indicated earlier, we plan to integrate our core products with services to bring added value to the customer.

In early 2025, we plan to launch a new cancer insurance product. The new product will combine the latest cancer treatment coverage with comprehensive support for cancer patients and their families, and it will be coupled with the *Yori-sou* Cancer Consultation Support service.

The *Yori-sou* cancer consultation support allows policyholders to connect with experts who listen and provide information tailored to the policyholder's situation. To date, over 12,000 consultations have taken place and Aflac Japan is steadily building a knowledge and experience base that will inform further development and expansion of the service to other product lines, including nursing care services, and eventually medical areas.

Medical insurance remains Aflac Japan's core product after cancer insurance. As we have discussed over the years, the medical insurance market is highly competitive. We rebranded our medical insurance REASON in August. REASON features innovative, flexible, and affordable monthly coverage. In addition, REASON includes our medical value-added service, Duck Reliable, which provides policyholders with additional resources and discount opportunities when they have a medical event. Going forward, we plan to rollout new medical products on a two-year cycle.

Consistent with our pioneering past, Aflac Japan was the first to introduce a hybrid asset formation product with the option for third sector coverage. *Tsumitasu* was launched in June 2024 and we believe that this will be an effective solution for customers seeking a reliable, yen-denominated asset formation solution.

The product was designed to attract new, young and middle-aged customers, and contribute to Aflac Japan's core third sector product sales. We are pleased with the product's sales thus far, including to both new customers and concurrent third-sector sales. Overall, product sales performance has exceeded expectations.

Aflac Japan aims to be where people want to make their insurance purchasing decisions. Over the past five decades, the Company has built one of Japan's most robust distribution platforms. Aflac Japan's products are sold through associates and alliance partners including the Japan Post Group, Dai-ichi Life, Daido Life and financial institutions.

As we aim to further enhance sales activity and achieve 67 to 73 billion yen in new AP in 2026, Aflac Japan is taking special steps to support our core Associates channel.

Aflac Japan will continue its efforts to strengthen sales promotion with Aflac-exclusive and Aflac-preferred agencies, focusing on hiring and increasing the total number of producing agents, enhancing new agent training, and ensuring improved productivity through education and development.

Furthermore, promoting digital transformation among our Associates and business partners will be another way we work to promote sales activity and effectiveness. For example, Aflac Japan will leverage generative AI to streamline administrative activities, match agents with clients, enhance agent training through role-play simulation, and the like.

Finally, our Strategic Alliance with the Japan Post Group continues to be robust and multi-faceted. We have seen steady improvement over the past year and expect this trend to continue.

Beyond cancer insurance sales, Aflac Japan is working with the Japan Post Group on business collaboration with start-ups in healthcare, nursing care, and insurance through a joint Acceleration Program. These collaborative efforts aim to address societal issues, enhance customer service, and strengthen our relationship with the Japan Post Group. It is a key part in building the ecosystem, and we believe it will expand sales opportunities and lead to future profits.

In closing, let me say that this year, as we celebrate the past and look to the future, Aflac Japan is committed to realizing growth over the mid- to long-term. By combining our pioneer spirit with our willingness to confront societal issues as they relate to our core business, we are proud to create shared value. As I hope you have seen, we have a vision and a plan to do so.

Aflac Japan's Product Line

(as of 12/3/24)

DAYS1 WINGS Cancer Insurance (No CSV)

Benefits:		
First occurrence	¥ 500,000	$ 3,333
Specific Occurrence*	500,000	3,333
Hospitalization/day	10,000	67
Outpatient/day	10,000	67
Cancer Treatment per month**	100,000	667

Sample Monthly Direct Premium (Whole Life Payment):		
30-year-old male	¥ 3,050	$ 20.33
40-year-old male	4,360	29.07
50-year-old male	6,450	43.00

WINGS enhancements include:

- *Rider for Thorough Medical Examination After Cancer Screening Coverage – This rider covers the cost of a thorough examination after a cancer screening to increase the screening rate and encourage early detection and treatment of cancer.*
- *Coverage exclusion for special diseases – This exclusion offers the same premium rates as that of a healthy person to those who have, or are suspected of having, a specific type of cancer by excluding that specific cancer from the scope of benefits.*
- *Aflac Yorisou Cancer Consultation Support – This is a service that provides consultation on all aspects of cancer-related problems and concerns, from diagnosis through treatment and recovery. The service is staffed with consultants, who have extensive experience and qualifications – such as nurses – and listen to the concerns of cancer patients and their families, recommend appropriate services according to their situation, and support them in resolving their concerns and anxiety. (Services include referral for second opinion and specialist services, life support services such as housekeeping, home meal delivery, and cancer care products, appearance care support services such as wigs and make-up, and psychological counseling)*

**The "specific occurrence" benefit will be paid when the policyholder undergoes 30 days of treatment or more on a combined basis of hospitalization and/or outpatient treatment within a two-year period of the first occurrence diagnosis. For those who did not meet the aforementioned conditions, the "specific occurrence" benefit will be paid if the policyholder has cancer and undergoes hospitalization or outpatient treatment for at least one day after two years or more passed since the first occurrence diagnosis.*

***Benefit shall be paid once a month when the insured goes under such treatments for cancer or intraepithelial carcinoma as surgery, radiation, anti-cancer drug/hormone therapy and palliative care.*

DAYS Cancer Insurance for Cancer Survivors

Benefits:		
Hospitalization/day	¥ 10,000	$ 67
Surgical	200,000	1,333
Outpatient/day	10,000	67
Radiation therapy	200,000	1,333
Anticancer drug treatment per month	50,000 or 100,000	333 or 667

Sample Monthly Direct Premium (Whole Life Payment):		
30-year-old male	¥ 7,280	$ 48.53
40-year-old male	8,190	54.60
50-year-old male	10,330	68.87

REASON (Standard Whole Life Medical Insurance)

Benefits:		
Treatment per month*	¥ 100,000	$ 667
Hospitalization/day	5,000	33
Outpatient/day	5,000	33

Sample Monthly Direct Premium (Maturity at age 65):		
30-year-old male	¥ 2,761	$ 18.41
40-year-old male	3,718	24.79
50-year-old male	5,658	37.72

REASON enhancements include:

- *Reasonable payment terms – Benefit is reasonably designed to be paid on a monthly basis, in line with Japan's public medical insurance system, which limits the maximum monthly treatment cost to a certain amount.*
- *Strengthened services for customers – This product strengthened ancillary services for customers, such as services aimed at improving health, such as preferential use of fitness gyms, and services that support the elderly by handling administrative procedures such as funeral and hospitalization payments on behalf of those who have no family members or relatives to take care of them after they pass away.*
- *"REASON, a new type of medical insurance created with monthly coverage and services" – This is a new name which was changed in August 2024, so that the product features can be directly guided.*

** Maximum month per hospital stay is 4 months. Maximum lifetime months is 60 months. In the case of month applicable to outpatient surgery only, ¥25,000 will be paid.*

Aflac Work Leave Insurance

Benefits:		
Recovery support benefit	¥ 100,000	$ 667
Mental illness recovery support benefit	100,000	667

Sample Monthly Direct Premium (Payment through year 1):		
30-year-old male	¥ 2,040	$ 13.60
40-year-old male	2,270	15.13
50-year-old male	3,100	20.67

Nursing Care Insurance

Benefits:		
Lump-sum benefit for LTC level 1*	¥ 100,000	$ 667
Lump-sum benefit for LTC level 2	100,000	667
Care annuity**	200,000/250,000/300,000	1,333/1,667/2,000

Sample Monthly Direct Premium (Whole Life Payment):		
40-year-old male	¥ 1,740	$ 11.60
50-year-old male	2,480	16.53
60-year-old male	3,900	26.00

**Once certified for long-term care level 1, premiums need not be paid thereafter.*

***If the insured is certified as falling under LTC level 3 and above 1) LTC level 3: ¥ 200,000 2) LTC level 4: ¥ 250,000 3) LTC level 5: ¥ 300,000.*

GIFT

Benefits:		
Death of policyholder	¥ 200,000*	$ 1,333

Sample Monthly Direct Premium (Payment through age 60):		
20-year-old male	¥ 7,100	$ 47.33
30-year-old male	7,100	47.33
40-year-old male	7,760	51.73

**Paid monthly to the beneficiary until the end of payment period*

Prepare Smart Whole Life Insurance (Low CSV)

Benefits:		
Death of insured/insured being seriously disabled	¥ 3,000,000	$ 20,000

Sample Monthly Direct Premium (Whole Life Payment):		
50-year-old male	¥ 8,400	$ 56.00
60-year-old male	12,240	81.60
70-year-old male	20,124	134.16

Prepare Smart Whole Life Insurance enhancements include:

- *Products available for small funds need – This product is designed to meet the need to prepare funds for post-death arrangements such as funeral expenses. In recent years, an increasing number of funerals have been held on a small scale for relatives only, and this product, which can cover from 1 million yen, is being sold mainly to middle-aged and older customers.*
- *Lower premium rate – The premium rate was revised to enable customers to purchase insurance at lower premiums on December 2, 2024.*

Aflac Japan's Product Line (con't)

(as of 12/3/24)

WAYS*

Benefits:			Sample Monthly Direct Premium (Payment through age 60):		
Sum insured	¥ 5,000,000	$ 33,333	30-year-old male	¥ 9,355	$ 62.37
			40-year-old male	15,090	100.60
			50-year-old male	34,410	229.40

WAYS enhancements include:

- *Product mainly sold for young and middle-aged customers – In addition to the need to prepare funds for funeral expenses and other post-death arrangements, this product is also designed to meet asset formation needs, as there are cases where young and middle-aged policyholders can receive a return exceeding the principal amount after the payment period ended.*
- *Lower premiums and higher return rates – The premium rate was revised on December 2, 2024, resulting in lower premiums and higher return rates.*

**Whole life policy that can be converted to: fixed annuity, medical coverage, nursing care*

Child Endowment

Benefits:			Sample Monthly Direct Premium**:		
Lump-sum education	¥ 500,000	$ 3,333	30-year-old male	¥13,230	$ 88.20
Education annuities*	2,500,000	16,667	40-year-old male	13,400	89.33
			50-year-old male	13,820	92.13

**Paid over four years*

***Payment through age 18 of the child with premium waiver rider*

Tsumitasu

Benefits:			Sample Monthly Direct Premium (Payment through age 60):		
Sum insured	¥ 5,000,000	$ 33,333	30-year-old male	¥ 8,940	$ 59.60
			40-year-old male	14,410	96.07
			50-year-old male	33,165	221.10

Tsumitasu includes:

- *Asset formation product mainly for young and middle-aged customers – This product is designed to meet the asset formation needs of young and middle-aged customers who want to accumulate a fixed amount every month with affordable premium, by reducing coverage during the premium payment period and providing an attractive rate of return after the payment period ends.*
- *Future coverage for nursing and medical care – In addition to death benefits, the policy also covers nursing care needs by providing the same amount of benefits in the event of nursing care as the death benefit amount. After the payment period ends, it enables policyholders to change the coverage to medical care coverage, annuity, etc., providing for a wide range of concerns after retirement.*
- *No declaration required – Those who with health concerns can enroll since there is no declaration requirement.*

Note: Amount in dollars reflects exchange rate of ¥150=$1.

Corporations Supporting Aflac Japan

(as of 12/3/24)

Construction
- \# Taisei Corporation
- \# Kajima Corporation
- ♦ # Takenaka Corporation
- ★ Shimizu Corporation
- \# Obayashi Corporation
- \# Tokyu Construction Co., Ltd.

Foods
- ★ Sapporo Holdings Limited
- \# Kirin Holdings Company, Limited
- ★ Coca-Cola Bottlers Japan Holdings Inc.
- \# Ajinomoto Co., Inc.
- \# Nissin Foods Holdings Co., Ltd.
- \# Megmilk Snow Brand Co., Ltd.
- ★ Asahi Group Holdings, Ltd.
- ★ Nichirei Corporation
- \# Yamazaki Baking Co., Ltd.
- \# Fujiya Co., Ltd.
- ★ Kikkoman Corporation

Textiles
- \# Toyobo Co., Ltd.
- \# Japan Wool Textile Co., Ltd.
- \# Wacoal Holdings Corporation
- \# Teijin Limited
- \# Kuraray Co., Ltd.

Paper & Pulp
- \# Oji Holdings Corporation
- \# Nippon Paper Industries Co., Ltd.
- \# Mitsubishi Paper Mills Limited

Chemicals
- \# Mitsui Chemicals Inc.
- ★ Resonac Holdings Corporation
- \# Sumitomo Chemical Company, Limited
- \# UBE Corporation
- ★ Kao Corporation
- \# Daiichi Sankyo Company, Limited
- \# Takeda Pharmaceutical Company, Limited
- ★ Shionogi & Co., Ltd.
- ★ Astellas Pharma Inc.
- \# Shiseido Company, Limited
- \# Otsuka Holdings Co., Ltd.
- \# Mitsubishi Chemical Group Corporation
- \# Daicel Corporation
- \# Sekisui Chemical Co., Ltd.
- \# Asahi Kasei Corporation

Oil & Coal Products
- \# Cosmo Energy Holdings Co., Ltd.
- \# ENEOS Holdings, Inc.
- \# Idemitsu Kosan Co., Ltd.

Rubber Goods
- \# Bridgestone Corporation

Glass & Chemicals
- \# AGC Inc.
- \# Nippon Sheet Glass Co., Ltd.

Iron & Steel
- \# Nippon Steel Corporation
- \# JFE Holdings, Inc.
- \# Kobe Steel, Ltd.

Non-ferrous Metals
- \# Mitsubishi Materials Corporation

Machinery
- \# Komatsu Ltd.
- \# Sumitomo Heavy Industries, Ltd.
- \# Kubota Corporation
- \# Tsubakimoto Chain Co.
- \# Ebara Corporation
- \# Brother Industries, Ltd.

Electric Appliances
- \# Hitachi, Ltd.
- ♦ # Toshiba Corporation
- \# Mitsubishi Electric Corporation
- \# Fuji Electric Co., Ltd.
- \# Fujitsu Limited
- \# Panasonic Holdings Corporation
- \# Sharp Corporation
- \# Sony Group Corporation
- ♦ ★ Pioneer Corporation
- \# JVC KENWOOD Corporation
- \# NEC Corporation
- ★ Ikegami Tsushinki Co., Ltd.
- ♦ # IBM Japan Ltd.
- ★ TDK Corporation

Transport Equipment
- \# Denso Corporation
- ★ MITSUI E&S Co., Ltd.
- \# Kanadevia Corporation
- \# Mitsubishi Heavy Industries, Ltd.
- \# Kawasaki Heavy Industries, Ltd.
- \# IHI Corporation
- \# Nissan Motor Co., Ltd.
- \# Toyota Motor Corporation
- \# Mazda Motor Corporation
- \# Yamaha Motor Co., Ltd.
- ★ Honda Motor Co., Ltd.
- \# Isuzu Motors Limited

Precision Machinery
- \# Canon, Inc.
- \# Konica Minolta, Inc.
- \# Nikon Corporation
- ★ Citizen Watch Co., Ltd.
- ★ SEIKO GROUP CORPORATION
- \# Ricoh Company Ltd.

Miscellaneous Mfg.
- \# Yamaha Corporation
- \# Dai Nippon Printing Co., Ltd.
- \# TOPPAN Holdings Inc.
- ★ ASICS Corporation
- ♦ # YKK Corporation

Commerce
- \# Mitsui & Co., Ltd.
- \# ITOCHU Corporation
- \# Marubeni Corporation
- \# Toyota Tsusho Corporation
- \# Sumitomo Corporation
- \# Mitsubishi Corporation
- \# Isetan Mitsukoshi Holdings Ltd.
- \# J.Front Retailing Co., Ltd.
- \# Seven & i Holdings Co., Ltd.
- \# AEON Co., Ltd.
- \# Takashimaya Company, Limited
- ♦ # Tokyu Department Store Co., Ltd.

Banks
- ♦ ★ SBI Shinsei Bank, Limited
- \# Mizuho Financial Group, Inc.
- \# Mitsubishi UFJ Financial Group, Inc.
- \# Sumitomo Mitsui Financial Group, Inc.
- \# Resona Holdings, Inc.

Securities, Non-life Insurance
- \# Daiwa Securities Group Inc.
- ♦ # SMBC Nikko Securities Inc.
- \# Nomura Holdings, Inc.
- \# MS&AD Insurance Group Holdings, Inc.
- \# Sompo Holdings, Inc.

Transportation
- \# Nippon Yusen Kabushiki Kaisha (NYK LINE)
- \# Japan Airlines Co., Ltd.
- \# ANA Holdings Inc.
- \# Tobu Railway Co., Ltd.
- \# TOKYU CORPORATION
- \# East Japan Railway Company
- \# Odakyu Electric Railway Co., Ltd.
- \# Seibu Holdings, Inc.

Communications
- ♦ # Nikkei Inc.
- ♦ # The Asahi Shimbun Company
- \# Dentsu Group Inc.
- \# Hakuhodo DY Holdings Inc.
- ♦ # The Yomiuri Shimbun Holdings
- ♦ # The Mainichi Newspapers Co., Ltd
- \# Nippon Telegraph and Telephone Corporation

Electricity & Gas
- \# Tokyo Electric Power Company Holdings, Inc.
- \# The Kansai Electric Power Company, Incorporated
- \# Chubu Electric Power Company, Incorporated

Life Insurance
- \# Dai-ichi Life Holdings, Inc.
- ♦ # Nippon Life Insurance Company
- ♦ ★ Asahi Mutual Life Insurance Company

Legend

- \# Corporate agent and payroll group
- ★ Payroll group
- ♦ Not listed on Tokyo Stock Exchange

Aflac U.S. Strategic Overview

Virgil R. Miller
President, Aflac U.S.

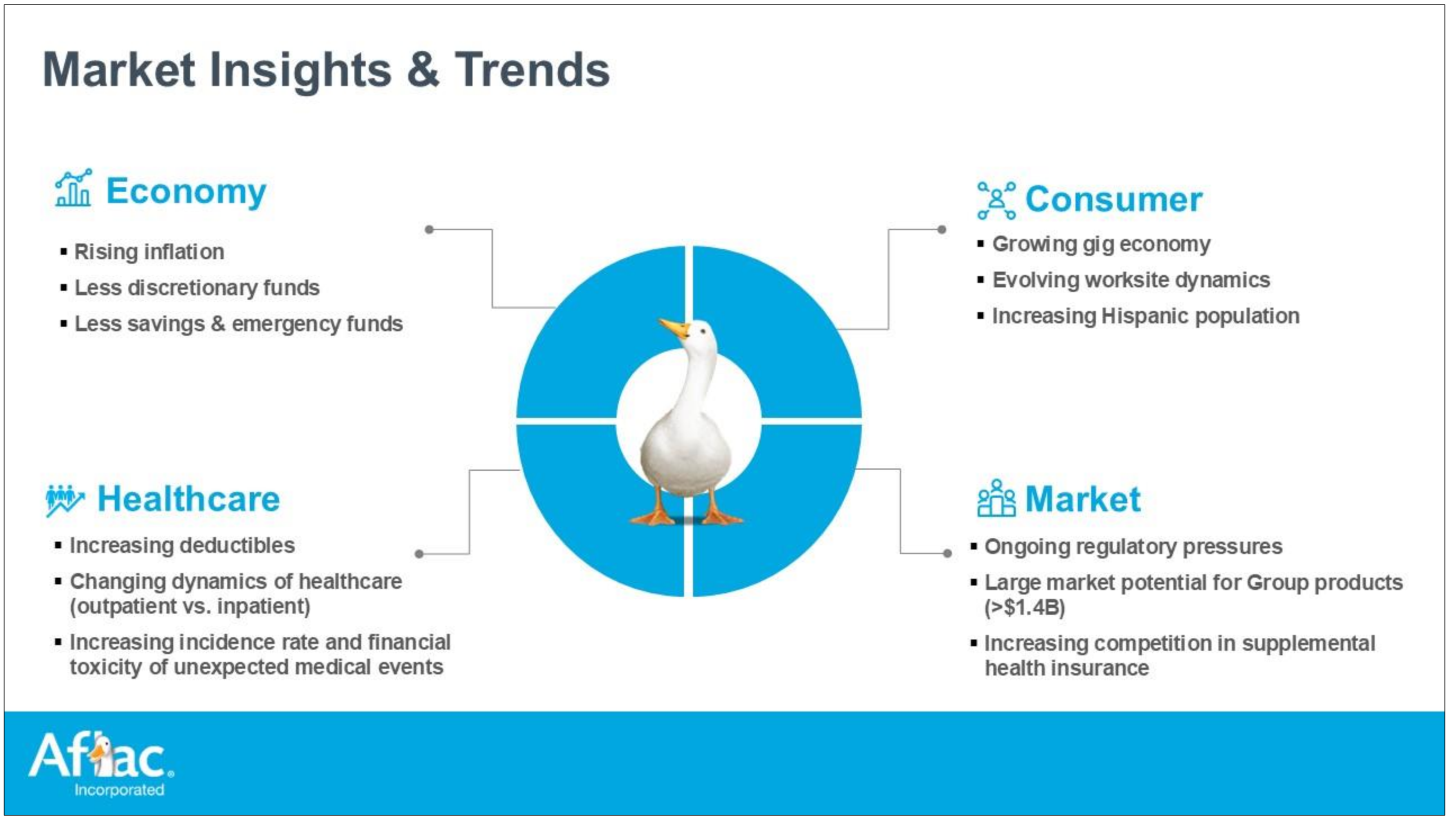
Good morning. Thank you for the opportunity to share more about Aflac U.S. and our strategy for growth and continued success. I am proud of what we have been able to accomplish in the U.S. and appreciate the strong partnership with Max Brodén, who continues to develop capital management strategies to maintain Aflac's strong financial position. He will cover our financials later, but I want to spend a few moments reinforcing our strategy and key priorities for the U.S. business. I firmly believe that everything starts with strategy, and results don't happen by chance. In my role as president of Aflac U.S., I have been very focused on designing strategic plans and priorities where deliberate actions drive deliberate results. That is our formula – and one I will continue in my recently announced expanded role as well.

From a strategic positioning standpoint, Aflac is more than an insurance company; we are a partner in health, a supporter of families during times of need, and a pioneer and leader in the industry. As we navigate the complexities of healthcare and financial security, the evolving marketplace, ever changing technology, and the shifts in consumer preferences and expectations, we are continually evaluating our strategy and priorities to ensure they are driving the desired results. Here is what we know to be true: financial toxicity associated with healthcare is increasing, some of the health and wellness statistics are staggering, and employer trends are in favor of voluntary benefits.

For example:

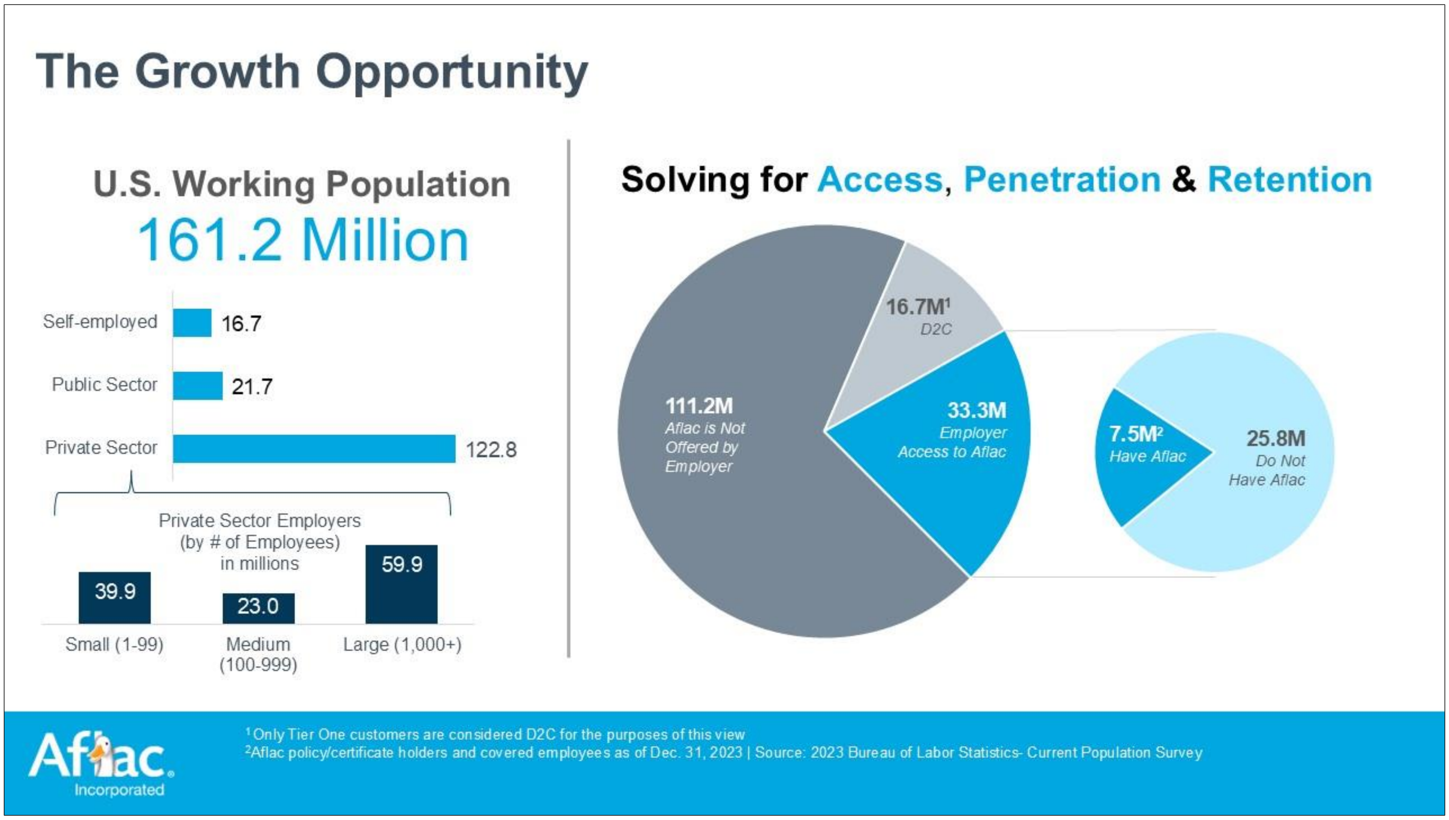
- 50% of employees could not pay ~$1,000 in out-of-pocket costs in the event of an unexpected illness or injury.
- 1 in 2 men and 1 in 3 women will be diagnosed with cancer in their lifetime.
- more than 70% of employees say mental health coverage is just as important as physical health coverage.
- Two-thirds of employers have seen an increase in benefits costs.
- Life and Dental are the top two most requested products in the market.

As healthcare costs continue to rise and consumer interest continues to grow, we believe the products and services we offer are only becoming increasingly relevant.



We stay closely connected to market insights and trends to fully understand what is happening from an economic, market, regulatory, competitive and consumer standpoint that would impact our business and our strategy.

