



2022 Financial Analysts Briefing

November 15, 2022



Welcome and Introduction

David Young
Vice President,
Investor & Rating Agency Relations and ESG
Aflac Incorporated

Agenda

8:00

Welcome and Introduction

David A. Young

Vice President, Investor and Rating Agency Relations and ESG; Aflac Incorporated

Strategic Overview

Daniel P. Amos

Chairman and CEO, Aflac Incorporated

**Aflac Incorporated
Operating Focus**

Frederick J. Crawford

President & COO, Aflac Incorporated

Aflac Japan

Masatoshi Koide

President and Representative Director, Aflac Life Insurance Japan

Aflac U.S.

Teresa L. White

President, Aflac U.S.

Virgil R. Miller

Deputy President, Aflac U.S.

Break

Q&A

Dan Amos, Fred Crawford, Masatoshi Koide, Koichiro Yoshizumi, Todd Daniels, Teresa White, Virgil Miller, Steve Beaver

Aflac Global Investments

Eric M. Kirsch

Executive Vice President and Global CIO; President, Aflac Global Investments

Bradley E. Dyslin

Deputy Global CIO, Aflac Global Investments

Financial Focus & Outlook

Max K. Brodén

Executive Vice President; CFO, Aflac Incorporated

Break

Q&A

Dan Amos, Fred Crawford, Max Brodén, Eric Kirsch, Brad Dyslin. June Howard, Al Riggieri

11:00

Conclusion

Forward-Looking Statements and Non-GAAP Financial Measures

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 those caused by COVID-19
- defaults and credit downgrades of investments
- 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 judgments 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
- concentration of the Company's investments in any particular single-