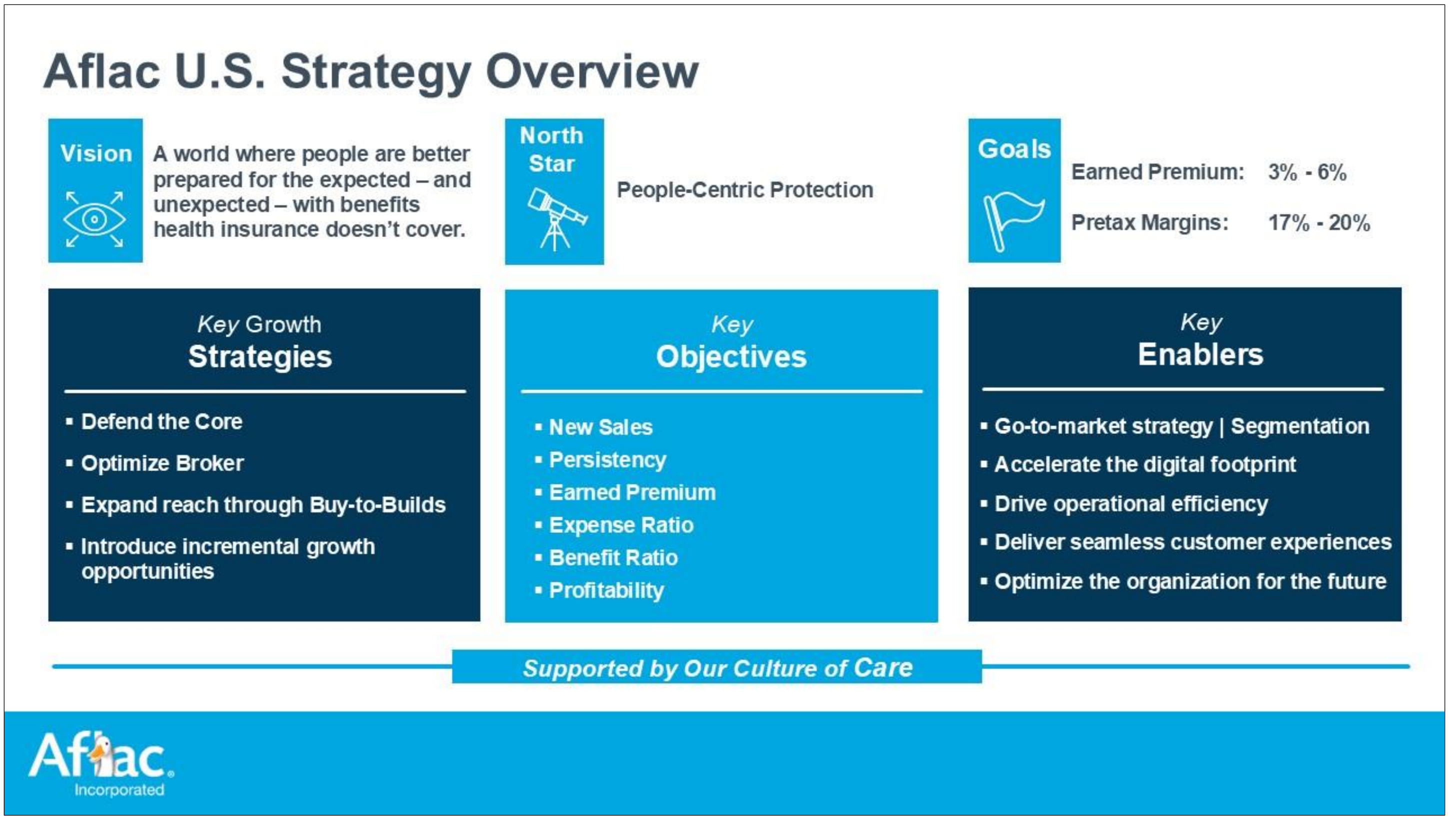
One item of note in this regard is that although we were very pleased with the outcome of the proposed regulatory rule that would have adversely impacted our customers, we cannot underestimate the impact that regulatory and government bodies have on our business. We partner closely with our Compliance and Federal Relations teams to build relationships, drive education and partner to ensure we can uphold our promise to the customers who put their trust in us.



You heard from my partner Koide-san, and while I look forward to partnering with him to drive continued growth and success in Japan, the U.S. continue to present incredible opportunity for growth.

The U.S. working population is 161.2 million people. Of this, 111.2 million individuals work in a business where Aflac is not offered by the employer. Furthermore, of the 33.3 million who do have access to Aflac through their employer, 25.8 million do not currently have Aflac coverage.

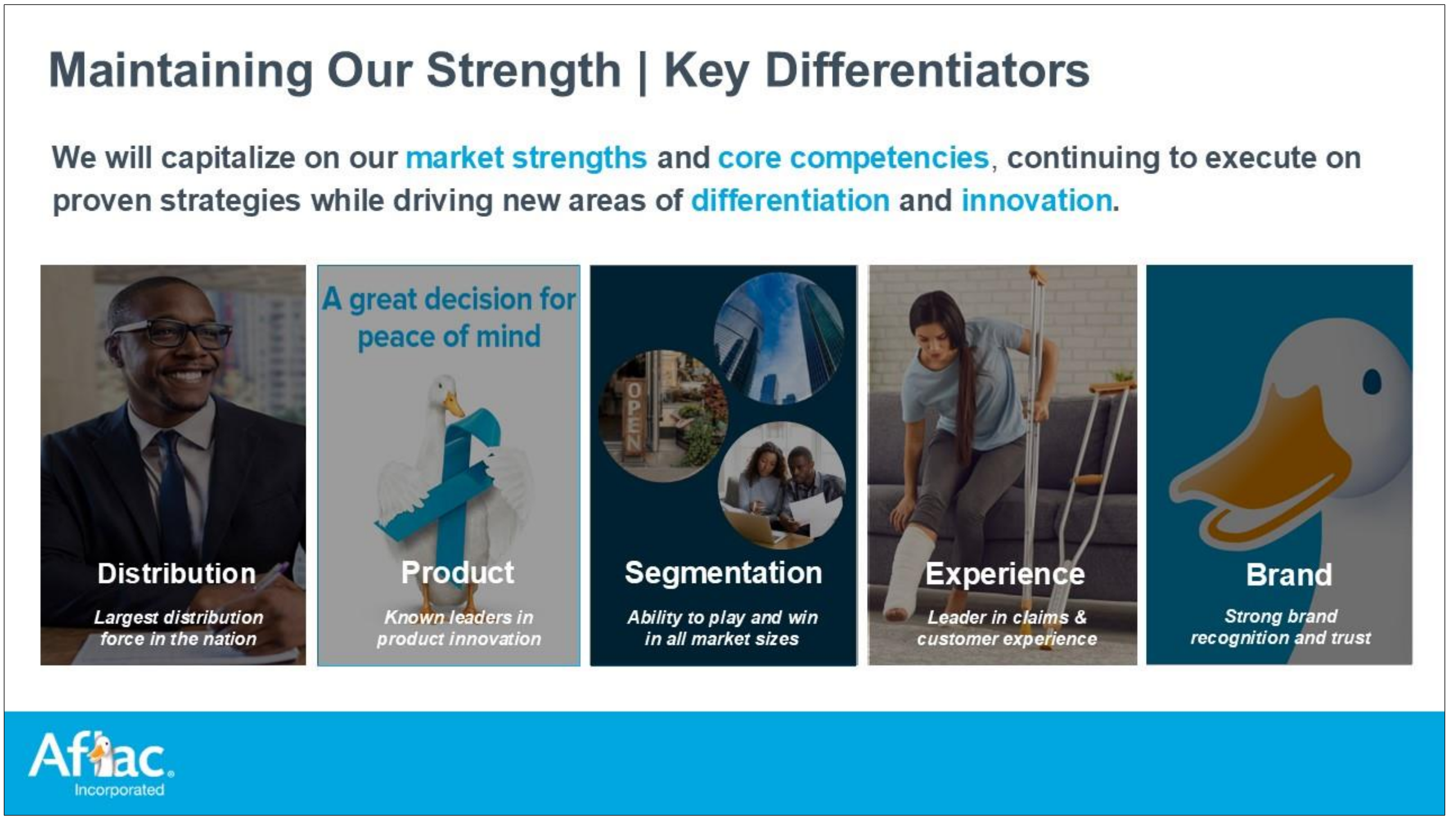
There lies the opportunity for us for growth right here in the United States. I know there are some of you in the audience today have our products, and I want to say thank you. The tremendous opportunity for Aflac is right here, and we have the strategy and differentiators to capitalize on this opportunity.



Our vision is clear, and our strategy is consistent: Aflac is here to provide policyholders with peace of mind during difficult times, helping them focus on recovery rather than financial stress.

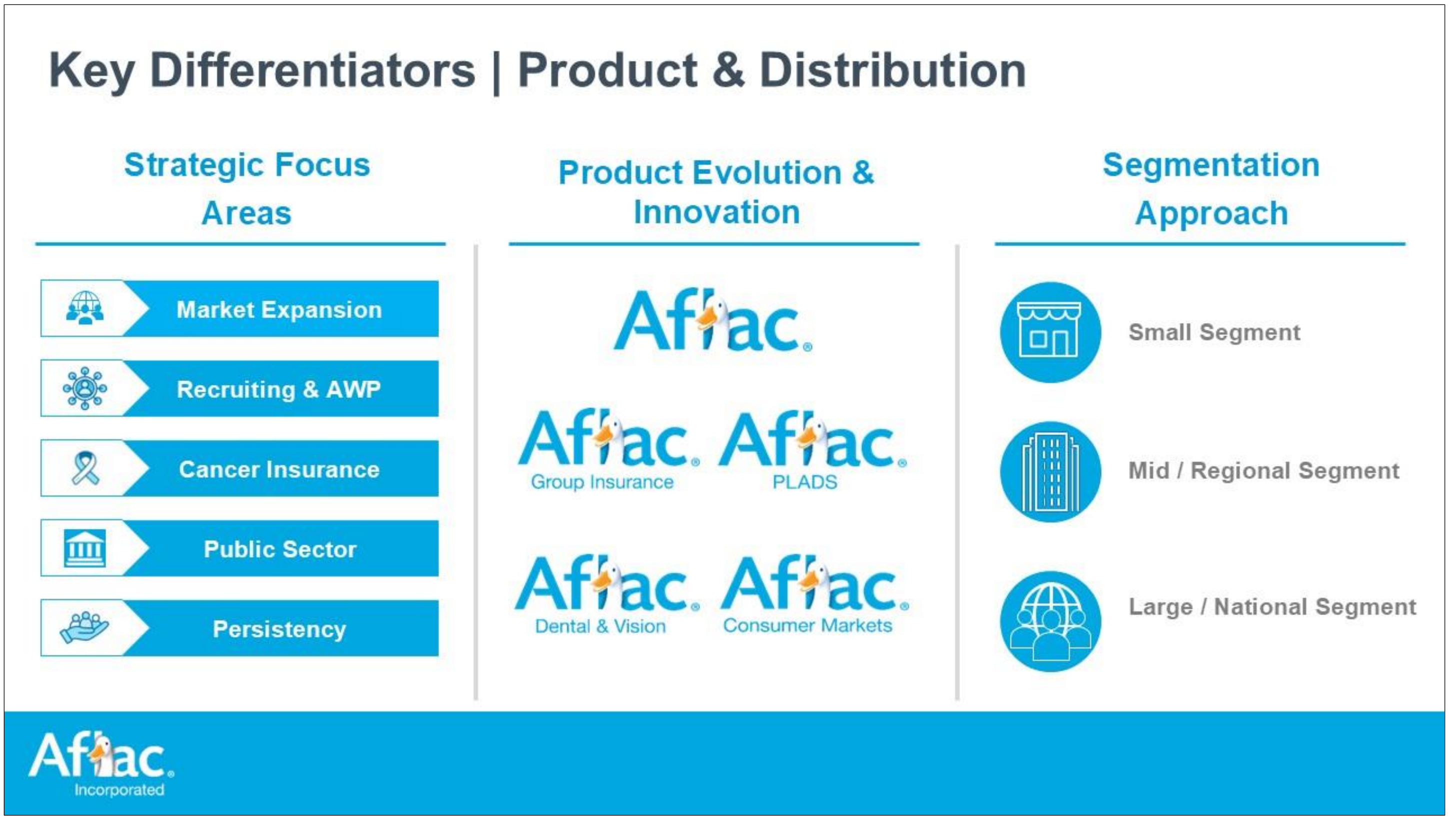
We feel confident in our ability to achieve the target range of 3% to 6% net earned premiums growth and we expect to maintain annual pretax profit margins of 17% to 20% during 2025 to 2027. We are also focused on exercising a strong underwriting discipline to ensure we are bringing persistent and profitable business onto the books.

We have outlined key strategies, objectives, and enablers to reach the specific goals we have set forth – all of which are supported by a culture of care.



Aflac is the largest supplemental health insurer in the nation. We are #1 in critical illness, #1 in disability, #1 in hospital, #1 in cancer, and #1 in accident insurance. To drive continued growth and maintain our leadership position in the industry, we will capitalize on our market strengths and core competencies, while also driving new areas of differentiation and innovation.

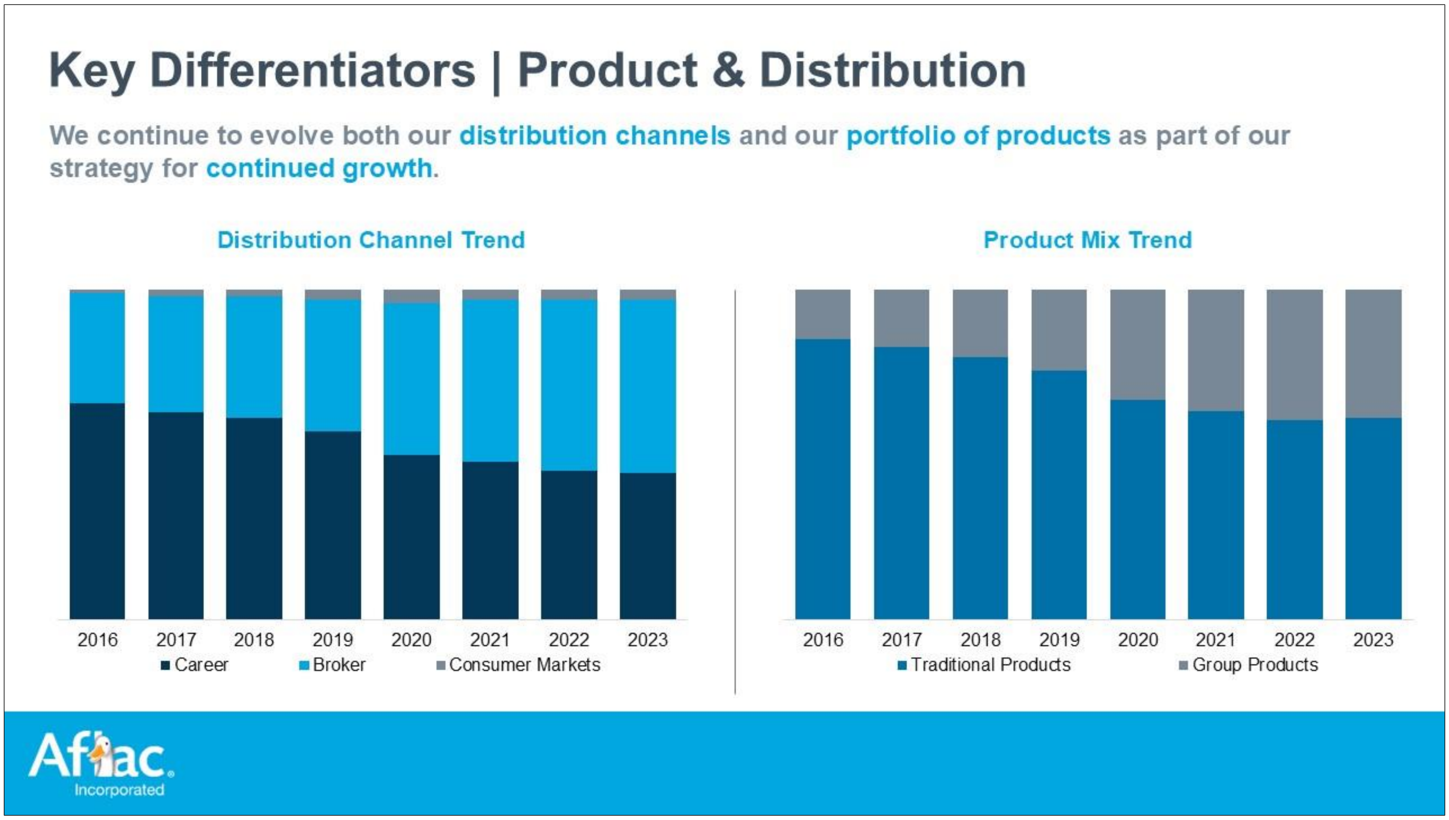
These areas include distribution expansion, product innovation, a segmented go-to- market approach, claims, and customer experience. Additionally, I will spend some time talking about our brand. We believe that having a leading brand not only drives awareness and knowledge around the need for supplemental products, but also, having a strong presence helps drive utilization. Utilization leads to recognition of the value of our products. At the end of the day, we want our policyholders to experience the value our benefits provide.



Aflac continues to lead the industry and set the bar for voluntary and supplemental health products, in addition to being the pioneers for cancer insurance. In recent years, we have incorporated mental health benefits into some of our products, significantly enhanced the value of the benefits we offer through ongoing product endorsements, we have pushed on wellness filing campaigns that encourage early detection and launched new and enhanced product offerings. Additionally, because we know that not every American can get coverage at the worksite, we have developed a state-of-the art platform and experience for those not affiliated with an employer to still have the opportunity to obtain necessary coverage.

The expansion of our product portfolio to include group life and disability solutions as well as network dental and vision was a strategic differentiator for the company. This makes us ta unique carrier with the ability to win in every market segment – direct to consumer, small market, regional market or the large market. In 2024, we initiated a National Accounts and Market Segmentation Strategy to further tailor our operating model and customer experience to the unique needs of customers in each of these segments, while furthering our ability to sell Aflac Life & Disability products and Aflac Dental & Vision alongside our voluntary benefit offerings.

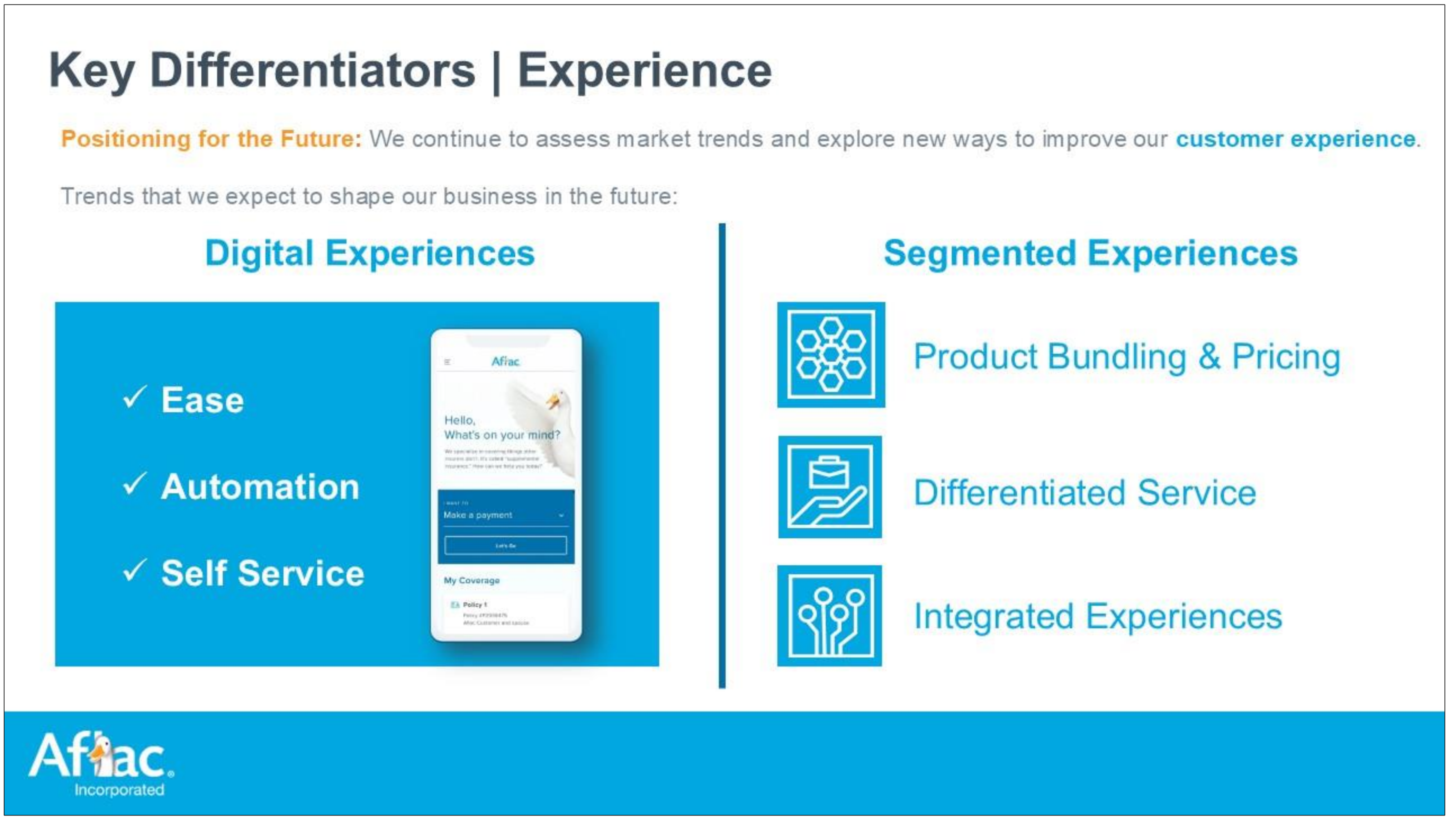
I am very pleased with the service model and top-tier reputation we have built thus far in the market in the Life, Absence & Disability market. While our Dental & Vision business required remediation, we have forged a relationship with an industry leading player in SKYGEN and are confident in our ability to grow this business in 2025 and beyond.



In addition to the work we have done to drive diversification and innovation among our product portfolio, we are proud to have the such a broad, national distribution practice. We place a significant emphasis on strengthening our field force as well as our relationships and partnership in the broker market. We recognize that both are crucial to our success. We are concentrating on expanding our field force distribution through focused recruiting and productivity initiatives as well as specific strategies to approach cancer insurance sales, sales through the public sector and improving persistency. Our goal is to ensure our agents are not just sellers, but trusted advisors to those they serve.

The prevalence of small, regional and large brokers has only increased in recent years, and we expect this will continue to grow. As a result, developing strong relationships and delivering solutions for brokers to tailor to their clients' unique situations is a high priority for us.

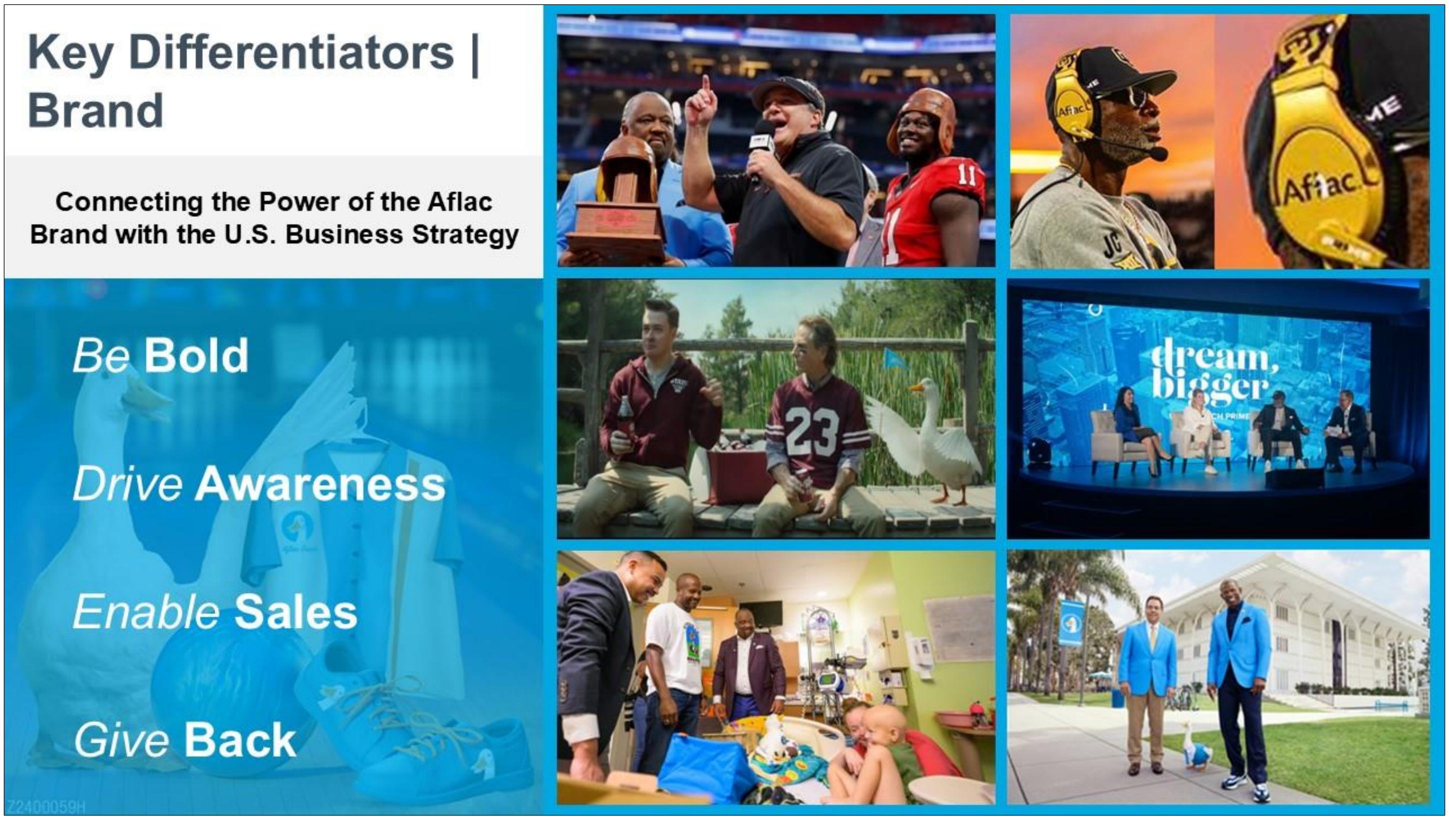
As our results indicate, we continue to successfully evolve both our distribution channels and our portfolio of products as part of our strategy for continued growth.



In today's market where competitive pressure is increasing and products can be duplicated, customer experience is more important than ever. Our strategy is two-fold: it includes developing and deploying digital experiences to drive ease, automation, and self-service, while also designing segmented experiences where appropriate that are tailored to the product and market segment of the customer.

From a digital experience perspective, we are focused on creating digital experiences for each of our customer groups. We continue to develop tools, leveraging advanced analytics and proactive triggers. These tools help our producers be more productive and effective; for our account administrators, they help reduce their billing and administrative burden; and for our insureds, they help with filing claims, and they help our insureds also with making changes or other service needs. We have stood up digital innovation centers both in the U.S. and abroad where we have been able to hire talent and expertise in Northern Ireland, specifically for technology development and cyber security expertise.

Regarding segmented experiences, we know these will become even more important as we continue to scale up our premier group life, absence management and disability solutions, or PLADS as we call it, and network dental and vision. Our segmentation approach includes product bundling and pricing approaches that take into consideration the various lines of business that Aflac now offers. In addition, we have developed a premier service experience for our national accounts, particularly with the group life and disability solutions offering. Finally, we are creating integrated experiences for those customers who may have coverage with one of our buy to builds in addition to one of our voluntary products.



The differentiator that is truly priceless is our brand. The Aflac Duck has maintained its relevance through a deliberate effort to 'be bold' **–** as Dan mentioned earlier, the commercial with Dr Pepper, a bold move **–** while still maintaining the core values and principles that make the company, and our brand, so special.

Next year, join us in celebrating the 25th anniversary of Aflac Duck. Many of you here today may remember the first commercial in 2000 with two gentlemen sitting on a park bench, talking about the unexpected medical expenses Aflac products can help with.

Through powerful storytelling, we have been able to illustrate how Aflac is committed to "filling the gap" during challenging times, providing not just financial assistance but also compassion and care. Partnerships with talent like Coach Saban and Coach Prime, Coach Dawn Staley, Daymond John, and others have not only allowed us to reach new audiences, but also leverage these individuals as Champions of Care to help support our commitment to childhood cancer.

To ensure we are able to consistently deliver value to our customers, we have established a foundation of operational excellence. This includes maintaining efficiency, minimizing waste and optimizing processes throughout the entire organization. It is not just about doing things right; it is about doing the right thing better and better each and every day. This includes a customer-centric focus on service excellence, continuous improvement and process re-engineering, data driven decision making, expense management and risk mitigation.

Finally, our company stands on a strong foundation of culture, doing good, and giving back. We are committed to employee wellness and care, diversity and leadership development, community engagement and support, and integrity and ethics in everything we do. These are central to our identity and part of our core values.

Whether it is through the Aflac Kickoff for a Cause game that raises funds for cancer and blood disorders, our Care Grant program that brings financial support for organizations making a difference in underserved communities, or our ongoing support for the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta and many other hospitals nationwide that help children facing childhood cancer, we are committed to making a positive impact in the communities where we live, work and serve. We also place a high priority on our internal culture and providing an environment where all employees are given opportunities for development, advancement, engagement, and wellness. It is because of these core values that we consistently receive industry recognitions and accolades.

As we look ahead, Aflac is poised for continued growth and positive financial results. Although our industry continues to evolve, Aflac remains committed to being a reliable partner in financial protection and peace of mind. Through sound strategy, strong financial management and social and corporate responsibility, we are committed to continue bringing value to our customers and our shareholders.

Aflac U.S. Payroll Product Line

(as of 12/03/24)

	Sample of Associated Benefits	Sample Individual Monthly Payroll Policy Rates for an Individual/Family
Accident*		$12.87 - $69.94
Accident Treatment Benefit	$130 - $200	
Accident hospitalization	$500 - $2,500/period of hospital confinement/year	
Accidental death	$5,000 - $200,000 ($5,000 - $30,000 for dependent children)	
Accident specific-sum injuries	$20 - $13,000	
Accident hospital confinement	$150 - $300/day	
Rehabilitation unit	$75 - $200/day (up to 30 days/period of hospital confinement / up to a calendar year maximum of 60 days)	
Intensive care unit confinement	$300 - $500/day (up to 15 days per covered accident)	
Wellness	$90/calendar year	
Major diagnostic exams	$100 - $250/year	
Accident follow-up treatment	$25 - $40/day (maximum of 6 treatments per accident)	
Therapy	$25 - $40/treatment/day (up to 10 treatments per accident)	
Appliances	$25 to $350 as listed	
Prosthesis	$375 - $1,000/accident	
Blood/plasma/platelets	$100 - $300/accident	
Ambulance	$120 - $250 ground / $800 - $1,875 air	
Transportation	$200 - $700 round trip (50+ miles / up to 3 times per year per covered person)	
Family lodging	$75 - $150/night (50+ miles / one motel/hotel room / up to 30 days per accident)	
Accidental-dismemberment	$450 - $50,000 ($200 - $15,000 for dependent children) (depending upon loss)	
Prosthesis repair or replacement	$375 - $1,000/person/lifetime	
Organized sporting activity	Additional 25% of benefits payable, limited to $1,000/policy/year	
Home modification	$1,000 - $4,000/accident/person	
Family support	$20/day up to 30 days/accident	

Four levels available that determine the benefit amount.

Lump Sum Critical Illness* — $4.42 - $127.40

Covers: heart attack, stroke, end-stage renal failure, coma, paralysis, major human organ transplant

Major critical illness event	$10,000 - $30,000 (payable once per covered person, per lifetime)
Subsequent critical illness event	$5,000
Coronary artery bypass graft surgery	$3,000 (payable once per covered person, per lifetime)
Sudden cardiac arrest	$10,000 (payable once per covered person, per lifetime)

HSA (Health Savings Account) option available

Benefits are paid for a covered spouse and dependent children at 50% of the primary insured's benefit amount. All benefits reduce by 50% for losses incurred on or after a covered person's 75th birthday.

Cancer Protection Assurance — $16.59 - $80.86

Wellness benefit	$25 - $100/year – Increases to 3 times per year after a cancer diagnosis
Prophylactic Surgery (Due to positive genetic test result)	$125 - $350
Initial diagnosis benefit	$1,250 - $7,500 ($2,500 - $15,000 for dependent children)
Additional Opinion Benefit	$150 - $400/once per covered person/lifetime
Hospital confinement 30 days or less	$100 - $300/($125 - $375 for dependent children)
Hospital confinement 31 days or more	$200 - $600 ($250 - $750 child)
Nonsurgical Treatment Benefit (chemotherapy, immunotherapy, Radiation, experimental)	$150 - $600 self-administered/month; $800 - $2,000 physician administered/month
Hormonal oral chemotherapy	$15 - $40/month, self-administered
Topical chemotherapy	$100 - $200/month
Anti-nausea	$50 - $150/month
Stem cell and bone marrow transplantation benefit	$3,500 - $10,000/covered person; $50 - $150 donor
Nursing services	$50 - $150/day
Surgery and anesthesia	$50 - $5,000 anesthesia is 25% of surgery amount
Outpatient hospital surgical room	$100 - $300
Skin cancer surgery	$20 - $600
Surgical prosthesis	$1,000 - $3,000
Prophylactic Surgery (w/correlating internal cancer diagnosis)	$125 - $350
Prosthesis nonsurgical	$90 - $250
Reconstructive surgery	$50 - $3,000 anesthesia is 25% of surgery amount
Blood and plasma	$50 - $75/day for inpatient; $140 - $250/day for outpatient
Ambulance	$250 ground, $2,000 air
Transportation	$0.35 - $0.50/mile
Lodging	$50 - $80/day
Extended-care facility	$75 - $150/day, 30 days per calendar year
Hospice	$1,000 day one, $50/day thereafter max, $12,000 per person
Home health care	$50 - $150/day, 10 per hospitalization and 30 per calendar year
Egg harvesting and storage	$500 - $1,500/oocytes extracted; $100 - $250 storage and embryo transfer
Annual Care Benefit	$250 - $750/lifetime maximum 5 years

Waiver of Premium Benefit

Aflac U.S. Payroll Product Line (con't)

(as of 12/03/24)

	Sample of Associated Benefits	Sample Individual Monthly Payroll Policy Rates for an Individual/Family
Lump Sum Cancer		$7.54 - $163.80
Internal cancer	$10,000 - $30,000 (same for children)	
Carcinoma in situ	$2,000	
Cancer related death	$5,000	
Benefits above are payable once per person, per lifetime		
Specified Health Event		$9.36 - $106.34
Covers: heart attack, stroke, coronary artery bypass graft surgery, coma, paralysis, major third-degree burns, end-stage renal failure, major human organ transplant, persistent vegetative state, sudden cardiac arrest		
First occurrence	$10,000 - $25,000 ($12,500 - $30,000 children) (payable once per covered person, per lifetime)	
Subsequent specified health event	$5,000 - $12,500	
Coronary angioplasty	$1,000 (Option 1 & Option 2) (payable once per covered person, per lifetime)	
Hospital confinement benefit	$300/day	
Hospital intensive care unit benefit	$800 per day 1-7 days (Option 2 & Option 3) $1,300 per day 8-15 days (Option 2 & Option 3)	
Step-down intensive care unit benefit	$500 per day 1-15 days (Option 2 & Option 3)	
Progressive benefit	$2 per month times the number of months in-force (Option 2 & Option 3)	
Continuing care	$125/day	
Ambulance	$250 ground, $2,000 air	
Lodging	$75/day; 15 per occurrence	
Transportation	$.50/mile up to $1,500 per occurrence	
Specified heart surgery tier one Heart valve surgery Surgical treatment of abdominal aortic aneurysm	$4,000 (Option 3) (payable once per covered person, per lifetime)	
Specified heart surgery tier two Coronary angioplasty Transmyocardial revascularization (TMR) Atherectomy Coronary stent implantation Cardiac catheterization Automatic implantable cardioverter defibrillator (AICD) placement Pacemaker placement	$2,000 (Option 3) (payable once per covered person, per lifetime)	
Subsequent tier one specified heart surgery	$1,000 (Option 3)	
Hospital Indemnity*		$16.77 - $86.97
Hospital confinement	$500 - $2,000 once/calendar year per covered person	
Mental Illness Facility Confinement	$500 - $2,000 once/calendar year per covered person	
Rehabilitation	$100 per day - 15 days/confinement 30 days/calendar year per covered person	
Hospital emergency room	$100 2/calendar year per covered person	
Hospital short-stay	$100 2/calendar year per policy	
Physician visit	$25/visit (3 visits/calendar year per policy-individual or 6 visits/calendar year per policy-family)	
Medical diagnostic imaging	$150 2 exams/covered person per calendar year	
Ambulance	$200 ground/$2,000 air (2 trips/calendar year per covered person)	
Laboratory Test and X-Ray	$35 2/calendar year per covered person	
Initial Assistance	$100/calendar year per rider	
Surgery Benefit	$50 - $1,000 (based on surgical schedule) – Limited to 1 payment per 24-hour period/covered person	
Invasive diagnostic exams	$100/covered person per 24-hour period	
Daily hospital confinement	$100/day per covered person (up to 365 days)	
Hospital intensive care unit confinement	$500/day per covered person (up to 30 days)	
Daily Mental Illness Facility confinement	$100/day per covered person (up to 30 days)	
Second Surgical Opinion	$50/calendar year per covered person	
Health Savings Accounts (HSAs) compatible plan design is also available *Certain benefits available through rider options*		
Dental*		$24.05 - Individual (Essentials); $164.32 - Two-parent family (Level 3)
Dental wellness (preventive)	$25 - $75 (2x/policy year)	
Scheduled benefits	$10 - $1,100	
Annual maximum building benefit	Up to $500 per covered person	
Annual maximums	$1,200, $1,400, $1,600, $1,800	
Vision		$13.90 - $49.90
Vision correction materials	$80 - $270	
Refractive error correction	$130 - $480	
Eye exam	$45	
Permanent visual impairment	Up to $20,000 ($10,000 per eye)	
Specific eye diseases/disorders	$1,000	
Eye surgery	$50 - $1,500	
Short-Term Disability*		$5.20 - $1,099.80
Disability benefits for sickness and off-the-job injury	$500 - $6,000	
Elimination periods 0-180 days. Benefit periods 3-24 months		

Aflac U.S. Payroll Product Line (con't)

(as of 12/03/24)

	Sample of Associated Benefits	Sample Individual Monthly Payroll Policy Rates for an Individual/Family
Life*		$2.88 - $72.08
Whole-life face amounts	$20,000 - $500,000	
10-, 20-, and 30-year term face amounts	$20,000 - $500,000	
Accelerated death benefit due to a terminal illness (part of base certificate)		
Accelerated Death Payment for a Chronic Condition rider		
Extension of Chronic Condition Periodic Payments rider		
Restoration of the Payment of Death Proceeds rider		
Waiver of premium benefit rider		
Accidental death benefit rider		
Spouse and Child term coverage available (as riders)		
Simplified-issue, Guaranteed-issue, rates guaranteed		
Rates based on: 10-year term policy age 25 - $20,000 and $500,000 face amounts; non-tobacco		
Specified Event Rider (Aflac Plus)		$3.12 - $24.70
(Can be added to Accident, Hospital, Short-Term Disability or Cancer Insurance Products. Availability varies by state.)		
Tier 1 covers: heart attack, stroke, Type 1 diabetes, advanced Alzheimer's Disease, and advanced Parkinson's Disease, coma, paralysis, traumatic brain injury, amyotrophic lateral sclerosis (ALS), loss of independence, sustained multiple sclerosis, permanent loss of sight, hearing or speech, sudden cardiac arrest	$5,000 (payable once per covered person, per lifetime)	
Subsequent Tier 1 critical illness benefit	$2,500	
Tier 2 covers: critical illness benefit: encephalitis, bacterial meningitis, lyme disease, sickle cell anemia, cerebral palsy, necrotizing fasciitis osteomyelitis, systemic lupus, cystic fibrosis	$1,250	
Coronary artery bypass graft surgery	$1,250 (payable once per covered person, per lifetime)	
Tier 3 covers: Human Coronavirus, Bird Flu/H5N1, Influenza, Pneumonia, Ebola		
Hospital or ICU Confinement	$1,250 - $5,000 Maximum payable per 180 days is $5,000	
Aflac Value Rider		$10.92
Aflac will pay $1,000 less any claims paid		
At the end of every consecutive 5 year period		
If disability claims in excess of $1,000, a $100 benefit is payable	Up to $1,000 every 5 years (max 5 payments)	
Available only with purchase of disability product		
BenExtend**		$14.58 - $61.75
Hospital admission benefit	$250 - $750	
Hospital confinement benefit	$50 - $300/day	
Initial treatment	$75 - $150	
Ambulance	$200 - $300	
Major diagnostic testing	$200 - $400	
Lacerations	$75 - $100	
Appliances	$10 - $300	
Fractures	Up to $2,500	
Major critical illness event	$2,000 - $5,000	
Network Dental**		$14.01 - $154.55 (Individual)
Preventive Services	100% reimbursement	
Basic Services	80% - 90% reimbursement	
Major Services	10% - 50% reimbursement	
Annual Maximum	$1,000 - $2,000	
Orthodontia benefits	$1,500	
Network Vision**		$5.90 - $11.77 (Individual)
Frame Allowance	$100 - $200, each 12 or 24 months	
Eye Exam	$10 co-pay, each 12 months	
Spectacle Lenses	$10, $25 co-pay, each 12 months	
Contact lens evaluation, fitting and follow-up care	$0 co-pay, each 12 months	
Group Short-Term Disability**		
Benefit Percentage	20% - 100%	
Elimination Period	0 - 180 days	
Maximum Benefit Duration	4 - 104 weeks	
Vocational Rehab Benefit	5% - 15%; $125 - $1,250	
Child/Family Care Expense Benefit	None, $50 - $250	

Aflac U.S. Payroll Product Line (con't)

(as of 12/03/240)

Group Long-Term Disability**

	Sample of Associated Benefits
Benefit Percentage	20% - 80%
Maximum Monthly Benefit	$500 - $50,000
Elimination Period	0 - 730 days
Maximum Benefit Duration	SSNRA, RBD, 5Year SSNRA, 65/5/70, to age 70, etc.
Survivor Benefit	3 months, 6 months, 12 months, 24 months
Vocational Rehab Benefit	5 - 15%; $500 - $5,000
Workplace Modification	Two or three times monthly benefit, $2,000 - $10,000
COLA (Cost of living adjustment)	.5 - 10%
COLA Years	3, 5 or 10 years, Full duration
Accidental Dismemberment & Loss of Sight	No, Yes
Supplemental Disability	10% - 40%
Education Expense Benefit	$200 - $1,000 monthly per student
Child/Family Member Care Benefit Amount	$250 - $1,000 per child
Medical/COBRA Premium Amount	$300, $400, $500
Progressive Disease Benefit	No, Yes
Infectious and Contagious Disease Benefit	No, 12 - 60 months
Advanced Survivor Benefit	No, 3, 6, 12 or times gross monthly payment
Retirement Contribution Benefit	1 - 15%
Pre-Ex Benefit	None, 10% - 25% for 1 - 6 months
Critical Illness	None, 10% - 40%
Extended Care Benefit	None, 50% - 100%

Group Term Life with optional AD&D Rider**

Employee Benefit	$1,000 - $10,000,000; 1x - 10x annual earnings
Spouse and Child Benefit	Spouse $100 - $1,000,000; Child $100 - $50,000
Retiree Benefit	$1,000 - $1,000,000, 10 - 100%
AD&D – Employee	Match Life Insurance Amount
AD&D – Spouse	Match Spouse's Life Insurance Amount
AD&D – Child	Match Child's Life Insurance Amount
COMA Benefit	1 - 10% of the insured's AD&D
Exposure and Disappearance Benefit	Full Amount
Funeral Expense Benefit	1 - 10% of the insured's AD&D
HIV Occupational Accident Benefit	25 - 75% of the insured's AD&D
Third Degree Burn Benefit	5 - 100% of the insured's AD&D
Traumatic Brain Injury Benefit	5 - 100% of the insured's AD&D
Workplace Felonious Assault Benefit	5 - 100% of the insured's AD&D
Elder Care	1 - 50%
Rehabilitation	5 - 10%
Therapeutic Counseling	5 - 10%
Total Disability	5 - 10%
Line of Duty	1 - 100%
Accident Hospital (aka Hospital Confinement)	1 - 15%
Emergency Team	1 - 100%
Medical Evacuation	$1,000 - $50,000
Motorcycle Helmet	$10,000 - $50,000
Permanent Disfigurement	$2,500 - $50,000
National Guard	30 - 90 days and $10,000 - $300,000
Travel Care	10 - 25% and $1,000 - $25,000
Business Travel	10% - 25% and $1,000 - $25,000
Children's Dismemberment/Loss	$1,000 - $25,000
Carjacking	10% - 25% and $1,000 - $50,000
Hearing Aid/Prosthetic	5 - 10% and $1,000 - $50,000
Family Relocation	$1,000 - $25,000
Job Related Injury/Occupational	$1,000 - $25,000
Mortgage Payment	$500 - $1,000 and 3 - 12 months
Child Care Expense Benefit	1 - 60%, $1,000 - $20,000
Child Education Expense Benefit	1 - 10% of AD&D
Repatriation Expense Benefit	$1,000 - $25,000, or the actual expenses
Seatbelt and Air Bag Benefit	5 - 100% of the insured's seatbelt or air bag benefit
Spouse Education Expense Benefit	1 - 10% of AD&D
Adaptive Residence and Vehicle Benefit	1 - 10% of the insured's AD&D

**Also available on a group platform. Benefits and pricing of group and individual products may vary.*
***Only available on a group platform for over 1,000 covered lives.*

Aflac U.S. Payroll Product Line (con't)

(as of 12/03/240)

Group Life Term to 120**

	Sample of Associated Benefits
Guaranteed Issue face amounts	$50,000 - $150,000
Max face amounts (underwriting may be required)	$300,000
Accelerated death benefit due to a terminal illness	
Accelerated death payment for a chronic condition rider	
Extension of Chronic Condition Period Payments rider	
Restoration of the Payment of Death Proceeds rider	
Waiver of premium benefit rider	
Accidental death benefit rider	
Spouse and dependent term coverage available (as riders)	
Guaranteed-issue, rates guaranteed, fully portable	
Rates based on: 5 year age bands available in $1,000 increments; non-tobacco and tobacco	

**Also available on a group platform. Benefits and pricing of group and individual products may vary.*
***Only available on Group Platform*
****Only available on a group platform for over 1000 covered lives (PLADS)*

Actuarial Discussion

Alycia G. Slyck
Senior Vice President; Global Chief Actuary

Global Risk Framework

- Combined RBC (U.S.)
  - Target range 350% - 450%
  - Credit sensitivity
- SMR (Japan)
  - Maintain ratio above 500%
  - AFS sensitivity
- Regulatory ESR (Japan)
  - Target range is 170% - 230%
  - Effective Fiscal Year ending March 2026
- BSCR ratio (Bermuda)
  - Target range 175% - 225%
  - Credit Spread and Interest Rate sensitivity

[2]Regulatory ESR with undertaking-specific parameter (USP); sensitivities produced by internal model result in a slightly more conservative outcome, i.e., a greater sensitivity to all variables shown, especially the change in yen, credit spreads and interest rates

Over the past few years, management has utilized Aflac's U.S. statutory risk-based capital ratio, or RBC ratio, and Japan's solvency margin ratio, or SMR, to help set appropriate objectives for capital and risk management. We have also expanded our management decision-making toolkit by establishing an economic capital framework in Japan, the Economic Solvency Ratio (ESR), and in Bermuda, the Bermuda Solvency Capital Requirement (BSCR) ratio. These frameworks aid our efforts to measure and manage risks related to investments, insurance and operations based on company-specific assumptions.

The Financial Services Agency (FSA) has proposed the adoption of ESR for the fiscal year 2025, which ends March 31, 2026. We intend to move to that framework and retire SMR at that time.

Additionally, we utilize the Bermuda Solvency Capital Requirement (BSCR) ratio to manage risk and capital in our Bermuda subsidiary, Aflac Re, which was established in 2022.

We have used economic capital-based models, in conjunction with stress testing regulatory capital, to develop quantitative risk metrics around investment risks, such as interest rate, credit and foreign exchange, as well as insurance risks, including persistency and morbidity. We periodically measure the risk levels and use them to set risk tolerances for the company. Our risk management philosophy starts with an examination of the characteristics of our liabilities. Then we identify the appropriate level of investment risk, in addition to economic and regulatory surplus levels, to ensure our policyholders are protected.

Pricing and Reserving Assumptions for Aflac Japan and Aflac U.S.

- Morbidity
- Mortality
- Persistency
- Expenses
- Investment returns

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Product pricing and reserving includes assumptions for **morbidity**, **mortality**, **persistency**, **expenses** and **investment returns**. In Japan, pricing and FSA reserve assumptions may be more conservative than those used for U.S. GAAP reserve calculations. No explicit margin for profit is added in pricing products. Instead, profit margins arise from the pricing provisions for adverse deviation or PAD. Morbidity results are the primary risk item in Japan in terms of profitability, and long-term trends have been favorable. In Japan, persistency is strong and leads to long product lifetimes.

The interest rate assumption for product pricing is established by each company in Japan and must be justified to the FSA. In general, product pricing interest rates have declined over time following market trends. Other pricing assumptions, such as morbidity and persistency, are also reviewed and approved by the FSA. These assumptions may be developed based on Aflac's experience, industry experience, national statistics or a blend of this data with a PAD incorporated.

Aflac Japan's pricing persistency assumptions are generally higher than our actual persistency as this represents PAD for our products. For products with cash values, we generally assume no voluntary lapses. For products without cash values, we use a low level of voluntary lapse each year.

The expense assumptions reflect our actual operational costs and expected volumes of business with some PAD incorporated. Our large volume of policies in force in Japan provide scale advantages.

For Aflac U.S., we generally base pricing and reserving assumptions on our own experience, including some PAD. Morbidity results are the primary risk item in the U.S. in terms of profitability, and long-term trends have been favorable. We also include return-on-capital metrics in our pricing and profitability analysis to focus on growing the economic value of the company by generating returns in excess of our cost of capital.

Recently, we have increased our focus on return on capital for our Japan and U.S. products to ensure that we are adding value by exceeding our global cost of capital, which generates positive value of new business (VNB). VNB measures the present value of distributable earnings discounted at our global cost of capital.

In general, we target an overall 14% IRR pricing return for new business sold throughout the year. Further, at the corporate level, the use of corporate debt leverage and reinsurance enhances the IRR to produce a higher return on equity.

FSA Reserve Assumptions

Aflac Japan

First and Third Sector:

- Net level method
- Standard interest rate – 0.25%
- Lapse rate – lower than or equal to pricing basis
- Mortality – standard mortality table
- Morbidity – pricing basis with stress testing

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In Japan, we are required to use specific reserving methods, as well as certain minimum assumptions for our FSA reporting, for both first and third sector products. The net level premium reserving approach required by the FSA is similar to what we use for U.S. GAAP reporting. Benefit reserves begin building within the first policy year. Unlike U.S. GAAP reporting, where we are allowed to defer certain costs of acquiring business, FSA reporting does not make any allowance for the first-year profit strain of issuing a policy. In addition, the interest rates, lapse assumptions, mortality tables and morbidity rates required for the reserve calculation generally result in reserves that are greater than those calculated using the pricing assumptions. The Japan standard interest rate is the rate required for determining FSA-based reserves, as are prescribed assumptions for mortality and lapse. The standard interest rate is based on average 10-year Japan Government Bond or JGB rates over a period ending in September of the prior year using the smaller of the three-year average or 10-year average and move in at least 0.5% increments in units of 0.25%.

FSA Standard Reserving Rate

March 1996 & Prior	Equivalent to Pricing
April 1996	2.75%
April 1999	2.00%
April 2001	1.50%
April 2013	1.00%
April 2017	.25%

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Note: From 1996 to 2001, changes only apply to first sector products. After July 2001 and forward changes apply to first and third sector products.

The standard interest rate for our first and third sector products was lowered to 0.25% for business issued from April 2017. Our re-pricing of first sector savings and protection products in 2016 and later have taken this into account, although we also balance this with competitive pressures. For third sector business, we have lowered our assumed interest rate for pricing as part of our product development cycle to minimize first-year strain due to low standard reserve rates. The FSA has also adopted an updated standard mortality table which assumes greater longevity and this table has been applied to new business issued after April 1, 2018. The impact on our first sector products is minimal, and we have incorporated this into our third sector product pricing as new versions have been introduced. These interest rates reflect the level of conservatism inherit in the FSA reserving methodology.

LDTI Discount Rate Assumptions

Life/Health

- GAAP: Determined by A-rated corporate bond market yields with ultimate forward rates

Note: Annuity line removed due to no longer selling

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Under LDTI, insurance contracts will be grouped into calendar-year cohorts based on the contract issue date, reportable segment, legal entity and product type. However, our LDTI discount rates will not be based on our expected investment yields. Rather, the discount rate will be determined for each cohort by constructing a discount rate curve separately for discounting cash flows used to calculate the U.S. and Japan reserves, with each curve reflective of the currency, tenor and characteristics of the insurance liabilities. Discount rates comprising each curve will be based on upper-medium grade (low credit risk) fixed-income instrument yields (reflective of single-A fixed income instruments) that are intended to reflect the duration characteristics of the corresponding insurance liabilities. The methodology is designed to prioritize observable inputs based on market data available in the local debt markets where the respective policies are issued and in the currency in which the policies are denominated. These rates are updated each reporting period. Yields used to accrete interest expense on reserves will be locked-in (remain unchanged after the calendar year of issue) for each issue-year cohort as a single discount rate, calculated as the weighted-average of monthly upper-medium grade (low-credit risk) fixed-income instrument forward curves over the calendar year, using the same methodology noted above, and weighted using annualized premiums for each issue month.

Aflac Japan Lifetime Expected Benefit Ratios by Product

Third Sector	AP% to 3rd Sector	Benefit Ratio
Cancer	61.2%	50% - 65%
Medical	35.3%	50% - 60%

First Sector	Benefit Ratio
WAYS /Tsumitasu	65% - 82%
Child endowment	84% - 96%
Other 1st sector products	60% - 80%

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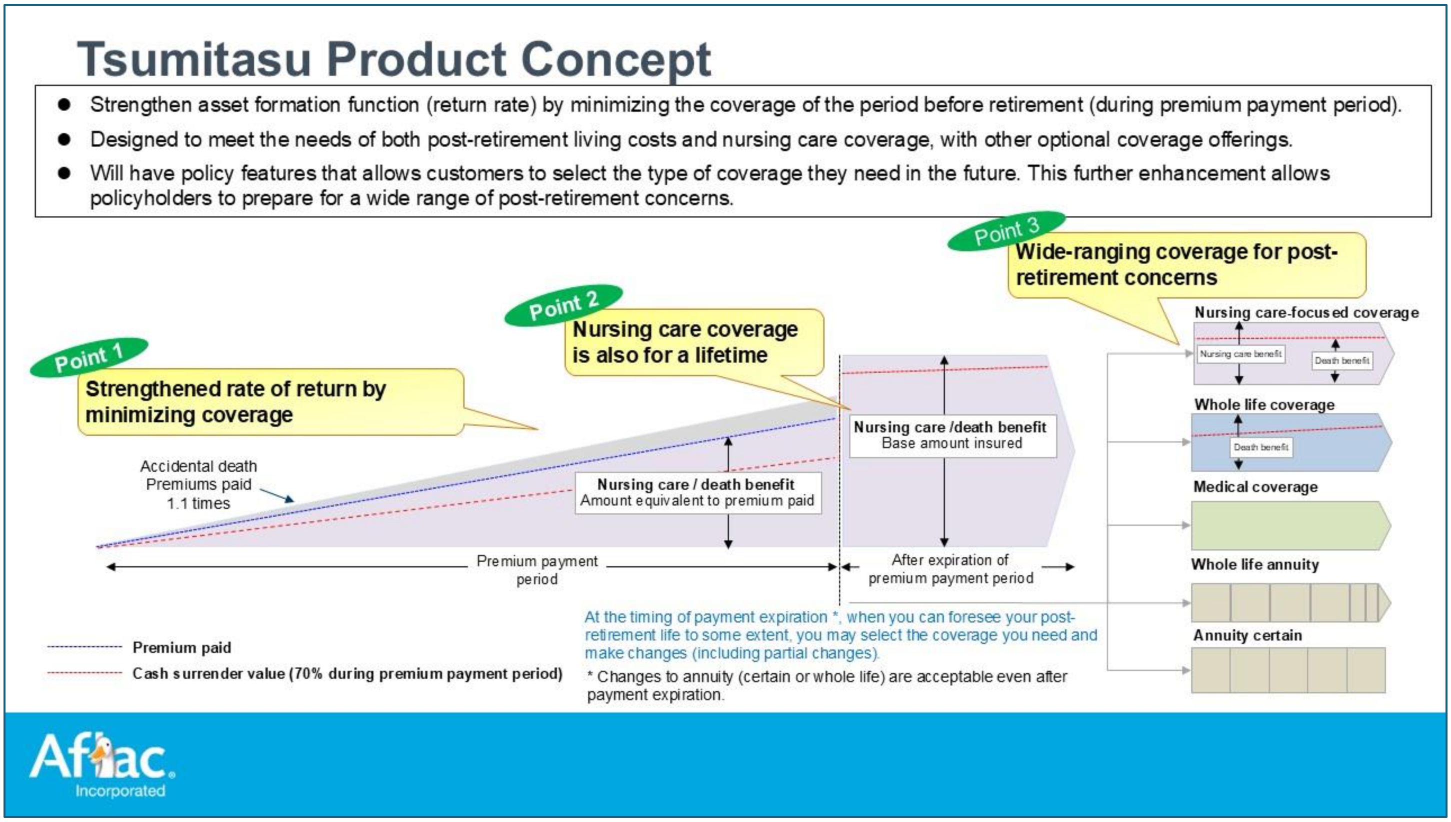
This slide shows the lifetime expected benefit ratios for our major products in Japan. The lifetime expected benefit ratio is simply the present value of expected benefits to the present value of premiums, and we use it as a pricing expectation. The lifetime expected benefit ratio is different from the benefit ratios that we report each quarter, which are the actual measure at that point in time. The actual benefit ratios are impacted by quarterly reserve movements, benefits, and other factors.

Our cancer insurance products have lifetime expected benefit ratios that range from 50% to 65%. The lifetime expected benefit ratios from pricing of our medical products are 50% to 60%, including our most recent medical product, Reason.

Our WAYS and Tsumitasu products have lifetime expected benefit ratios from 65% to 82%. Our child endowment product has a higher lifetime benefit ratio ranging from 84% to 96% due to the heavy savings element in this product. We have observed some favorable movement in our total benefit ratio as a result of new sales compared to our in-force block. In particular, we have seen this as we have reached the paid-up status of certain WAYS products, which have higher lifetime (and actual) expected benefit ratios than our third sector products. Although somewhat muted, we expect to continue to see this effect as the WAYS in force continues to reach paid-up status. Tsumitasu, like WAYS, also has a higher lifetime expected benefit ratio compared to our third sector products. Overall, we are comfortable with our benefit ratio levels.



The aforementioned Tsumitasu is a limited-pay life product with a variety of features to provide value to the policyholder, while managing Aflac's risk. There is a minimum premium payment period of ten years. During the premium payment period, there are surrender charges, which then sunset when the policyholder reaches paid-up status. Also, during the premium payment period, the death benefit is equal to a return of premiums, and then it increases to the full-face amount when paid-up status is reached. Tsumitasu provides policyholders with a variety of options to continue coverage upon reaching an age specified in the contract, such as age 60 or 65. These options include Care-focused, Medical, Death Benefit-focused, Annuity Certain, or Life Annuity. Given the flexibility in the product features, this product appeals to a variety of policyholders and can be sold concurrently with our third sector products.

Aflac U.S. Statutory Reserve Assumptions

- 1- or 2-year preliminary term for health
- Interest rate – generally lower than pricing
- Lapse rate – prescribed, generally lower than pricing basis
- Mortality – pricing basis or lower for health
- Morbidity – pricing basis with load and some prescribed tables

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In the United States, premium rates are filed with each state Department of Insurance. When we file products, we must demonstrate that premiums are reasonable in relation to the benefits provided by the policy. Many states also require that we demonstrate the product experience will meet or exceed a minimum loss ratio requirement. For most of our U.S. health products, we use a two-year preliminary term method for calculating statutory benefit reserves. With this method, benefit reserves begin building during the third policy year. This feature helps mitigate the surplus strain caused by issuing new business. Statutory reporting prescribes the maximum interest rates that can be used in the reserve calculation. The lapse assumptions, mortality tables and morbidity rates are generally based on our pricing assumptions with an added margin for conservatism.

U.S. GAAP Reporting Reserves and DAC Under LDTI

(Effective 1/1/2023)

- Benefit reserve uses net level premium method
- Certain acquisition costs are capitalized as a deferred policy acquisition cost asset
- The deferred policy acquisition cost asset is amortized over the expected life of a policy
- Best estimate assumptions are used, without provisions for adverse deviation
- Assumptions reviewed at least annually and updated if needed (typically in the 3rd quarter)
- Discount rate determined by A-rated corporate bond market yields with ultimate forward rates

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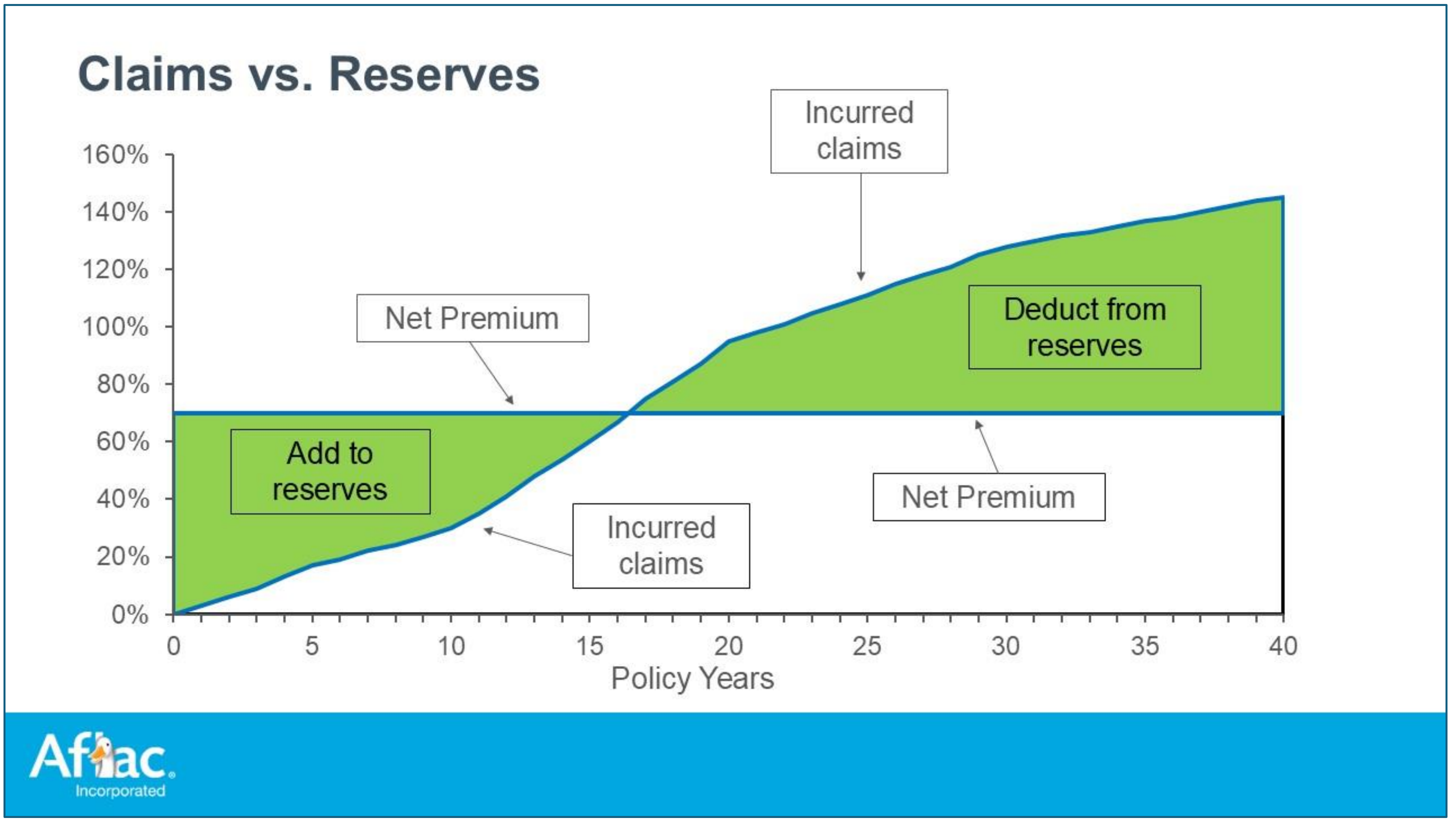
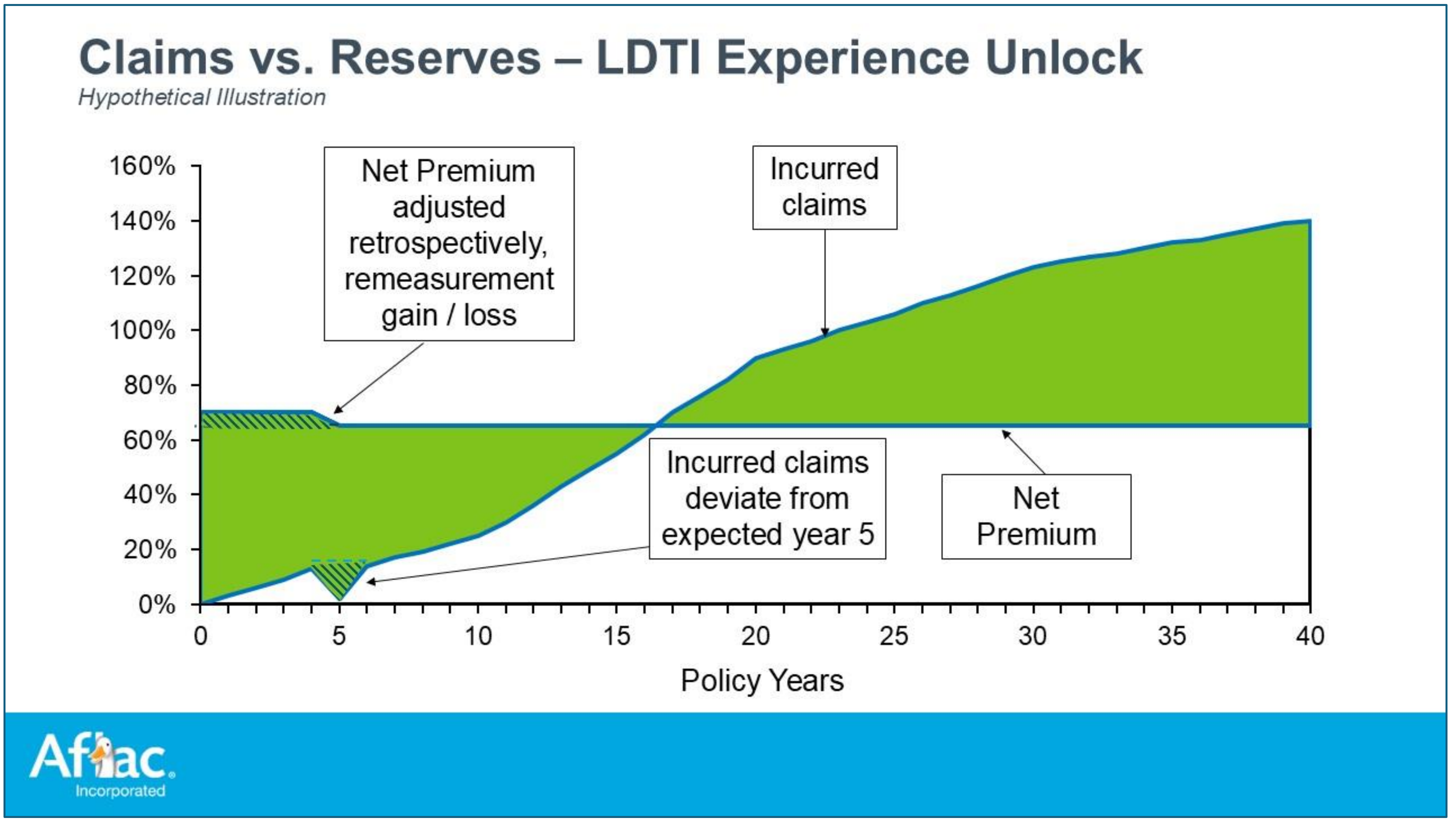
For several years now, we have walked you through U.S. GAAP reserving and illustrated how favorable claim experience emerges under U.S. GAAP accounting rules. Understanding this is an important element in understanding Aflac's current results and future outlook, as we have experienced favorable claim experience and claim trends on our core health lines. We will describe LDTI reserving which was adopted in 2023.

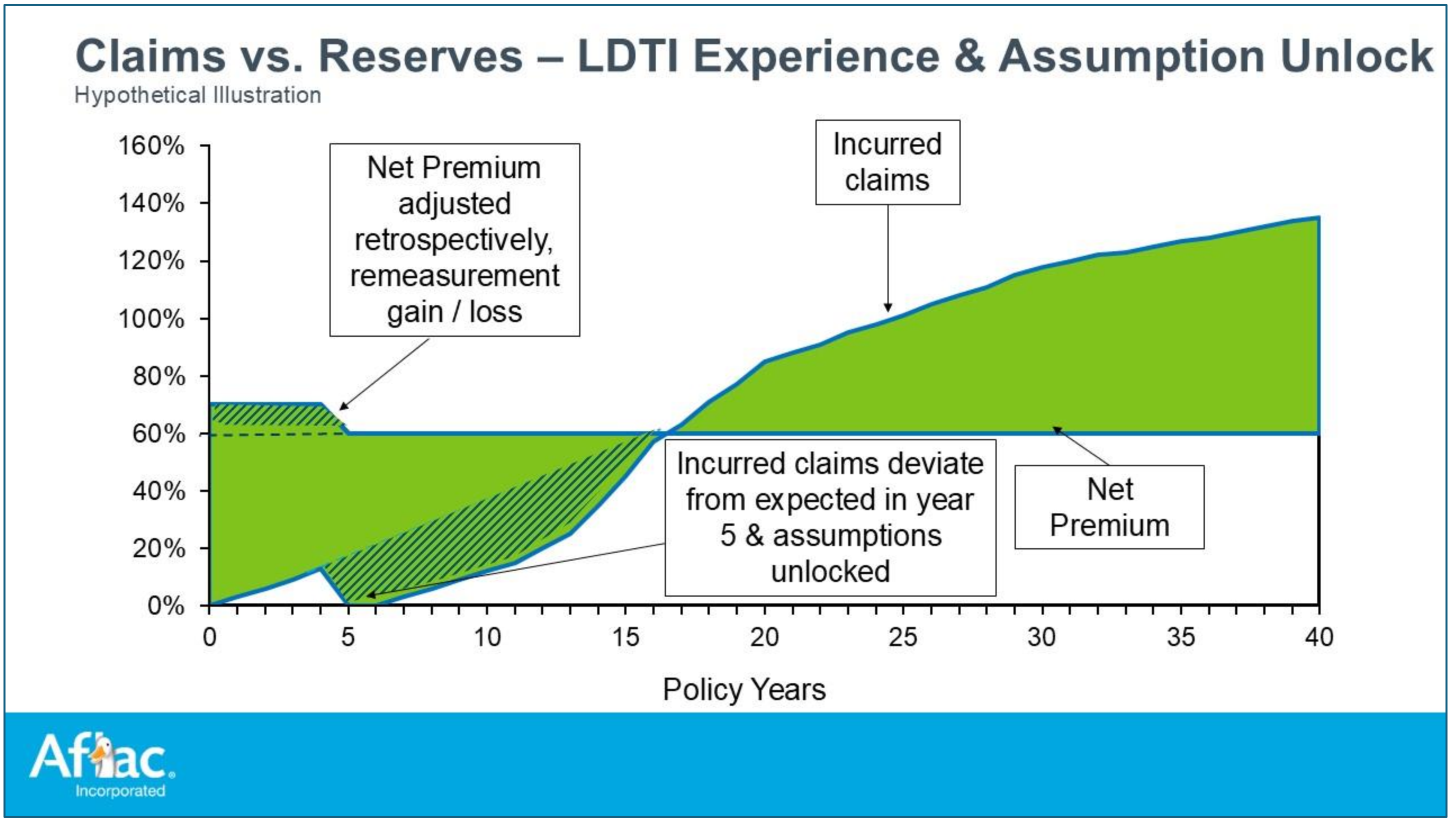
LDTI reserves are computed using the net level premium method. Under this approach, benefit reserves begin to build in the first policy year. Certain expenses associated with the cost of acquiring new business are capitalized and amortized over the expected life of a policy. Note that under LDTI, rules for expense deferral did not change from the previous version of U.S. GAAP. However, the DAC amortization has changed. The combination of the net level premium reserve methodology and the capitalization of acquisition costs results in an expected profit emergence pattern that occurs over the life of the policy. However, there are various acquisition costs we are not allowed to defer, so the expected profit in the first policy year is usually much lower than in other policy years.



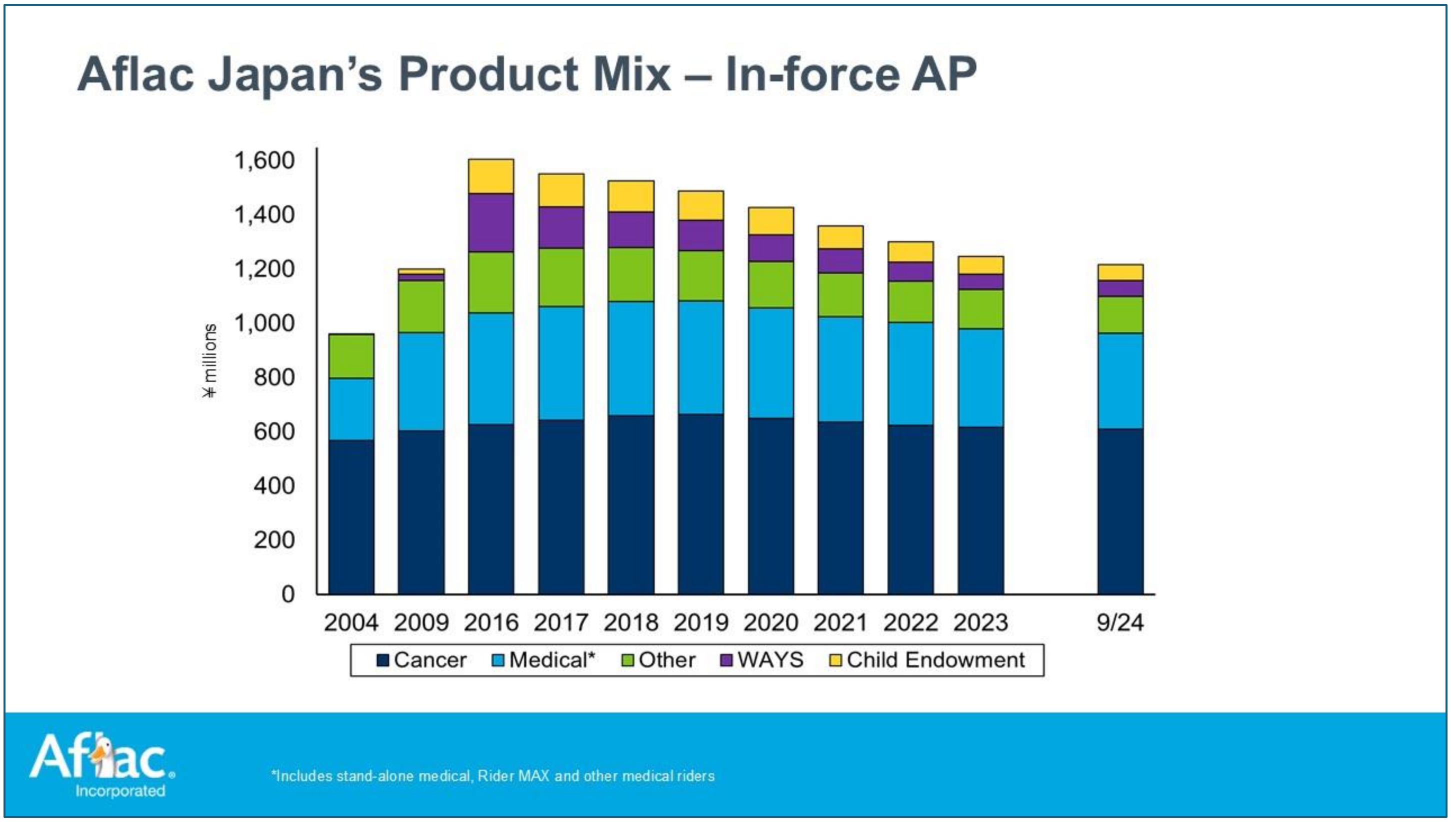
This simplified schematic shows why benefit reserves are provided and illustrates the relationship between incurred claims and benefit reserves. The policyholder pays a level premium each year, of which a portion is used to fund claims which is called the Net Premium Ratio (NPR). The NPR represents the lifetime level percent of premium to fund incurred claims. In early years, claims incurred are lower than the premium, net of expense loads. The difference between the net premium paid and claims incurred is added to the benefit reserve. In later years, claims incurred exceed the net premium and the benefit reserves are released to accommodate the higher claims.



In theory, LDTI benefit reserves are derived in such a way that gross profits would emerge over the life of the policy. LDTI benefit reserves are based on best estimate assumptions. In any period where the actual incurred claims are lower or higher than the expected amounts, this will result in an adjustment to the reserves to reflect the variance in experience and the NPR is unlocked and reset to reflect the variance over the remaining lifetime of the block of business. The historical cumulative impact of a higher or lower NPR is reflected in earnings, each reporting period, as a remeasurement gain or loss and the resulting change to the NPR will also alter our profit emergence in future reporting periods.



At least annually, our reserve assumptions will be evaluated as to whether an update is needed and, if necessary, will be unlocked for morbidity, persistency and mortality on a prospective basis. Similar dynamics apply to reflecting the changes in NPR and remeasurement gain/loss in earnings. This may result in some earnings volatility during the financial reporting period of the unlock. Our benefit ratio will primarily be composed of the NPR plus required interest on reserves plus the remeasurement gain/loss. Also, our businesses benefit from stable and improving long-term morbidity trends.



As of September 2024, cancer, medical and WAYS/Tsumitasu accounted for 50%, 29%, and 5% of Aflac Japan's total in-force annual premium (AP), respectively. This represents a continued mix shift to a higher share of cancer and medical premium compared to previous years as a result of more focus on third sector sales and the premium from WAYS and Child Endowment policies becoming paid-up. Once a policy becomes paid-up, it is not counted in the in-force AP number and no longer contributes to earned premium. WAYS annualized premium becoming paid-up will amount to about ¥15 to 20 billion in each of 2022 and 2023, and ¥5 to ¥10 billion 2024. This will continue to impact our overall benefit and expense ratios. New product releases have occurred in the Cancer block in 2022, and we introduced a new Medical policy in late 2023. Tsumitasu, which was launched in June 2024, provides first-sector protection with a care benefit. These products are intended to increase competitiveness and appeal to a range of policyholders with additional benefits.

U.S. GAAP Profit Recognition for Limited Pay Policies

- A limited pay policy is when the scheduled premium period is shorter than the benefit period
- Premiums recognized as revenue over scheduled premium paying period
  - Deferred Profit Liability (DPL) established as part of net earned premiums to recognize profits over life of policy. An increase of DPL indicates more future expected profit.
  - Profits emerge over the life of inforce instead of only during payment period
- Reserves based on best estimates
- Deferred acquisition costs (DAC) amortized over expected life of the policy

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Most of our products, where premiums are paid over the life of the contract, are accounted for as long-duration contracts under U.S. GAAP. For policies where the scheduled premium period is shorter than the benefit period, we are required to use limited-pay accounting. Below is how we treat limited-pay products in Japan.

In the case of limited-pay policies, U.S. GAAP requires that a deferred profit liability, or DPL, be established during the premium paying period. The DPL grows during the premium payment period and is released through earned premium over the remaining life of the policy after the contract becomes paid up. In this way, profits emerge fairly evenly over the life of the policy. During an unlock, the DPL may increase or decrease. If DPL increases during an unlock, it indicates that more profits will emerge in the future.

Limited Pay Policy Accounting – 5-Pay Hypothetical Example*

Policy Year	Premium	Claims	Expense**	Change NBR	Profits without DPL	DPL Change	Prem with DPL	Profits with DPL
1	2,000	100	200	1,000	700	450	1,550	250
2	2,000	200	200	900	700	450	1,550	250
3	2,000	300	200	800	700	450	1,550	250
4	2,000	400	200	700	700	450	1,550	250
5	2,000	500	200	600	700	450	1,550	250
6		600	200	-600	-200	-450	450	250
7		700	200	-700	-200	-450	450	250
8		800	200	-800	-200	-450	450	250
9		900	200	-900	-200	-450	450	250
10		1,000	200	-1,000	-200	-450	450	250

Aflac Incorporated

*Assumes 10-year policy with a 5-pay option in yen
**Expense column represents commissions, general administrative expenses, and DAC netting to 200 per year

This slide is a simplified numerical example demonstrating a single policy using limited-pay accounting. This shows how profits would be recognized with and without the changes in the DPL for a policy with 10 years of benefit coverage paying premiums for five years. For simplicity, we are assuming annual premium of ¥2,000, a discount rate of zero, no terminations due to mortality or voluntary lapses, and excess first-year commissions are deferrable such that incurred expenses are level.

In this example, the net benefit reserve, or NBR, is released during the period after premiums are paid up as claims are incurred, and as net premiums are no longer being added to NBR. This impact can be observed in our recent financial statements. Note that this is largely geography and does not increase our overall benefit ratio.

With the DPL, profits are deferred during the premium period and recognized over the remainder of the contract's life as the DPL is released. In this slide, the DPL is added to illustrate the impact. This accounting treatment is important to understand as there is a significant impact from limited-pay products on our future financials. Premium income will decline as policies reach paid-up status. Expenses will continue to be incurred, as Deferred Acquisition Cost, or DAC, is amortized over the life of the policy. The benefits will decline as the NBR is released. During the premium payment period, DPL is increased as we defer the excess of the gross premiums over the net premiums, which are premiums related only to the funding of policyholder benefits. After the premium payment period, DPL is released into earned premium, allowing profits to be recognized smoothly over the remaining life of the limited-pay contracts, even though the policy is beyond the premium payment period. The net result is that profit recognition for both the lifetime-pay and the limited-pay contracts will be similar in relation to policies in force.

Aflac Japan Claims Trend

- Third sector (Cancer & Medical) hospital experience key driver for profitability in Japan
  - Favorable trends in average length of stay for cancer treatment
  - Favorable trend in overall claims
- First sector (Ordinary Life products) has a smaller impact to profitability in Japan due to savings element
  - Favorable trends in claim ratios for first sector products

Aflac Incorporated

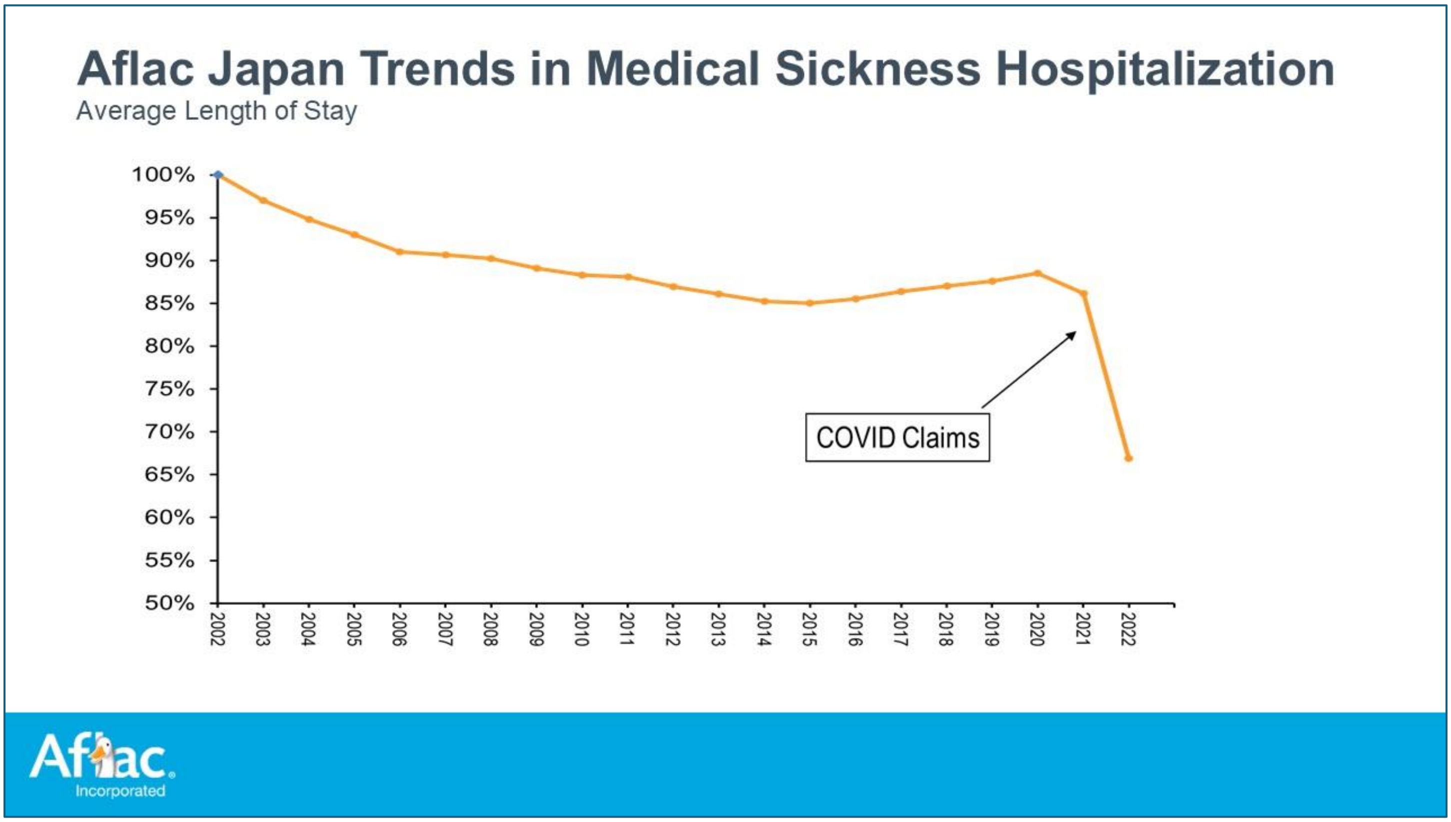
Aflac Japan has large blocks of Cancer and Medical (third sector) policies, where hospitalization daily benefits are the largest benefit paid. Therefore, Aflac's hospitalization experience trend is a key driver in overall profitability. Our experience in Japan related to the average length of stay in the hospital for cancer treatment has declined steadily for some time now. As Japan's social welfare system is strained, the Health, Labour and Welfare Ministry is taking various steps to reduce medical costs. Among those steps, shortening of hospitalization has been a key measure.

Specifically, since 2003, the Ministry has adopted a diagnosis procedure combination (DPC) method for its public health insurance system, which is a medical fee payment system similar to the U.S. diagnosis-related groups/protective payment system (DRG/PPS), thereby aiming to shorten hospitalization days. The DPC method is a system to provide hospitals with incentives for shortening hospitalization by leveling the daily hospitalization medical fee, which is paid to hospitals depending on disease name or medical act, at a fixed amount, so that a higher amount can be paid for short-term hospitalization. As a medical fee payment system for ordinary hospitals offering treatment during acute stage, a performance-based payment system is also available, apart from the DPC methodology. But each hospital has to choose either one of the two fee payment systems. The number of hospitals adopting the DPC methodology is gradually increasing, and the total figure of beds owned by DPC-adopted hospitals is now 483,721 as of June 2024, which is more than 50% of the total 880,763 beds for the same period. Benefit claims filed with Aflac are mostly for cancer, myocardial infarction, or stroke, and these diseases are treated at DPC-adopted hospitals in most cases. Aflac's total claims are expected to improve because of shortened hospitalization stays.

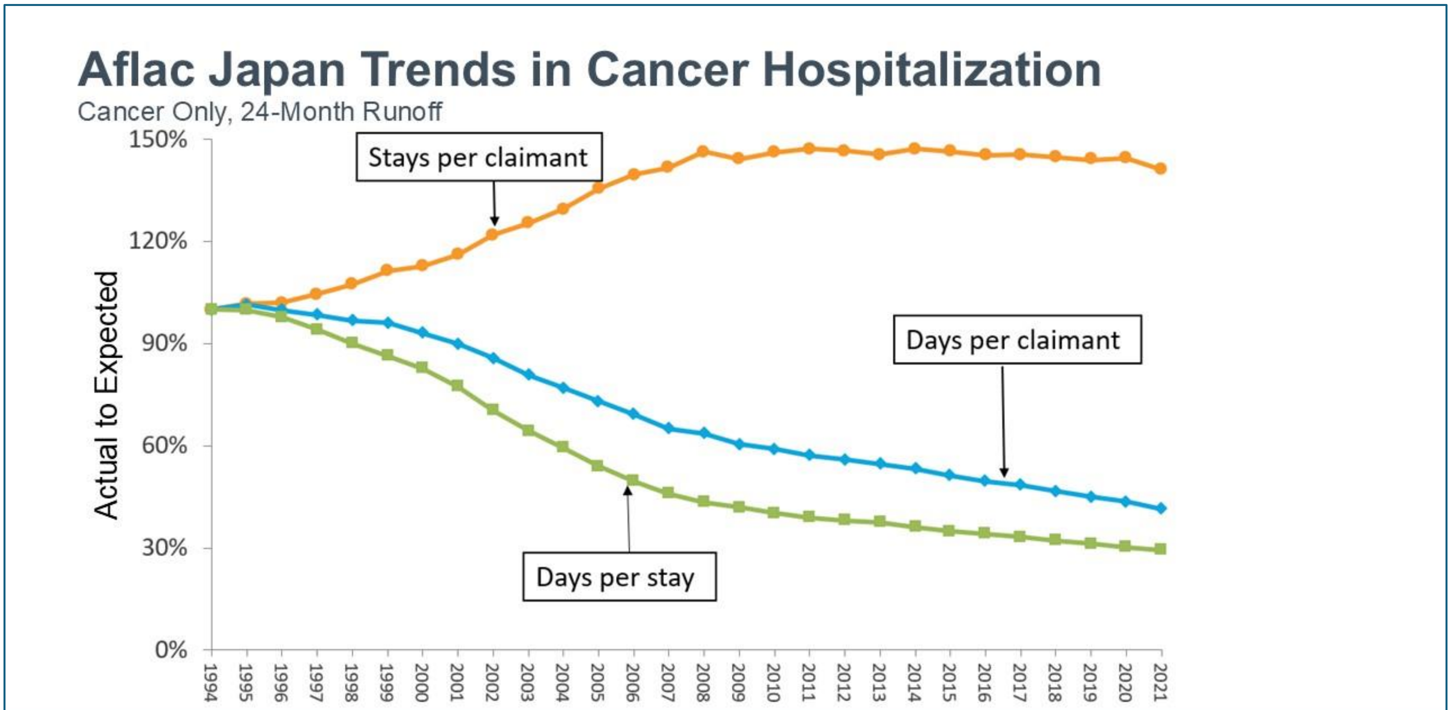
Also, the numbers of Japan's hospitals and beds per population have historically been higher than those of Europe and the U.S., but the number of hospitals is now decreasing as the central government has implemented measures to diversify functions among hospitals, thereby reducing the number of such hospitals focused on long-term hospitalization, mainly to offer nursing care to the elderly suffering chronic diseases. As a result, the total number of hospitals was down to 8,075 in 2024 from more than 10,000 in 1993.

We have experienced favorable claim trends for our core health products in Japan. Actual cancer claims continue to decline. Medical claims have also been lower than our original expectation since that product's introduction in 2002. Prior to 2022, we did not experience any significant increase in claims due to COVID-19 and some of our non-COVID-19 utilization rates decreased due to limited social interactions and hospital capacity limitations. During 2022, there was an increase in claims due to “Deemed Hospitalization” for policyholders who are infected with COVID. Deemed Hospitalizations occur when the infected policyholder is not actually receiving treatment in a hospital but is receiving hospital benefits through Aflac’s medical policy. This was a standard approach through the Japan insurance industry and had an impact to our benefit ratios during 2022. However, the established practice for payment of Deemed Hospitalization changed in late 2022 and again in 2023, so “Deemed” is no longer paid. As a result, our claim payments have been reduced. As the pandemic has ended, our claim experience has reverted to normal levels.

The first sector product lines also show favorable incurred claims ratios. However, favorable claim ratios for first sector products have a smaller impact on profits than favorable claim ratios in third sector products. This is because benefit reserves, which include the cash value, make up a large part of the first sector benefit ratio due to their savings element.

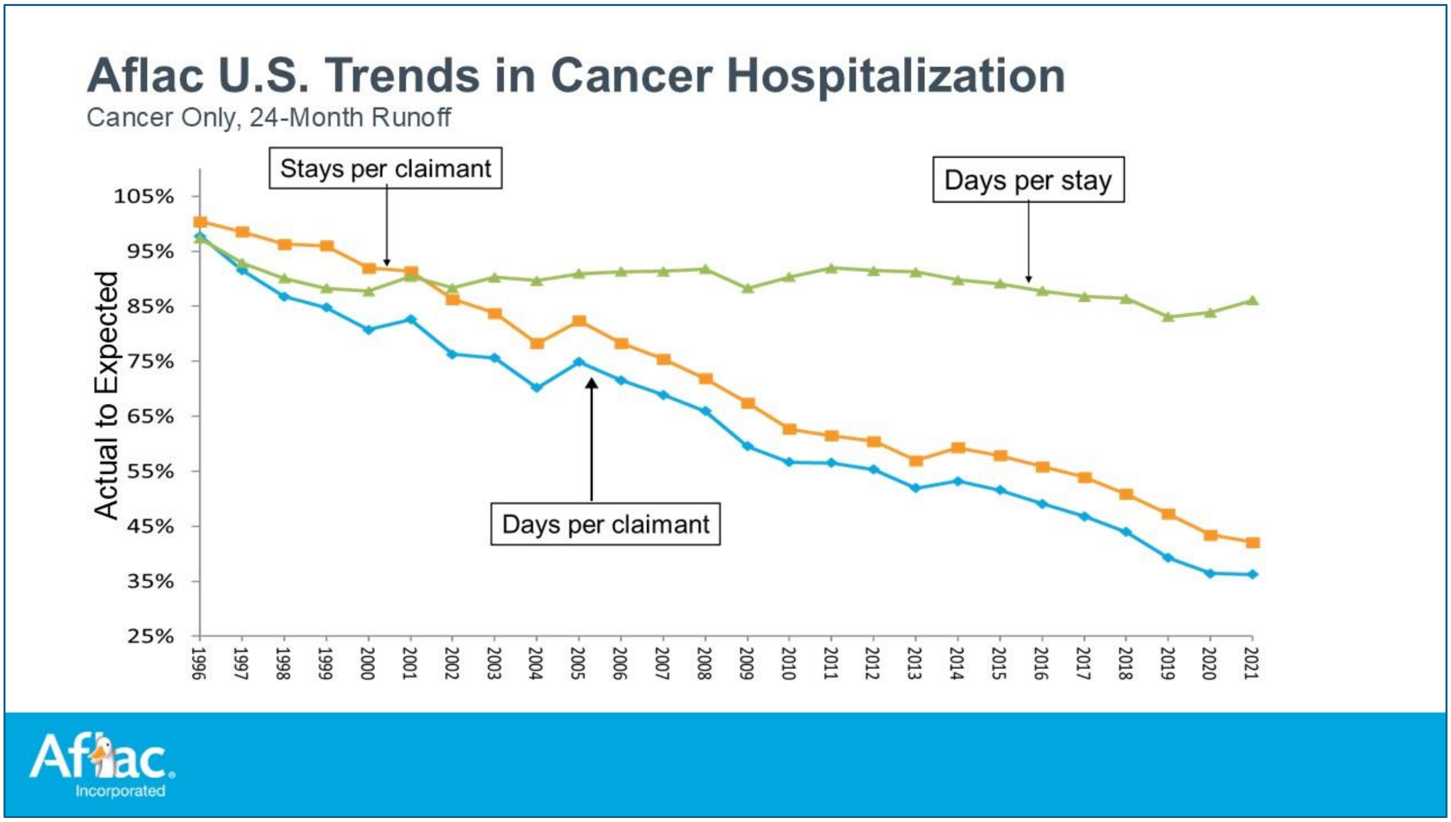


We have seen the effect of these government actions in our actual experience. For example, with the sickness hospitalization benefit, we have seen a general downward trend in the average length of hospital stays for the EVER medical product, a sharp drop during the pandemic and then some leveling off in recent years. The next slide shows the hospitalization trends for cancer.



Cancer treatment patterns in Japan are being influenced by significant advances in early-detection techniques and by the increased use of pathological diagnosis rather than clinical exams. Follow-up radiation and chemotherapy treatments are occurring more often on an outpatient basis. Such changes in treatment not only increase the quality of life and initial outcomes for the patients, but also decrease the average length of each hospital stay. In short, more people are surviving cancer, and those who continue in treatment are generally living longer.

While the average length of stay per hospitalization has declined, the number of hospital-stays per claimant had generally been increasing prior to 2008. However, since 2008, we have seen the stays per claimant stabilize and decline slightly. Our analysis of claims data shows that the total number of days hospitalized per claimant is declining, but at a slightly slower rate than the average length of stay per hospitalization. We anticipate that the trend toward more hospital stays of shorter durations will continue going forward.



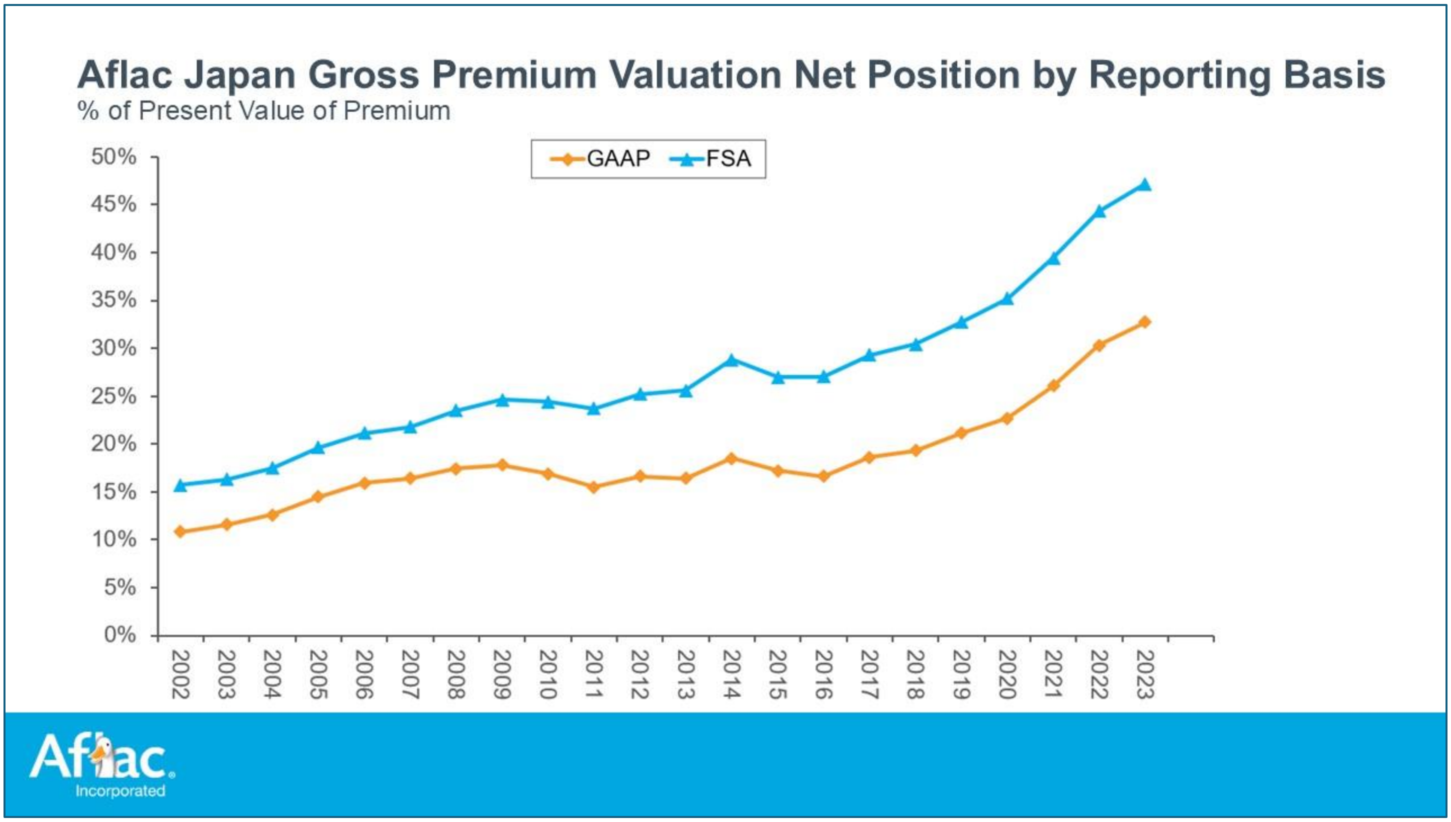
In the United States, we are seeing a trend toward greater use of outpatient treatments for cancer. The average number of days per stay for cancer treatment has declined slightly in the last few years. At the same time, both the average number of stays per claimant and hospitalization days per claimant have declined considerably in recent years. We expect this trend to continue.

Aflac U.S. Claims Trend in Hospital Indemnity Products

- Favorable claim emergence has led to Aflac US profit growth.
  - Favorable Incidence rates
  - Average Length of Stay increased during pandemic
  - Overall claims have been favorable

The Aflac U.S. hospital indemnity product pays for sickness and accident hospitalizations. From 2009 forward, we have seen a generally downward trend in our experience for our U.S. Hospitalization products. More recently, there was a large decrease during the pandemic, and some leveling off as the pandemic ended. Even though average length of stays increased during the pandemic, the overall hospital claim levels remained low, because our incidence rates remained low.

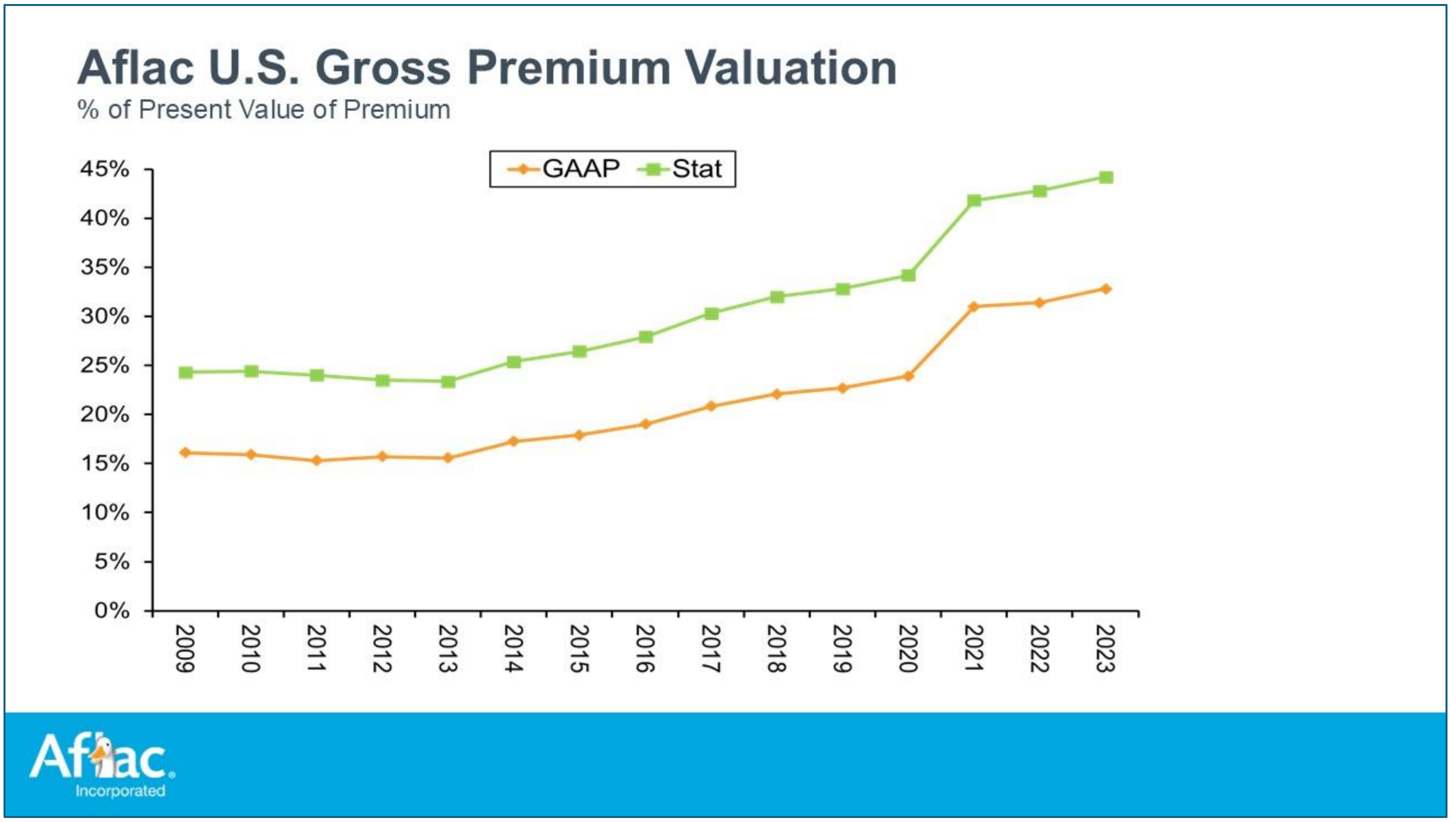
While we generally do not project future improvements in claim trends in our pricing, the impact of lower-than-expected claim costs over time and the emergence of the profit from the better-than-expected experience have continued to have a strong impact on Aflac's profit growth.



Each year, we evaluate the net margin position of our in-force business using a gross premium valuation or GPV. This analysis projects financial elements of an in-force block of business through time and determines the expected future profit margin or FPM for that block of business. The FPM is expressed as a ratio of the present value of future pretax profits to the present value of future gross premiums. The present value of future profits is equal to the net policyholder liabilities (reserves less DAC) less the GPV where the GPV is the present value of the net future cash flows, or premiums less claims and expenses. The present values are determined by discounting cash flows using our projected portfolio yields and by reflecting anticipated future new money yields. We measure the FPM on both a U.S. GAAP basis for policyholder liabilities as well as on a regulatory basis for the U.S. and Japan.

In theory, under U.S. GAAP reporting the FPM will emerge fairly level over the life of the business, and together with investment earnings on approximately $28 billion of adjusted book value, i.e. U.S. GAAP equity (ex-AOCI) as of September 2024, we expect that this will produce consistently strong U.S. GAAP reported profit margins on our in-force book of business. The adoption of LDTI did not impact the GPV calculation. It should be noted that this is an actuarial calculation and is generally constructed with best estimates in the underlying assumptions.

We measure the Japan FPM on a U.S. GAAP and FSA reserve basis. The difference in FPM for U.S. GAAP and FSA is due to the difference in reserving assumptions and methodology. FSA basis FPM has historically been higher than U.S. GAAP. For example, in the early 2000s, the FSA FPM of 15.7% exceeded the U.S. GAAP result of 10.8%. Since that time, the conservatism of FSA reserves has grown, which results in the FSA FPM diverging from U.S. GAAP. For FSA and U.S. GAAP, the 2023 FPMs were 44.3% and 32.8% respectively. We have been able to maintain very stable and relatively high FPMs due to favorable morbidity trends and, recently, with the incorporation of expected forward rates in our discounting assumptions.



For Aflac U.S., in 2022 and 2023, FPM was 31.4% and 32.8% respectively on a U.S. GAAP basis. Improvements in the FPM for U.S. GAAP largely reflect overall, long-term improvement in claims experience being reflected in the claims assumptions in our projections, and recently, with the incorporation of expected forward rates in our discounting assumptions. On a U.S. Statutory basis, the 2023 FPM was 44.2%. Much like Japan, these FPM's have been very stable through time but steadily increasing.

Asset Liability Management

- Cash Flow Testing with liquidity stresses
- Strategic asset allocation (SAA)
- Gross Premium Valuation with PAD

Aflac Incorporated

Since 2017, we incorporated further liquidity stress testing into our cash flow testing analysis. When tested for all products combined with our aggregate Japan investment portfolio, we can withstand significant liquidity stress from first sector products. We reflect liquidity considerations in our risk limit framework. In addition, we perform a strategic asset allocation (SAA), which measures the economic value of our liabilities, and appropriately reflects economic surplus volatility.

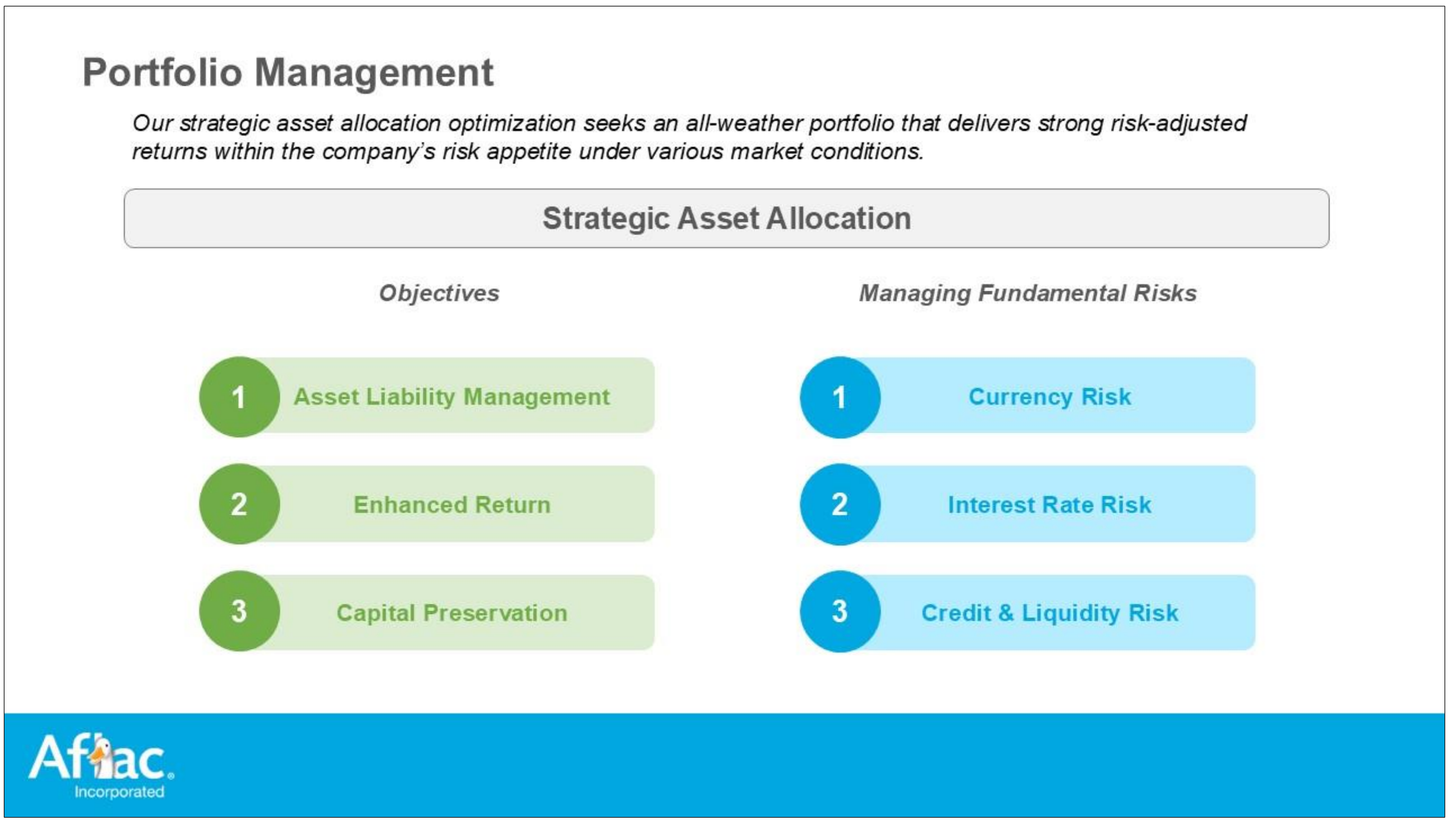
We are also employing our GPV analysis through an asset and liability management (ALM) lens to optimize the size of our unhedged U.S. dollar exposure in Japan. In the past, we targeted the size of our unhedged U.S. dollar investment portfolio in Japan relative to our U.S. GAAP equity. We have now progressed to more of an economic point of view. As part of our GPV analysis, we arrive at the best estimate yen liability and incorporate a reasonable PAD, which we match with yen assets. Any residual (assets) we view as surplus. The claim on this surplus resides with our shareholders, who ultimately want that returned in U.S. dollars. To minimize risk to shareholders, we aim to hold that surplus in U.S. dollars. In addition, we have a regulatory framework to which we must adhere, and we must stress test the surplus assets so that the volatility that they might introduce to FSA earnings and capital is within our risk tolerance. The resulting stressed U.S. dollar investment portfolio level becomes our target unhedged U.S. dollar exposure. The above is part of our overall program to protect the economic value of Aflac Japan in U.S. dollar terms and our shareholders' exposure to yen. This includes the aforementioned U.S. dollar exposure, as well as our yen debt and hedging program at Aflac Inc.

Finally, in terms of ALM mismatch and the impact of interest rates on our businesses, our liabilities are naturally less sensitive to interest rates due to the predominately inherent lack of cash values. Our U.S. business is fairly insensitive to changes in yields. In our Japan portfolio with its long duration liabilities, we have several factors which mitigate the impact of low future interest rates. First, our recent third sector products have been priced with interest rate expectations at 1% or less for expected returns. These products have significant forward positive cash flows to be invested in and are well positioned to achieve the yield expectations. The pricing margins and potential morbidity gains in these products significantly exceed the sensitivity to interest rates. For older third sector products with cash values, we have some sensitivity to future interest rates, which is offset by the existing portfolio's support.

Aflac Global Investments

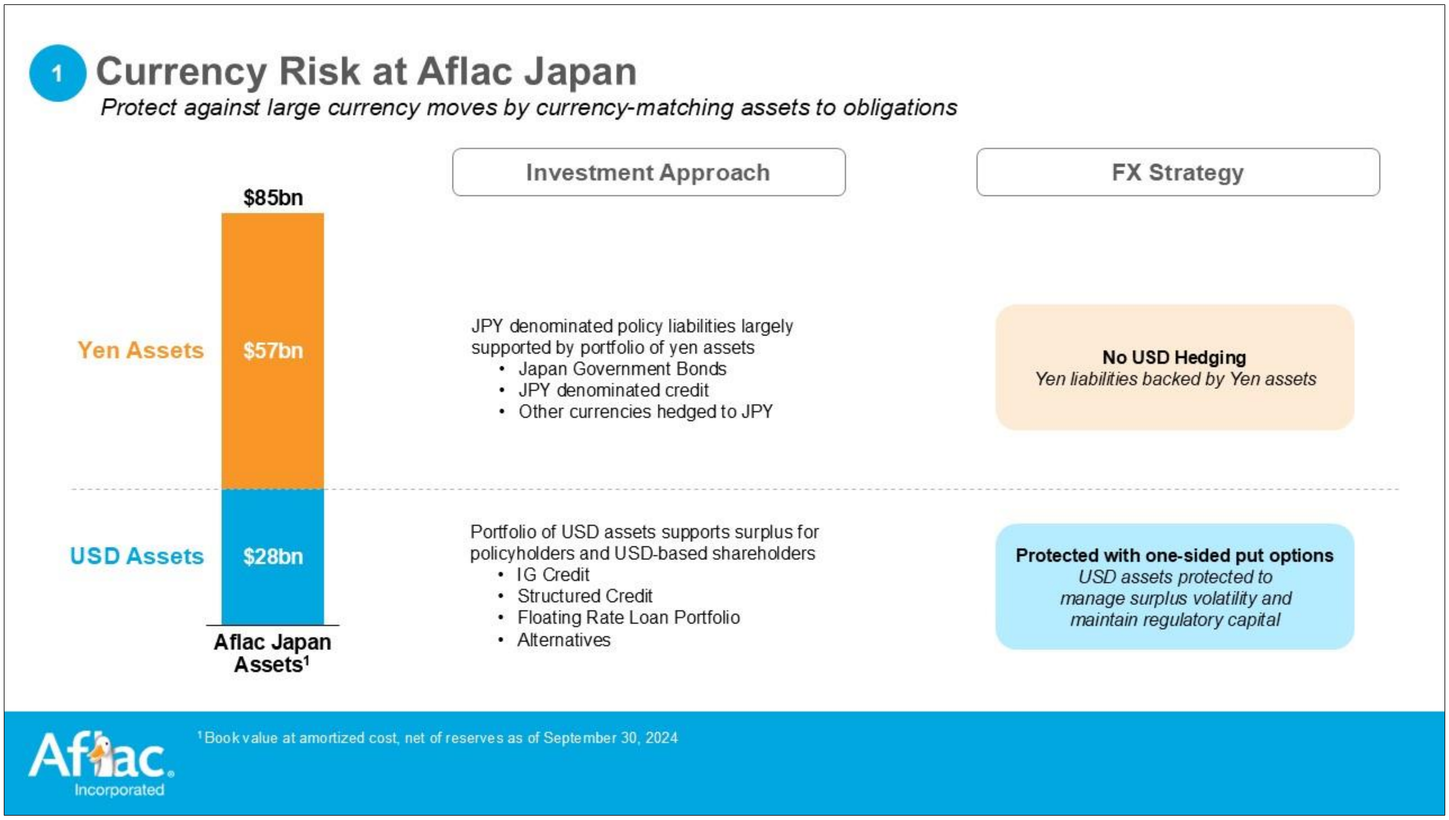
Bradley E. Dyslin
Executive Vice President, Global Chief Investment Officer; President, Aflac Global Investments

For my remarks today, I have chosen to focus on some of the main drivers of how we manage the portfolio. We have provided material outlining some important information including a snapshot of our key metrics, details on our new money allocation, and an update on our loan portfolios but my comments are geared towards providing more insight into our general approach to portfolio management.



Our goal is to create an all-weather portfolio that delivers strong risk-adjusted returns while withstanding the extremes of various market conditions. This includes the impact of credit cycles, different interest rate regimes, foreign currency changes, and general market volatility. We have an unbending focus on fundamental, security-level underwriting further supported by disciplined diversification at the security and asset class level. Capital preservation through strong risk management is a critical element of our culture.

Every three years we update our strategic asset allocation (or SAA) to account for refreshed capital market assumptions and specific Aflac objectives for capital, risk and liquidity. The SAA process provides the optimal asset allocation for maximizing our returns while protecting our strong economic capital levels. This year's updated SAA reinforces our core approach to managing currency, interest rate, credit and liquidity risks.



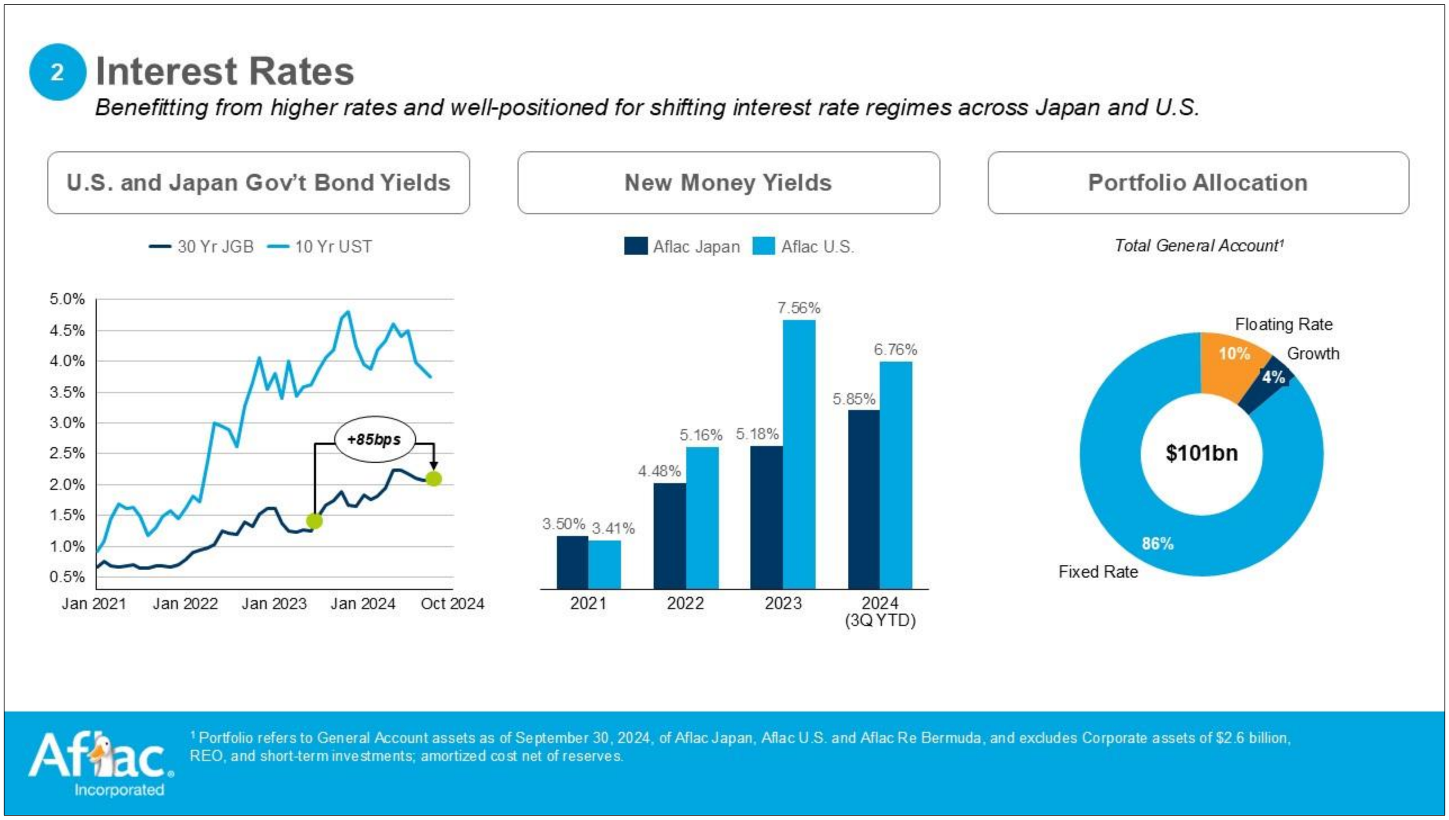
As you know, Aflac Japan is our largest portfolio. At approximately 80% of our total investment assets and over 70% of our consolidated net investment income, this creates some unique challenges as it relates to managing currency risk. Our approach is to manage the impact of currency moves by creating two sub-portfolios, each currency-matched against our obligations to both policyholders and shareholders, respectively.

At the top of our Aflac Japan portfolio capital stack is $57 billion of yen assets, which are primarily Japan government bonds and other yen-denominated assets, predominately investment grade credit. It may also include assets in other currencies hedged back to yen exposure such as U.S. dollar floating rate assets hedged with short-dated currency forwards. This portfolio supports the product reserves which represent the amounts due to policyholders over time. Our entire book of business is denominated in yen, so we back this liability with a portfolio of entirely yen assets.

The balance of our Aflac Japan portfolio is the company surplus, which backs our policyholder reserves and represents our equity claim on the Japanese business. This portfolio of U.S. dollar assets as we are a U.S.-based enterprise with shareholders expecting a U.S. dollar-based return. These assets are unhedged and are part of the broader Aflac efforts to minimize the impact of the yen and maintain U.S. dollar-based exposure to the economic value of Aflac Japan.

This U.S. dollar portfolio also represents the regulatory capital required to support the Japanese business. We protect the value of this U.S. dollar capital through derivative strategies. These derivative strategies have evolved over time, but today are represented by a relatively straightforward out-of-the-money put option strategy.

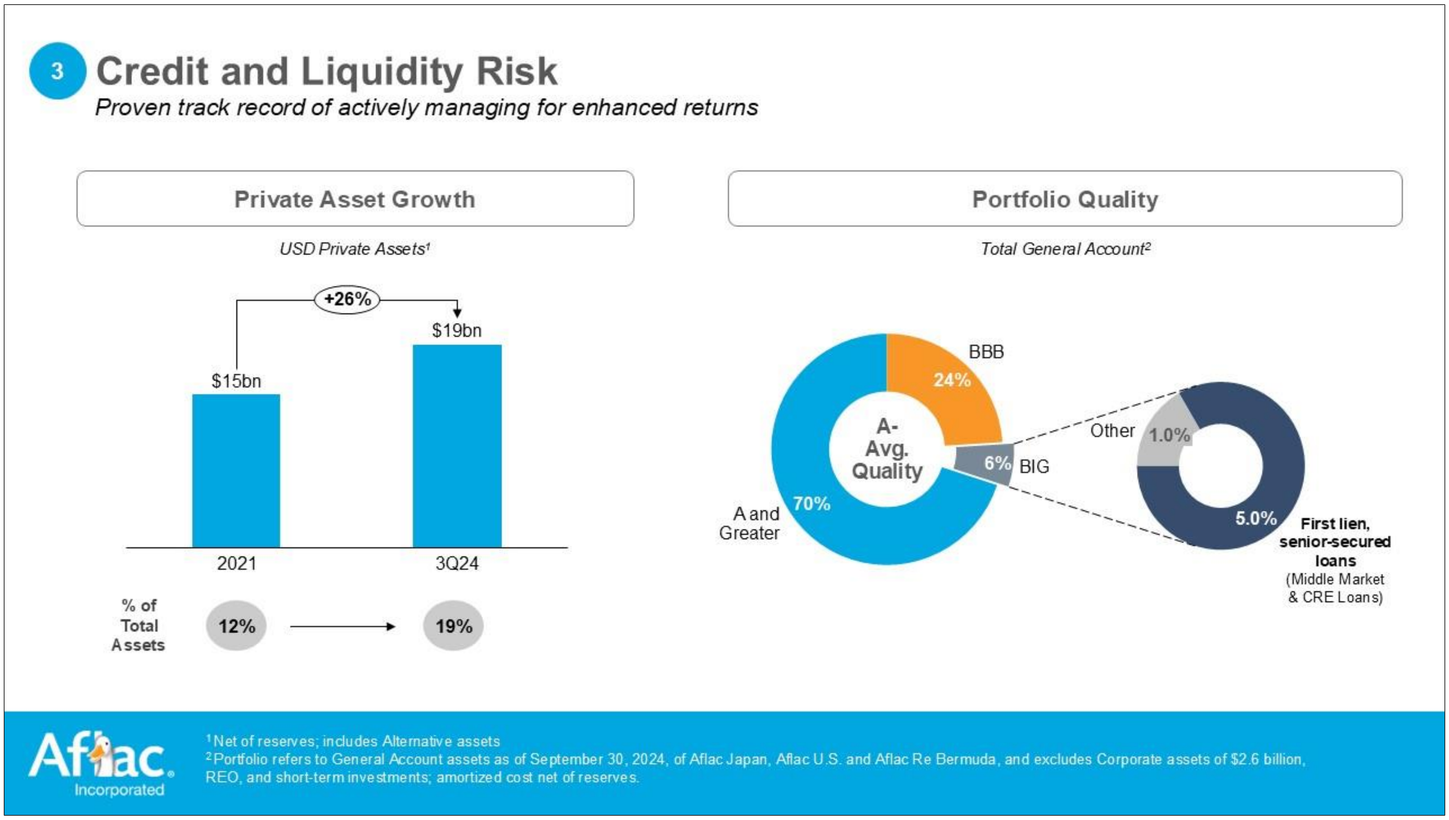
This option strategy does not hedge small moves, but provides cost-effective tail-risk capital protection against a weakening dollar. In 2023, prior to implementation of this option strategy, we spent $157 million protecting our U.S. dollar surplus portfolio; in 2024, that number will be closer to $27 million.



Shifting to interest rates, our SAA optimization process incorporates appropriate asset-liability management to ensure our capital levels remain strong regardless of the interest rate regime across both yen and U.S. dollar markets.

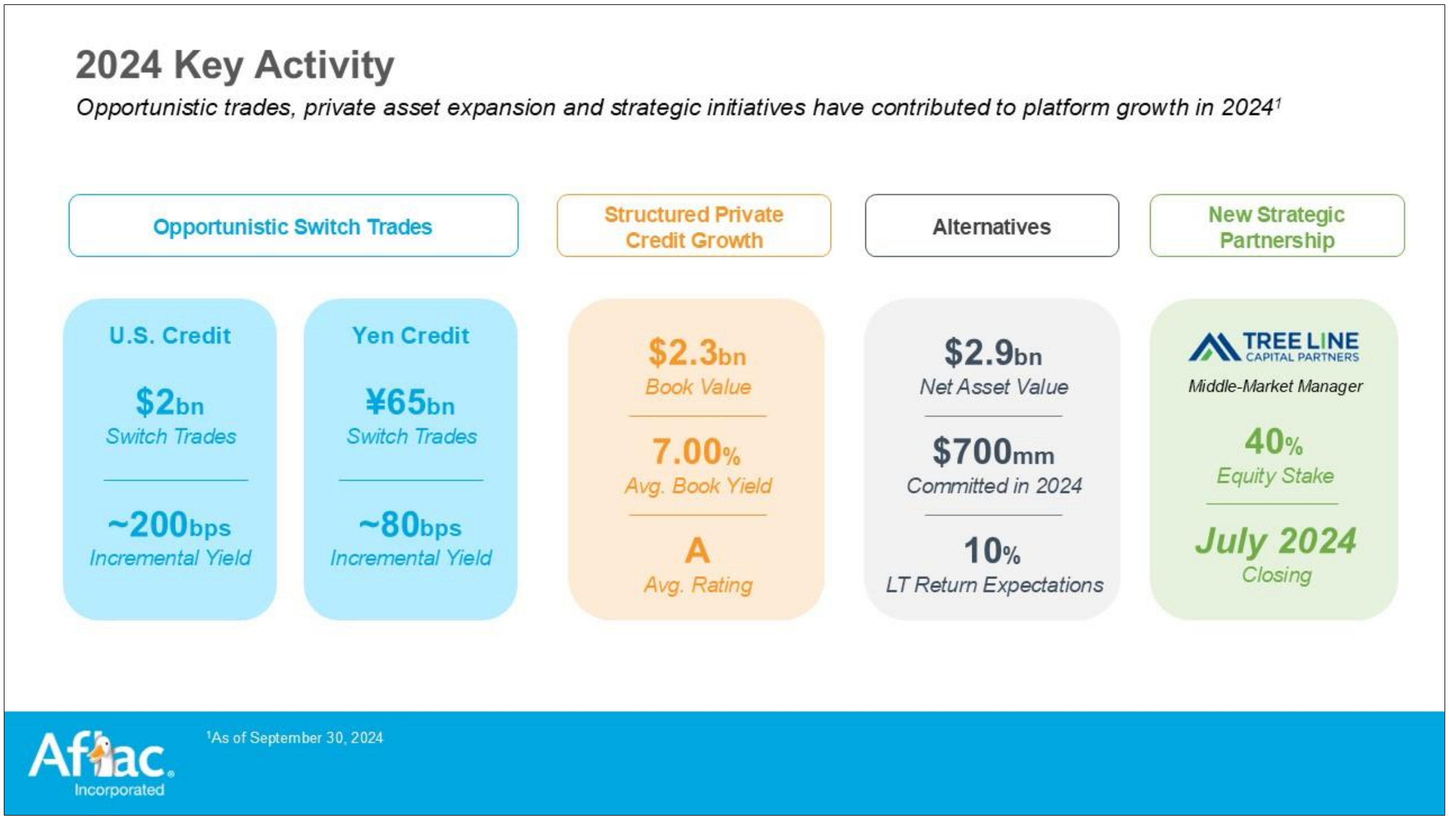
In Japan, for the first time in a generation, interest rates are rising. The yield on the 30-year Japanese Government Bond has increased nearly 85 basis points over the last 18 months, which is especially noteworthy considering this represents a more than 50% increase in the absolute level. As an active investor in the Japanese markets, we welcome the increase in yen yields. As a long-term investor, we can continue holding bonds with unrealized losses from rising rates.

We are also benefiting across the organization from U.S. dollar interest rates remaining at relatively high levels when compared to the last several years. Our U.S. dollar new money yields for both Aflac U.S. and Aflac Japan for 2023 and 2024 are significantly higher than the prior few years. While lower U.S. dollar interest rates from further Fed cuts will create a headwind, the overall impact to our net investment income should be manageable. Recall we have interest rate hedges on approximately 70% of our U.S. dollar floating rate portfolio, which provide protection against a big move lower in rates, and our portfolio consists of approximately 86% in fixed rate assets.



Our approach to asset liability management, as embedded in our SAA, seeks to protect our portfolio from large currency and interest rate moves, while our strong balance sheet and capital position allow us to embrace credit and liquidity risk, two areas where we have a proven track record of managing for enhanced returns. For the last several years, we have been actively increasing our allocation to private credit through both internally and externally managed asset classes including traditional private placements, direct middle market lending, structured credit and private equity.

We maintain a high-quality credit bias with 94% of our portfolio rated investment grade and an average portfolio rating of single-A. We continue seeking opportunities to swap our substantial JGB portfolio into yen-denominated credit for yield enhancement. Our primary outlet for below investment grade exposure is through a well-diversified portfolio of first lien senior secured loans supported by modest leverage and strong covenant packages. We are successfully managing through the worst commercial real estate downturn in decades, thanks to our disciplined approach to asset level underwriting and our ability to hold foreclosed assets through the cycle to maximize recoveries. Our overall loss rates remain at manageable levels.

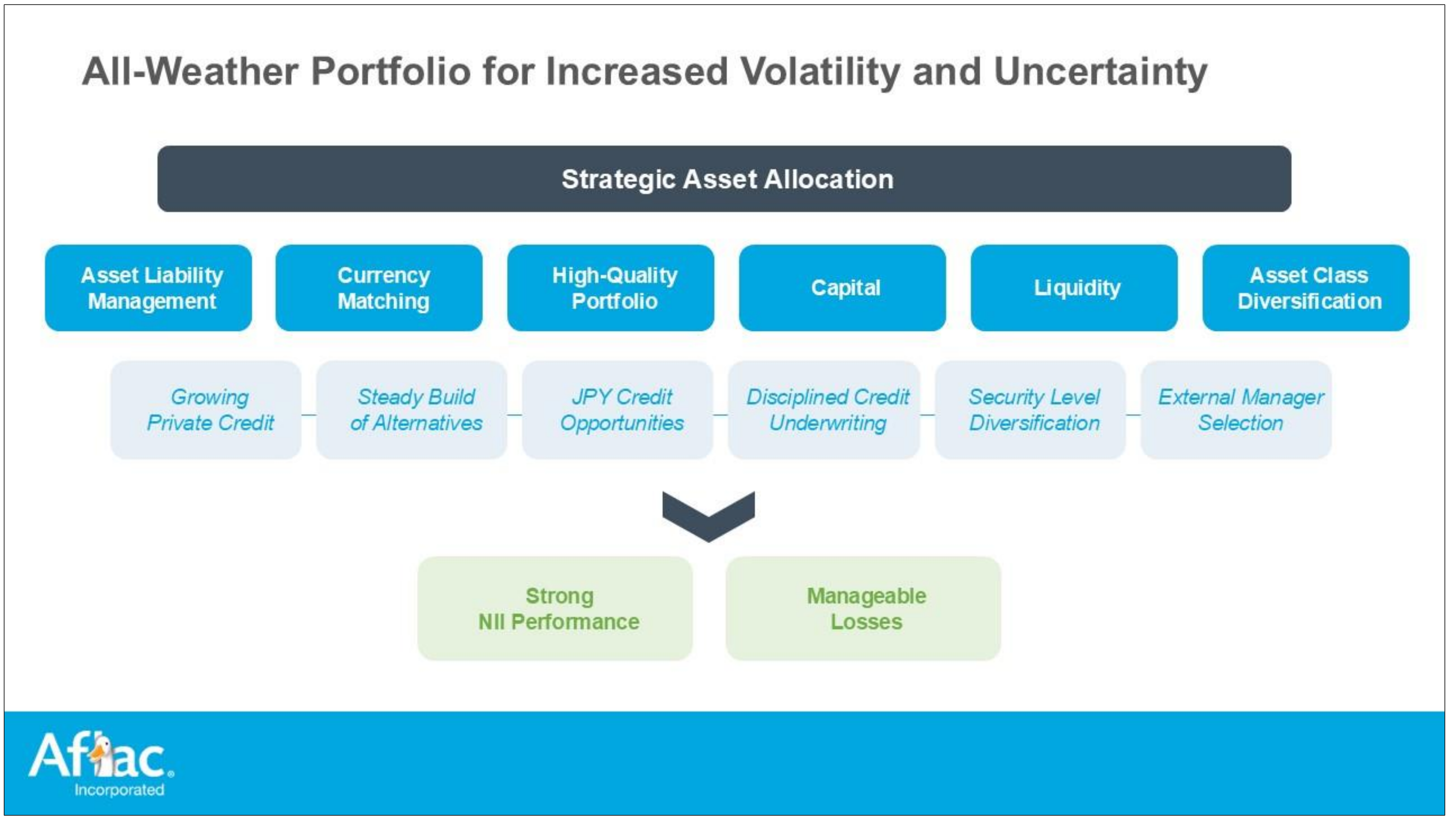


During 2024, our internal credit team completed a series of switch trades that repositioned $2.0 billion of public corporate bonds into higher rated holdings at yields approximately 200 basis points higher, adding over $40 million of annual net investment income while avoiding losses thanks to substantial currency gains. We repositioned ¥65 billion of JGBs into yen credit, adding approximately 80 basis points of incremental yield to our yen portfolio. Our internally managed structured private credit portfolio has grown to $2.3 billion with an average rating of single-A and a book yield of 7.0%, an incredible accomplishment in just three years.

In 2024 we continued our disciplined build of our alternatives portfolio, currently standing at $2.9 billion of net asset value. Our strategy is focused on private equity with a modest allocation to real estate equity. Year to date, our portfolio has posted a positive 6.1% total return. We remain committed to our expectation of 10% long-term results despite near-term volatility of returns.

Leveraging our external manager platform, in July we closed another strategic partnership focused on private assets. We purchased a 40% stake in Tree Line Capital, a direct lender focused on the lower middle market with a great track record who shares our strong credit culture. Tree Line joins our other strategic partnerships in commercial real estate lending with Sound Point Capital and in sustainable infrastructure with Denham Capital.

Credit underwriting is a core strength of our platform, and a risk that we actively manage. Our strong overall liquidity profile allows us to capture the incremental yields associated with private assets. We will continue to actively engage these two risk factors as a source of strong performance in our portfolio.



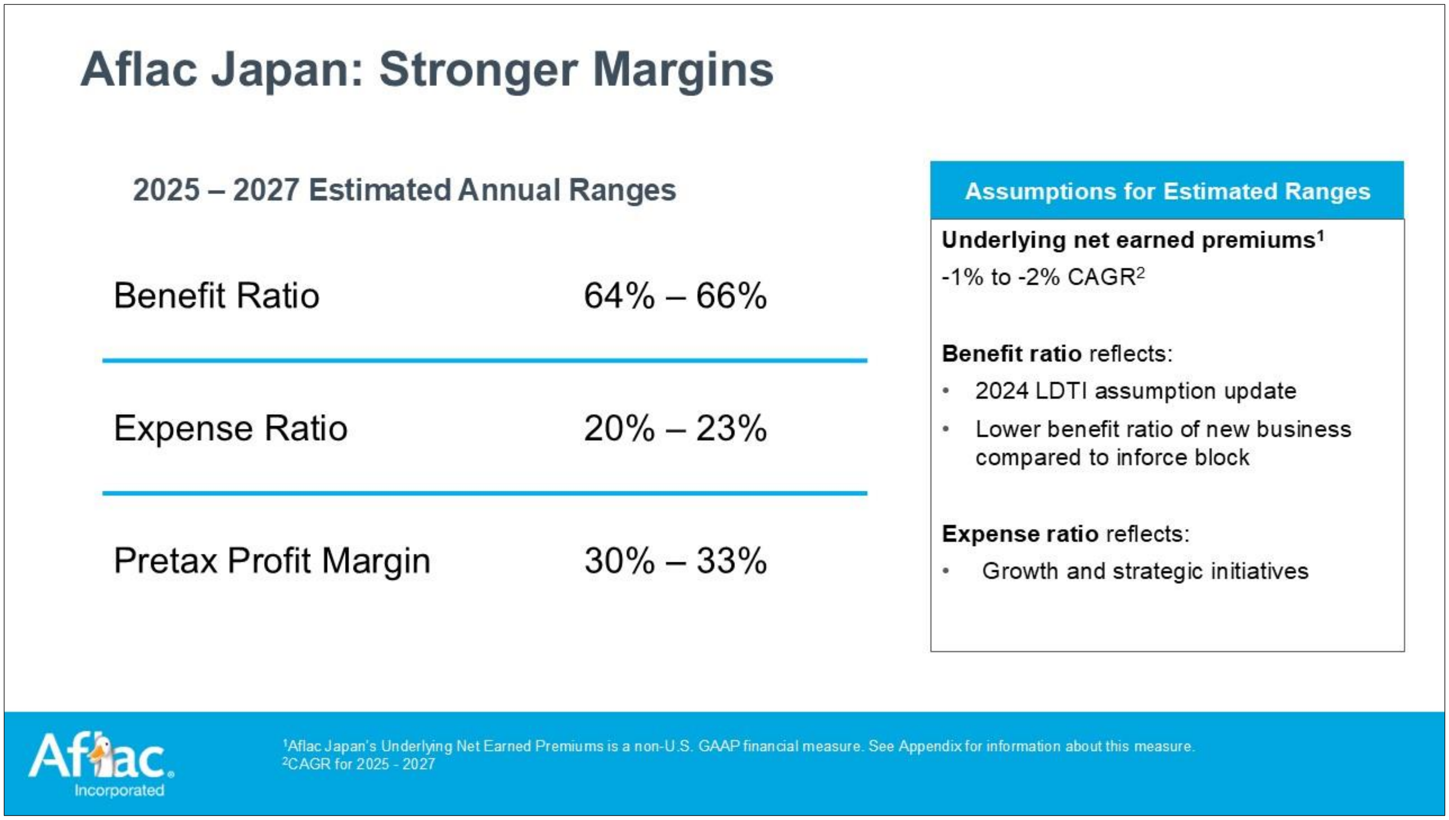
As a result of our disciplined approach to portfolio construction, our global portfolios continue to perform quite well in 2024 and are on track to post the highest adjusted net investment income in recent years. We are focused on maintaining a high-quality portfolio while growing our private assets to add incremental yield. Our disciplined underwriting has enabled us to weather the current commercial real estate cycle with very manageable losses, while our middle market loan portfolio continues to produce minimal credit losses. Over this last year, a period when the yen has been especially volatile, our capital levels remained strong from both a yen-denominated regulatory lens as well as a U.S. dollar shareholder perspective.

The updated SAA reinforces our strategy of protecting against significant moves in currency and interest rates, while embracing credit and liquidity risk, plus the benefits of a disciplined build of our alternatives portfolio.

Thanks to the hard work and dedication of our Global Investments' team, we continue to meet or exceed our investment targets while maintaining a high-quality portfolio consistent with Aflac investment objectives.

Financial Focus and Outlook
Max K. Brodén
Executive Vice President; Chief Financial Officer, Aflac Incorporated

In my section, I would like to lay out our near-term financial outlook as well as strategy going forward showcasing how we intend to grow economic value creation through a disciplined risk/reward framework. Specifically, I would like to address our approach to FX hedging and reinsurance through this lens.



Starting with Japan, Japan has been a solid performer in the last couple of years, experiencing higher pretax margins driven by diligent underwriting and improved expense efficiency. The recent combination of both lower benefit ratios and expense ratios means that we are now in a position to reinvest in growth initiatives – as can be seen by our recent launch of a new asset formation life insurance product *Tsumitasu*. This is also a function of improved investment returns as you heard from Brad – leading to both improved GAAP profitability and the ability to price products more competitively.

Relative to our FAB 2022 ranges, our underlying net earned premiums trajectory remains in negative territory as sales remain below inforce lapses. During the 2025 to 2027 forecast period, we expect sequential improvement in this trajectory, but it will remain in the range of negative 1% to 2% when you exclude the impact of certain variables such as internal reinsurance and limited-pay products reaching paid-up status and the deferred profit liability reclassification.

The benefit ratio range continues to trend lower as favorable experience has been reflected in a lower net premium ratio and an increased proportion of our inforce is third sector policies carrying a lower benefit ratio. We do expect our expense ratio range to trend up slightly as we have launched a series of initiatives to drive higher sales volumes. The stringent expense discipline in Japan has now taken us to a level where these investments make sense. Long term, we expect these initiatives will drive higher sales volumes and lower unit cost assumptions for new business pricing, thereby advancing our competitiveness. We firmly believe that in the long run, the lowest cost producers win in our business.

Pretax margin range is improving as a function of lower benefit ratios, while being partially offset by the slightly higher expense ratio. The 30% to 33% level is very strong profitability, striking a good balance between both enjoying very high inforce margins while also increasing investments for future growth. I should add that all ratios assume no unlock of future LDTI assumptions. To sum up – Japan is hard at work getting back to growth, while also preserving the solid inforce margins as well as FSA earnings and cash flow.

Aflac U.S. Scaling Up and Stable Margins

2025 – 2027 Estimated Annual Ranges

Benefit Ratio	48% – 52%
Expense Ratio	36% – 39%
Pretax Profit Margin	17% – 20%

Assumptions for Estimated Ranges

Net earned premiums +3% to 6% CAGR[1]

Benefit ratio reflects:

- Gradual upward pressure from new lines of business and enhancing value to policyholders

Expense ratio reflects:

- Scaling up Aflac Dental & Vision and Group Life & Disability and Consumer Markets
- Efficiency gains

[1]CAGR for 2025 - 2027

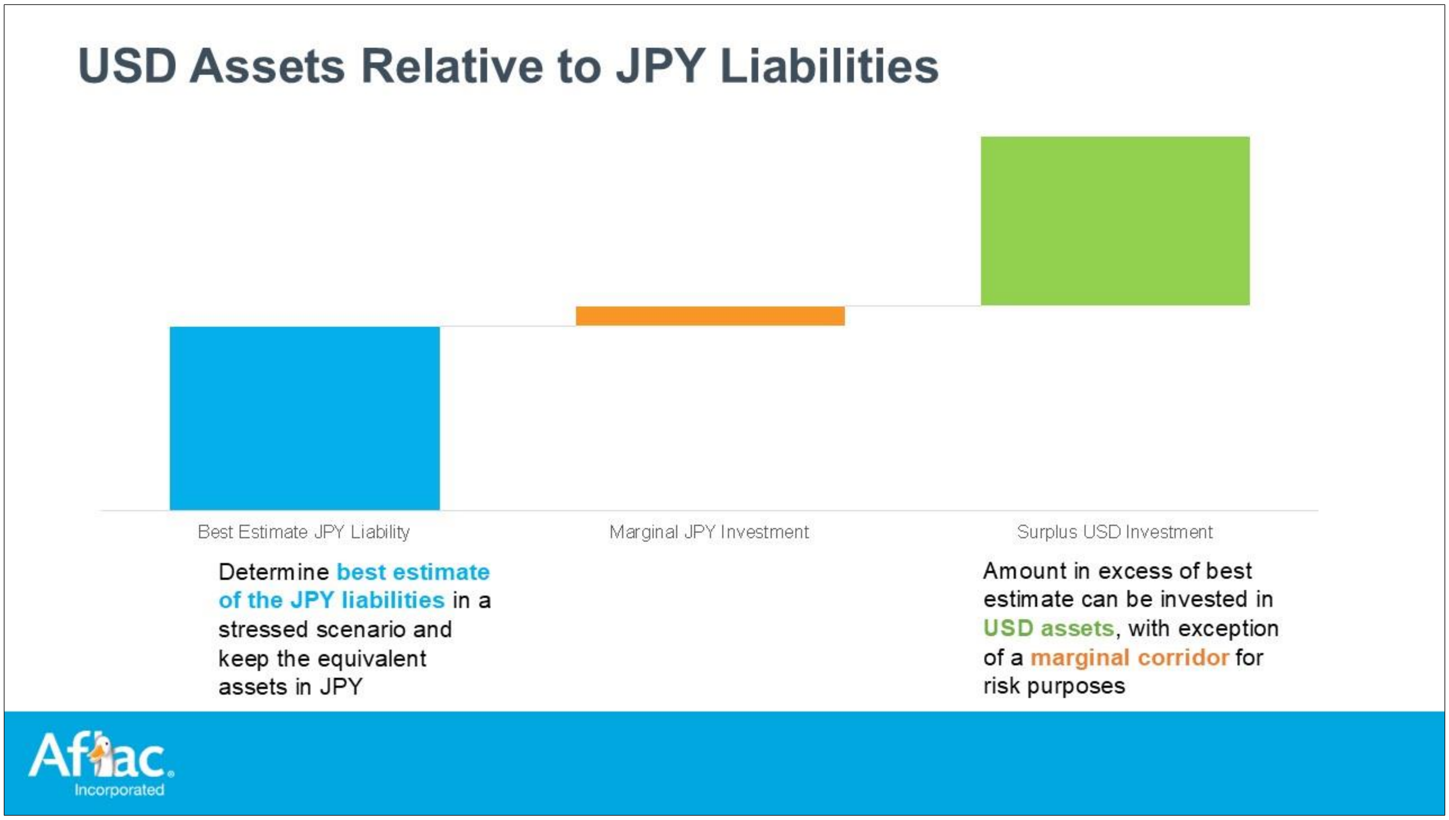
Aflac Incorporated

In the U.S., the COVID years were challenging for our new business franchise, while the financials remained solid, driven by low claims utilization. As we look forward, we see some reversal of these trends, as clearly outlined in Virgil's presentation.

With platforms, products and customer solutions now in a stronger position, we anticipate this to be reflected in a slightly improved net premiums trajectory. This trajectory is especially driven by Group Life and Disability. Subsequently, Group Life and Disability will impact all of these ratios as it becomes a greater proportion of our inforce and flows through our financial statements.

The higher benefit ratio is a combination of our efforts to improve the value proposition of several voluntary benefits products through benefit enhancements as well as endorsements of existing benefits, and the growing presence of higher benefit ratio lines in our inforce product portfolio.

The expense ratio outlook reflects both platforms getting closer to scale as well as mix. This means that we would expect a downward trend throughout the forecast period. Pretax margins remain stable as the higher benefit ratios are mostly offset by lower expense ratios.



Next I would like to address a topic that is very near and dear to my heart and sits right at the very epicenter of managing risk and reward for a company trading in USD, but with an income statement and balance sheet predominantly denominated in yen.

To begin with, we fundamentally would like to limit FX risk as much as possible, as it makes the company easier to manage, lowers risk and reduces the cost of equity capital. We take an economic approach while protecting our capital base as different accounting and capital regimes can entail scenarios give very undesirable outcomes. I think this is a lesson our industry has learned the hard way over the years.

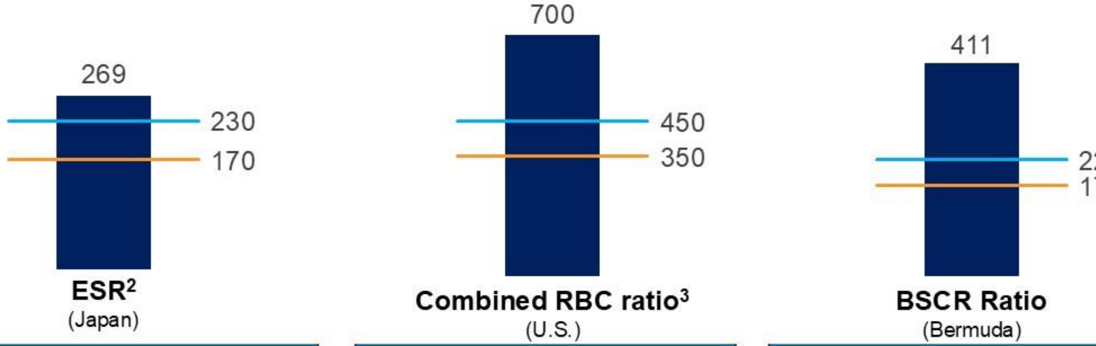
As we look at the Aflac Japan balance sheet – we begin by actuarially establishing the best estimate liability, or BEL. For the BEL, it's the present value of benefits and expenses that we expect to pay out on our policies netted against the present value of future premiums. This liability we will always match with yen assets – anything else would be currency speculation, which we would not accept.

On top of this, we establish a margin for error – recognizing that we are dealing with estimates of long duration liabilities based on many assumptions. This margin we also hold in yen assets. Any assets above the BEL and the margin for error – we do not anticipate to pay out in claims to policyholders, and we therefore consider these as surplus assets that we expect over time will flow up to the parent in the form of dividends. As Aflac Incorporated trades in USD, holding this surplus in yen would create a currency risk for the shareholder. So in order to reduce this currency risk to the shareholder, we hold this surplus in USD. We believe that this means that holding USD assets on our Japan balance sheet is predominantly a risk reduction exercise to the shareholder with the very nice outcome of higher income if USD rates are higher than JPY rates.

There is no free lunch, though, and as Brad outlined – holding USD assets on the Aflac Japan balance sheet introduces risk and volatility to our ESR. So through a pure Aflac Japan lens, we use put options to reduce the impact of currency risk on our ESR in line with our risk appetite. To further improve the risk/reward of our Enterprise currency hedging program, we have in recent years begun the use of FX forwards at the Aflac Incorporated as well as issuing debt denominated in yen. At the end of Q3 of this year, our total program was made up by \$27.7 billion of USD assets on the Japan balance sheet, \$1.9 billion of FX forwards at Aflac Incorporated. and \$4.6 billion of JPY denominated debt issued at Inc. We use these three tools to both calibrate the total level of the program and also use the tool with the best risk-adjusted return on capital (RAROC) to optimize the risk/reward of the total program.

Again, the intent is to reduce the economic impact to Aflac Incorporated from FX risk, and therefore reducing the cost of equity capital improving shareholder value creation.

Capital Ratios, Target Ranges and Sensitivities[1]



Sensitivity	
JPY interest rates -10bps	-3
JPY interest rates +10bps	+3
USD interest rates +10bps	-1
JPY strengthens +10 ¥/$	-14
Credit spreads +10bps	-1

Sensitivity	
Rating migration -20%[4]	-25
Credit default 50bps	-3
U.S. equity -10%	-4

Sensitivity	
JPY interest rates -10bps	-18
JPY interest rates +10bps	+16
USD interest rates +10bps	-15
JPY strengthens +10 ¥/$	-23
Credit spreads +10bps	-22

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[1]Ratios and sensitivities as of September 30, 2024; sensitivities represent the percentage point movement related to the change in relevant variables
[2]Regulatory ESR with undertaking-specific parameter (USP); sensitivities produced by internal model result in a slightly more conservative outcome, i.e., a greater sensitivity to all variables shown, especially the change in yen, credit spreads and interest rates
[3]Combined RBC ratio is the aggregated ratio of four subsidiaries: American Family Life Assurance Company of Columbus; Continental American Insurance Company; American Family Life Assurance Company of New York; and Tier One Insurance Company
[4]Represents stress of migrating 20% of the investment portfolio downward ~2 notches on average

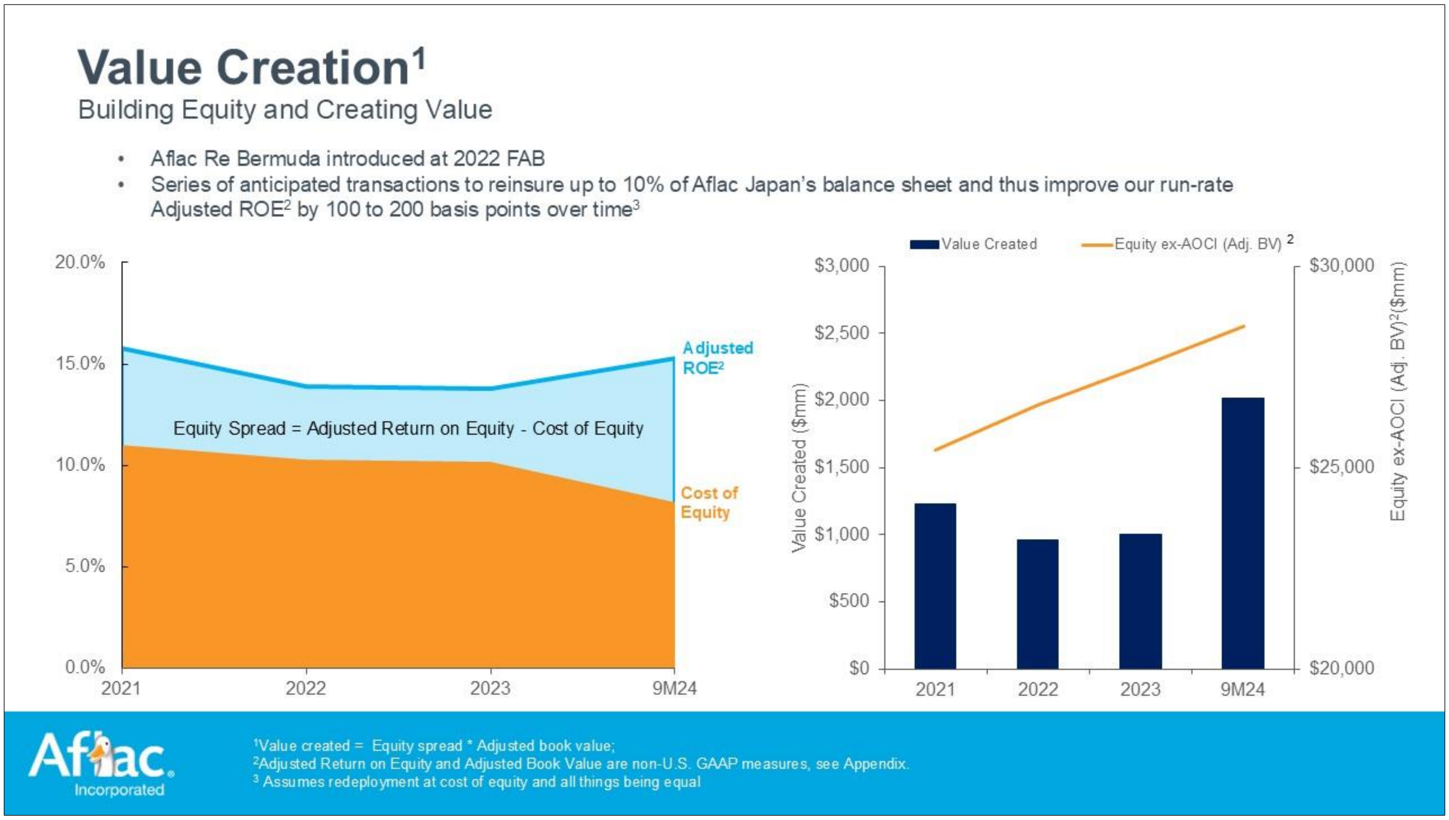
With the introduction of ESR, we have gone through an exercise to recalibrate our target operating ratios to both our risk appetite, as well as the capital toolkits we have built to support our capital base and ratios in times of stress.

As you can see on this slide, we are operating with ratios above these ranges as a function of the COVID years, which caused significant capital build through low claims utilization that drove above trend statutory results, as well as low new business strain. Going forward, we intend to drive these ratios down into our declared target ranges through the use of both subsidiary dividends and greater new business strain from the growth initiatives laid out in the business sections.

As Japan is by far the largest balance sheet, I would like to point out that the first official filing for ESR with the FSA is March 31, 2026. The ESR is the metric we believe is most relevant for dividend decisions in Japan. As of right now, our ESR is approximately 269%, which is slightly higher than our targeted range.

In the U.S., we are taking actions to reduce RBC volatility of our Group company, CAIC, reinsuring the inforce internally to our larger Aflac Columbus entity. This, in combination with additional Q1 2025 statutory dividends to Aflac Incorporated, will lead to a reduction in combined RBC. We expect this dividend to bring the ratio below 600%.

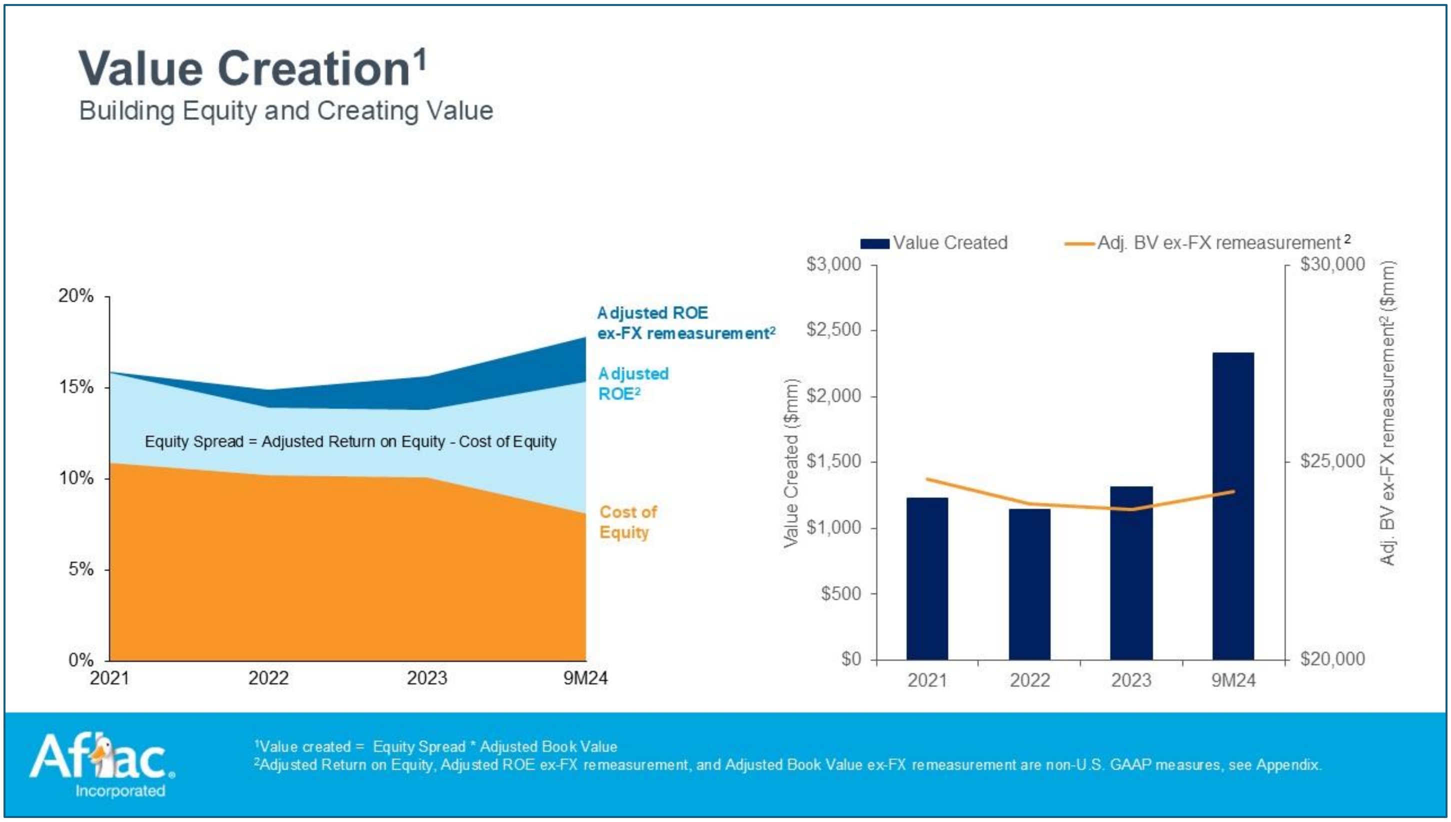
The BSCR for Aflac Re Bermuda remains very strong, which in combination with very significant inforce capital generation, means that we are in an excellent position to manage both inforce growth and any capital markets volatility.



Now it is time to show my favorite slide of all the slides we have in the deck – showing the spread or value creation that we believe Aflac has generated for its shareholders. This is how everything we do comes together in one slide, capturing both earnings and capital as well as the risks we take generating it.

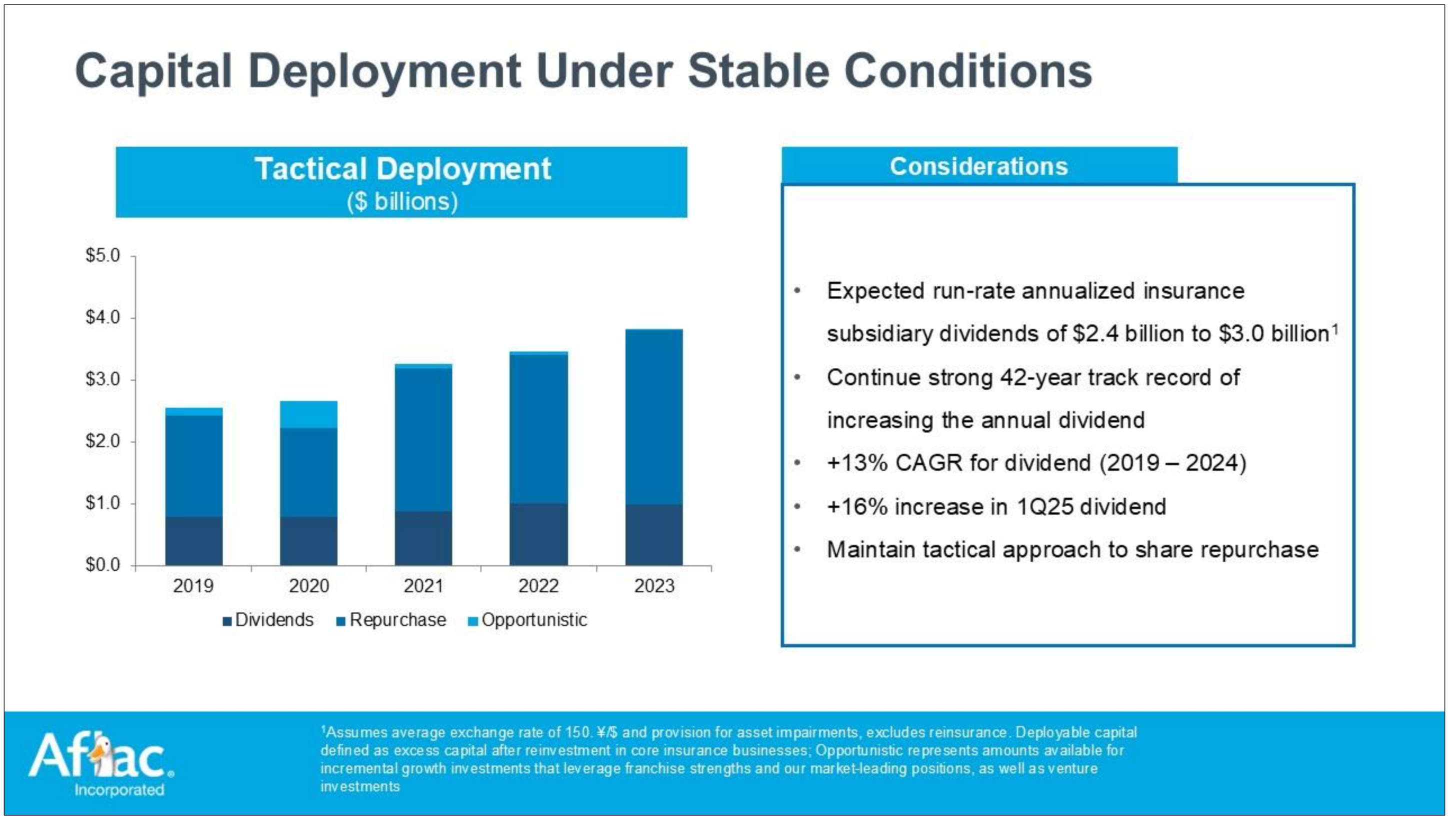
While our adjusted ROE has been quite stable, cost of equity has fluctuated during the COVID years, and 2024 year to date has seen very strong value spread, which I am quite proud of. Under U.S. GAAP, the weakening yen has significantly boosted our reported shareholders' equity through FX remeasurements gains on USD assets held in Japan. The functional currency of Aflac Japan is yen, so in yen terms, the weakening yen relative to the dollar has created gains in yen. When these gains are consolidated, they boosted retained earnings and shareholders equity, which ultimately lowered the ROE as reported.

Two years ago, we announced our internal reinsurance strategy outlining how we intended to execute a series of transactions to drive reduced risk, better balance sheet efficiency and ultimately a higher ROE for the group. Since then, we have executed three transactions between Aflac Japan and Aflac Re Bermuda, as well as a novation of a block previously ceded to a third party. As you see on this slide, our ROE has sloped upward, and an important driver to this has been the realization of this strategy. We estimate that we have already achieved the 100 to 200 basis points run rate ROE enhancement outlined at our 2022 Financial Analysts Briefing. Going forward, we still think it is reasonable to expect us to cede about 10% of Aflac Japan U.S. GAAP assets to Aflac Re Bermuda over time, with approximately 6% done to date.



To better reflect the performance of the business, we intend to introduce an additional view of ROE holding both the numerator and denominator at constant FX that better demonstrates the business performance excluding FX. On this basis, you can see how we have further improved the ROE over the last couple of years, which is predominantly driven by the executed reinsurance transactions and subsequent, achieved balance sheet efficiency improvements.

This is an additional metric that we believe will help in analyzing and evaluating business performance as well as management execution.



With strong subsidiary dividends, especially from Japan, as a result of reinsurance transactions – we have enjoyed increased capital deployment of late, resulting in greater ROE overall. As we look forward, taking into consideration earnings as well as new business strain outlook, we would expect run-rate annualized subsidiary dividends to be in the range of $2.4 to $3 billion. The lower end of this range is slightly lower than previously guided at our 2022 Financial Analysts Briefing, which is a function of the weaker yen, when translating FSA earnings and expected dividends into USD. This range excludes any management actions around reinsurance, any special dividends driven by rightsizing of capital ratios or any debt issuance.

We are proud of our shareholder dividend track record of increasing the dividend uninterrupted for 42 years, including last night's announcement of a 16% increase for the Q1 2025 dividend to $0.58 per share. This is a testament to both the stability of our business model and risk management in executing our financial strategy.

To sum it up, we have cleared the corner post COVID. Now, we see further investments in growth ahead of us, supported by strong financial discipline and solid capital management driving a very significant spread to our cost of capital.

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Appendix

Glossary of Non-U.S. GAAP Measures

The company defines the non-U.S. GAAP financial measures as follows:

- Adjusted earnings are adjusted revenues less benefits and adjusted expenses. Adjusted earnings per share (basic or diluted) are the adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. The adjustments to both revenues and expenses account for certain items that are outside of management's control because they tend to be driven by general economic conditions and events or are related to infrequent activities not directly associated with insurance operations. Adjusted revenues are U.S. GAAP total revenues excluding adjusted net investment gains and losses. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest from derivatives associated with notes payable but excluding any non-recurring or other items not associated with the normal course of the Company's insurance operations and that do not reflect the Company's underlying business performance. Management uses adjusted earnings and adjusted earnings per diluted share to evaluate the financial performance of the Company's insurance operations on a consolidated basis and believes that a presentation of these financial measures is vitally important to an understanding of the underlying profitability drivers and trends of the Company's insurance business. The most comparable U.S. GAAP financial measures for adjusted earnings and adjusted earnings per share (basic or diluted) are net earnings and net earnings per share, respectively.

- Adjusted return on equity is annualized adjusted earnings divided by average shareholders' equity, excluding accumulated other comprehensive income (AOCI). Management uses adjusted return on equity to evaluate the financial performance of the Company's insurance operations on a consolidated basis and believes that a presentation of this financial measure is vitally important to an understanding of the underlying profitability drivers and trends of the Company's insurance business. The Company considers adjusted return on equity important as it excludes components of AOCI, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity is return on average equity (ROE) as determined using annualized net earnings and average total shareholders' equity.

- Adjusted return on equity excluding foreign currency remeasurement is annualized adjusted earnings divided by average shareholders' equity, excluding both AOCI and the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The Company considers adjusted return on equity excluding foreign currency remeasurement important because it excludes both AOCI and the cumulative foreign currency remeasurement gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity excluding foreign currency remeasurement is return on average equity (ROE) as determined using annualized net earnings and average total shareholders' equity.

- Amortized hedge costs/income represent costs/income incurred or recognized as a result of using foreign currency derivatives to hedge certain foreign exchange risks in the Company's Japan segment or in Corporate and other. These amortized hedge costs/income are estimated at the inception of the derivatives based on the specific terms of each contract and are recognized on a straight-line basis over the contractual term of the derivative. The Company believes that amortized hedge costs/income measure the periodic currency risk management costs/income related to hedging certain foreign currency exchange risks and are an important component of net investment income. There is no comparable U.S. GAAP financial measure for amortized hedge costs/income.

- Adjusted book value is the U.S. GAAP book value (representing total shareholders' equity), less AOCI as recorded on the U.S. GAAP balance sheet. Adjusted book value per common share is adjusted book value at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value and adjusted book value per common share important as they exclude AOCI, which fluctuates due to market movements that are outside management's control. The most comparable U.S. GAAP financial measures for adjusted book value and adjusted book value per common share are total book value and total book value per common share, respectively.

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Glossary of Non-U.S. GAAP Measures

- Adjusted book value excluding foreign currency remeasurement is the U.S. GAAP book value (representing total shareholders' equity), less AOCI as recorded on the U.S. GAAP balance sheet and excluding the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. Adjusted book value excluding foreign currency remeasurement per common share is adjusted book value excluding foreign currency remeasurement at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share important as they exclude both AOCI and the cumulative foreign currency remeasurement gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measures for adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share are total book value and total book value per common share, respectively.
- Aflac Japan's underlying net earned premiums is a measure that adjusts Aflac Japan's net earned premiums under U.S. GAAP for significant variables including the increase in paid-up policies, the change in deferred profit liability (DPL) on limited payment contracts and the ceded premiums that are part of the Company's internal reinsurance strategy initiated in January 2023. The most comparable U.S. GAAP measure is net earned premiums. The Company feels this measure is useful for investors to understand the impacts these items have on Aflac Japan's net earned premiums. In reliance on the "unreasonable efforts" exception in Item 10(e)(1)(i)(B) of SEC Regulation S-K, a quantitative reconciliation to the most comparable U.S. GAAP measure is not provided for this financial measure as forecasted. Forward-looking information with regard to the most comparable U.S. GAAP financial measure, net earned premium, is not available without unreasonable effort. This is due to the unpredictable and uncontrollable nature of the reconciling items, which would require an unreasonable effort to forecast and we believe would result in such a broad range of projected values that would not be meaningful to investors. For this reason, we believe that the probable significance of such information is low.

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Reconciliation of U.S. GAAP Return on Equity (ROE) to Adjusted ROE Excluding Foreign Currency Remeasurement

	2024 (YTD September 30, 2024)	2023	2022	2021[4]
U.S. GAAP ROE[1]	20.2%	22.1 %	23.8 %	26.7 %
Impact of excluding unrealized foreign currency translation gains (losses)	(2.9)%	(3.1)%	(2.5)%	(1.7)%
Impact of excluding unrealized gains (losses) on securities and derivatives	0.6 %	0.2 %	4.1 %	10.7 %
Impact of excluding effect on change in discount rate	(0.9)%	(1.9)%	(8.2)%	(18.5)%
Impact of excluding pension liability adjustment	—	—	(0.1)%	(0.2)%
Impact of excluding AOCI	(3.3) %	(4.9)%	(6.8) %	(9.7) %
U.S. GAAP ROE - less AOCI	16.9 %	17.2 %	17.0 %	17.0 %
Differences between adjusted & net earnings[2]	(1.6)%	(3.4) %	(3.1)%	(1.2) %
Adjusted ROE – reported	15.3 %	13.8 %	13.9 %	15.8 %
Impact of excluding gains (losses) of associated foreign currency remeasurement[3]	2.5 %	1.8 %	1.0%	0.1 %
Adjusted ROE, excluding foreign currency remeasurement[3]	17.8 %	15.6 %	14.9 %	15.9 %

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[1] U.S. GAAP ROE is calculated by dividing net earnings (annualized) by average shareholders' equity.
[2] See separate reconciliation of net income to adjusted earnings.
[3] Impact of gains/losses associated with foreign currency remeasurement is calculated by excluding the cumulative (beginning January 1, 2021) foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The impact is the difference of adjusted return on equity - reported compared with adjusted return on equity, excluding, from shareholders' equity, gains/losses associated with foreign currency remeasurement.
[4] Return on equity calculation for 2021 use beginning retained earnings and accumulated other comprehensive income adjusted for adoption of LDTI.

Reconciliation of U.S. GAAP Equity to Adjusted Book Value and Adjusted Book Value Excluding Foreign Currency Remeasurement[1]

(in $ millions)	2024 (YTD September 30, 2024)	2023	2022	2021
U.S. GAAP Equity[1]	24,830	21,985	20,140	17,031
Items impacting U.S. GAAP book value:				
Unrealized foreign currency losses	(4,139)	(4,069)	(3,564)	(1,985)
Unrealized gains(losses) on securities and derivatives	537	1,117	(729)	9,572
Effect of changes in discount rate assumptions	(67)	(2,560)	(2,100)	(15,832)
Pension liability adjustment	(8)	(8)	(36)	(166)
Accumulated other comprehensive income (AOCI)	(3,677)	(5,520)	(6,429)	(8,411)
U.S. GAAP Equity - less AOCI (Adjusted BV)	28,507	27,505	26,569	25,442
Foreign currency remeasurement gains (losses)	4,228	3,700	2,614	850
Adjusted book value, excluding foreign currency remeasurement	24,279	23,805	23,955	24,592

[1]See non-U.S. GAAP financial measures for definition of adjusted book value and adjusted book value excluding foreign currency remeasurement.

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Reconciliation of Net Earnings to Adjusted Earnings

Nine months ended September 30 in millions of Dollars

(in $ millions)	2024	2023	% Change
Net earnings	$3,541	$4,391	(19.4)%
Items impacting net earnings:			
Adjusted net investment (gains) losses	(411)	(1,363)	
Other and non-recurring (income) loss	1	(38)	
Income tax (benefit) expense on			
Items excluded from adjusted earnings	76	12	
Adjusted earnings	$3,207	$3,001	6.9%
Current period foreign currency impact[1]	97	N/A	
Adjusted earnings excluding current period foreign currency impact[2]	$3,304	$3,001	10.1%

[1]Prior period foreign currency impact reflected as "N/A" to isolate change for current period only.
[2]Amounts excluding current period foreign currency impact are computed using the average foreign currency exchange rate for the comparable prior year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes.

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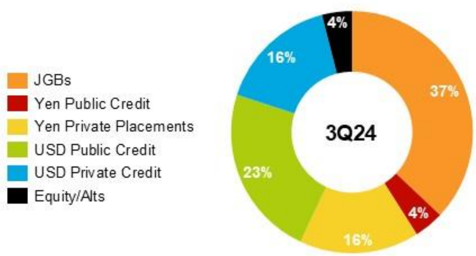
Portfolio Overview

As of 9/30/2024

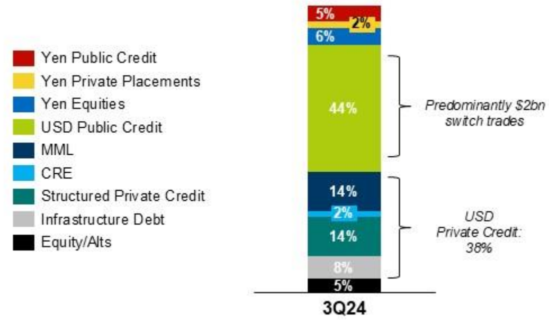
Portfolio Asset Allocation

Total General Account[1]



Book Value	**$100.8 billion**
Duration	9.4 years
Book Yield	3.6%
Quality	A-

New Money Asset Allocation



New Money	**$5.5bn**
New Money Yield	6.00%
USD- Denominated	6.67%
Yen- Denominated	2.03%

[1] Portfolio refers to General Account assets of Aflac Japan, Aflac U.S. and Aflac Re Bermuda, and excludes Corporate assets of $2.6bn, REO, and short-term investments; amortized cost net of reserves.

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Commercial Real Estate Loan Portfolio

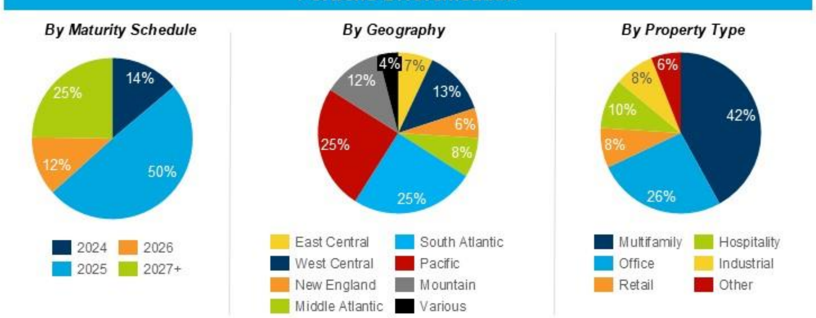
As of 9/30/2024

Portfolio Statistics

	TRE	CML	Total
Net Book Value	$5.3 bn	$1.5 bn	$6.8 bn
Book Yield	8.84%	3.43%	7.61%
Wtd. Avg. Spread	350 bps	151 bps	305 bps
Average LTV	68%	50%	64%
Average Loan Rating	BBB-	A+	BBB
Unique Issuers	124	83	207
Largest Commitment	$177 mm	$62 mm	$177 mm
Avg. Commitment	$48 mm	$19 mm	$41 mm

Property Type	LTV			Occupancy		
	TRE	CML	Total	TRE	CML	Total
Multifamily	73%	49%	68%	89%	94%	90%
Office	64%	52%	61%	62%	79%	65%
Retail	58%	51%	55%	86%	99%	91%
Hospitality	68%	N/A	68%	67%	N/A	67%
Industrial	65%	49%	52%	57%	99%	90%
Other	60%	65%	61%	64%	100%	65%

Portfolio Diversification



Commercial Mortgage Loan (CML) Portfolio

- Portfolio consists of longer-term financing on stabilized properties
- High-quality portfolio of first lien loans with an average A+ equivalent rating

Transitional Real Estate (TRE) Portfolio

- First lien, senior secured loans diversified by property type and location
- Floating rate TRE loans supported by conservatively underwritten and monitored business plans and sponsors
- Total of sixteen foreclosed properties with a carrying value of $645mm

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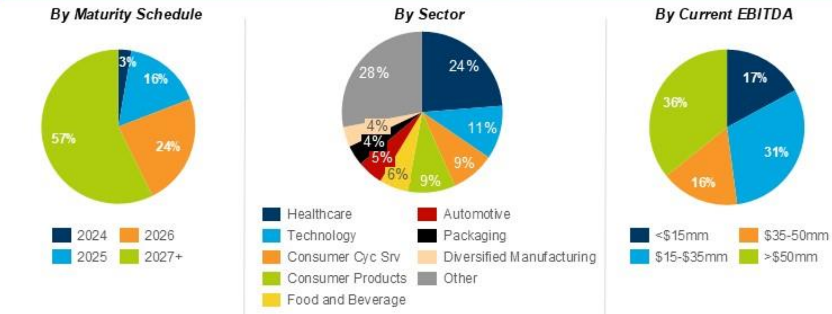
Middle Market Loan Portfolio

As of 9/30/2024

Portfolio Statistics	
Net Book Value	$4.4bn
Book Yield	10.75%
Wtd. Avg. Spread	552bps
Average Senior Leverage	5.1x
Average Loan Rating	B+
Unique Issuers	298
Largest Commitment	$36mm
Avg. Commitment	$16mm

Portfolio Diversification



Note: Other comprises 23 sectors, of which 16 have ≤1% exposure

Current Senior Leverage	% of Total (by Book Value)	Average Rating
<4.0x	28%	BB-
4.0x - 5.0x	28%	BB-
5.0x - 5.75x	16%	B+
>5.75x	28%	B+

- Defensively underwritten and monitored first lien, senior secured floating rate MML portfolio with strong covenants
- Focus on non-cyclical sectors and durable businesses
- Diversified by borrower, sector, and geography
- Portfolio senior leverage remains at ~5.1x with steady EBITDA and sufficient borrower liquidity levels

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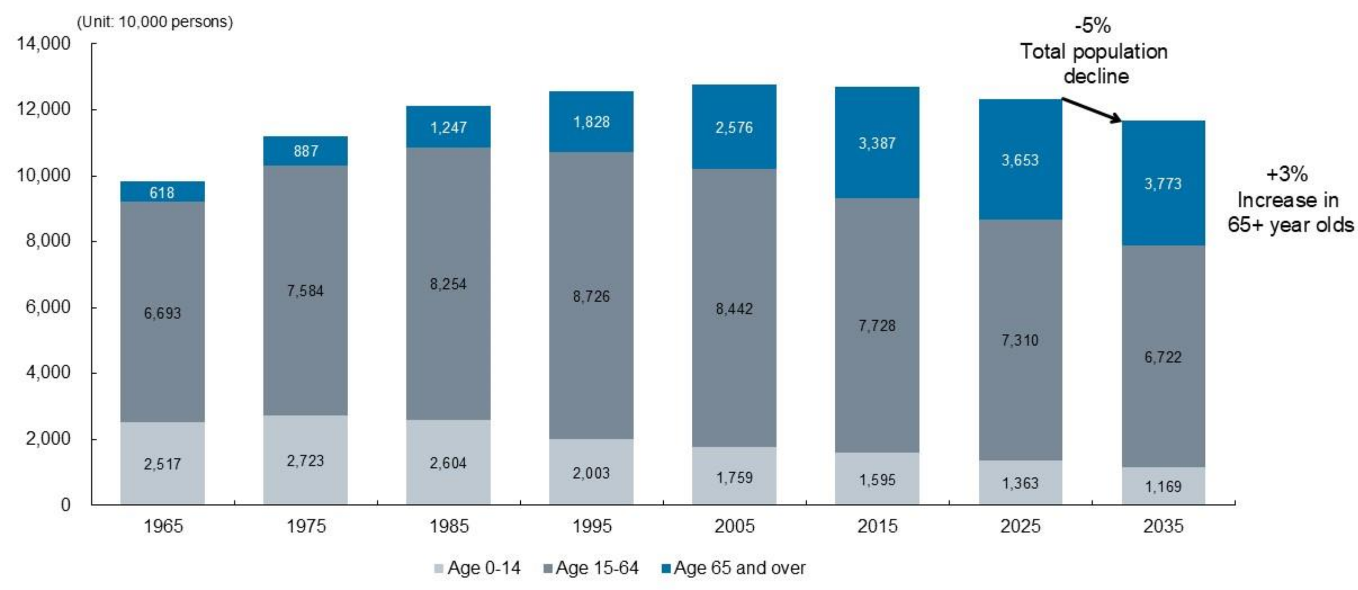
Japan's Aging and Shrinking Population



Source: National Institute of Population and Social Security Research

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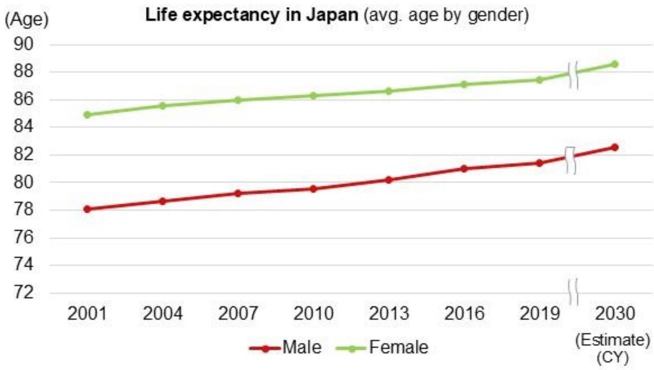
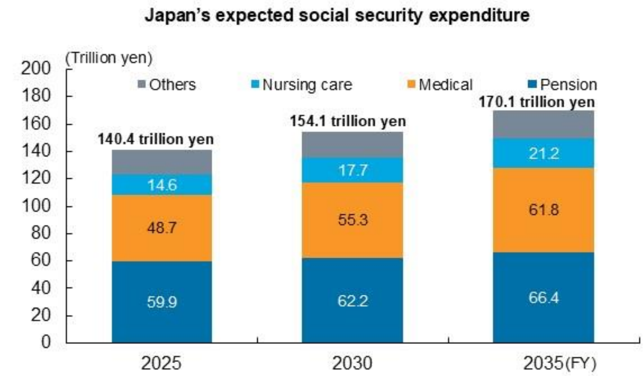
Japan's third sector insurance market is expected to grow





Growing awareness of need for "self-sufficiency" in preparing for long-life

Concerns about the sustainability of the social security system

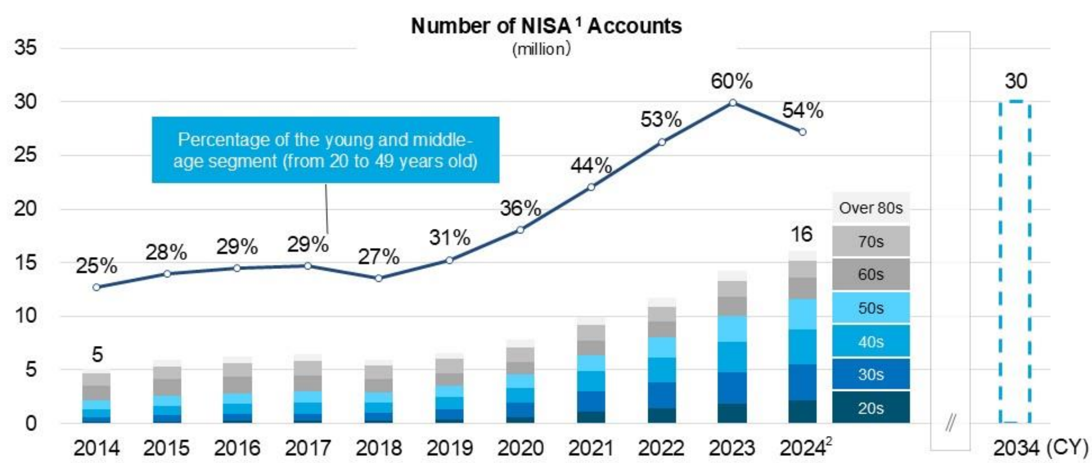
Need for private 3rd Sector insurance

Source: Ministry of Health, Labour and Welfare (actual results through 2019); National Institute of Population and Social Security Research (forecast to 2030)

Source: Cabinet Secretariat, Cabinet Office, Ministry of Finance, and Ministry of Health, Labour and Welfare of Japan

Growing need for asset-formation as concern rises for retirement savings

The Government of Japan is actively promoting a **shift from savings to investment** to encourage asset formation



[1] The new Nippon Individual Savings Account (NISA) is a "Small Investment Tax Exemption Scheme" launched in January 2014, Japan's version of ISA modeled after the UK's Individual Savings Account (ISA).

[2] As of end-March 2024. NISA started in January 2024, and the annual investment limit and tax-free holding period were changed.

Source: Japan Securities Dealers Association

Acronyms Used Through the Presentation

- **ALM** – asset liability management
- **AOCI** – accumulated other comprehensive income
- **AROE** – adjusted return on equity
- **AUM** – assets under management
- **Alts** – alternative investments
- **BEL** – best estimate liability
- **BMA** – Bermuda Monetary Authority
- **bps** – basis points
- **BSCR** - Bermuda Solvency Capital Requirement
- **BV** – book value
- **CAGR** – compound annual growth rate
- **CLO –** collateralized loan obligation
- **CML** – commercial mortgage loan
- **COE** – cost of equity
- **D2C –** direct to consumer
- **DEI** – diversity, equity and inclusion
- **DPL** – deferred profit liability
- **ESG** – environmental, social and governance
- **ESR** – economic solvency ratio (Japan)
- **ETF** – exchange-traded fund
- **FSA** – Financial Services Agency (Japan)
- **FX** – foreign exchange
- **GP** – general partner
- **GPV** – gross premium valuation
- **HTM** – held-to-maturity
- **JGB** – Japanese government bond
- **JPY** – Japanese yen
- **LDTI** – long duration targeted improvements
- **LTV** – loan to value
- **MML** – middle market loan
- **MTM** – marked-to-market
- **NII** – net investment income
- **PRI** – Principles for Responsible Investment
- **RAROC** – risk-adjusted return on capital
- **RBC** – risk-based capital (U.S.)
- **ROE** – Return on Equity
- **SAA** – strategic asset allocation
- **SME**– Small-medium enterprise
- **SMR** – solvency margin ratio (Japan)
- **TRE** – transitional real estate
- **USD** – U.S. dollar
- **USP** – undertaking-specific parameter
- **VNII** – variable net investment income
- **YTD** – year to date

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Aflac's Historical Highlights in the United States

1955 • American Family Life Insurance Company of Columbus founded and incorporated

1956 • Granted a license to sell insurance

• Began selling life, accident and health insurance door-to-door in Georgia and Alabama

1958 • Pioneered introduction of cancer insurance

1964 • Began using "cluster selling" to groups of employees at their places of work

• American Family Life Insurance Company of Columbus became American Family Life Assurance Company of Columbus

1970 • Expanded from 11 to 42 states

1973 • American Family Corporation formed for the purpose of holding all of the capital stock of American Family Life Assurance Company of Columbus

1974 • American Family Corporation (AFL) listed on the New York Stock Exchange

1987 • Aflac Incorporated (AFL) listed on the Tokyo Stock Exchange

1988 • Aflac U.S. introduces accident policy nationwide

1990 • Added hospital indemnity to product line

1991 • Changed name of the corporation to Aflac Incorporated reflecting the insurance company's usage of the acronym "Aflac"

• Launched its first national advertising campaign to increase Aflac's name recognition

1995 • Focused its national philanthropic efforts on the treatment and cure of childhood cancer, pledging $3 million to the Aflac Cancer Center at Egleston Children's Hospital. Since that time, Aflac, the company, sales associates, and employees have contributed over $127 million to what is now known as the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta

1996 • Introduced SmartApp® technology, an online enrollment system

1999 • Introduced personal short-term disability, payroll life, group short-term disability and specific event critical illness products

2000 • Launched the Aflac Duck campaign

2008 • Became the first publicly owned Company in the United States to give shareholders a "Say on Pay" advisory vote on compensation

2009 • Acquired Continental American Insurance Company (CAIC), now branded as Aflac Group Insurance, as a subsidiary of Aflac Incorporated

2015 • Celebrates its 60th anniversary

2018 • Introduces My Special Aflac Duck™

2019 • Introduces network dental and vision product offerings with acquisition of Argus Dental and Vision

Aflac's Historical Highlights in Japan

1974
- Aflac received license to sell life insurance in Japan; became second non-Japanese life insurance company to gain direct access to Japan's insurance market; pioneered sales of cancer insurance in Japan

1985
- Aflac Japan introduced the world's first dementia care insurance product

2000
- Aflac Japan entered into strategic marketing alliance with Dai-ichi Mutual Life Insurance Company to sell Aflac's cancer insurance and for Aflac to sell Dai-ichi life insurance

2001
- Aflac Japan established first Aflac Parents House in Tokyo, where pediatric patients and their families can stay together at a "home away from home" while receiving treatment for cancer or other serious illness
- Japanese government deregulated Japan's insurance market; large Japanese domestic insurance companies allowed to sell third sector insurance products

2002
- Aflac Japan introduced stand-alone, whole-life medical product EVER

2003
- Aflac introduced Aflac Duck in Japan

2004
- Aflac Japan opened second Parents House in Tokyo

2006
- Aflac Japan introduced WAYS, a unique hybrid whole-life insurance product

2007
- Japanese government liberalized bank channel sales; banks permitted to sell third sector insurance products to their customers

2008
- Banks began selling Aflac's WAYS product
- Aflac Japan established partnership with Japan Post Co., Ltd. to sell Aflac cancer insurance; sales began through 300 postal outlets

2009
- Aflac's cancer insurance products available through 1,000 postal outlets

2010
- Aflac Japan opened third Parents House, located in Osaka

2013
- Aflac Japan signed new alliance agreement with Japan Post Holdings to expand number of outlets selling cancer insurance eventually through 20,000 postal outlets
- Aflac Japan formed business partnership with Daido Life Insurance Company to sell Aflac's cancer insurance products

2015
- Aflac's cancer insurance products available through 20,000 postal outlets

2018
- Aflac's Japan branch successfully converted to a subsidiary
- Aflac Japan entered into strategic alliance based on a capital relationship with Japan Post Holdings

2022
- Aflac Japan introduced cancer insurance WINGS

2023
- Aflac Japan introduced Aflac *Yori-sou* cancer consultation support, a unique concierge service that guides each customer to the most appropriate services

2024
- Aflac Japan rebranded medical insurance REASON
- Aflac Japan introduced Tsumitasu, which has an asset-formation component and a nursing care option
- Celebrates its 50th anniversary in Japan

Learn more:

investors.aflac.com

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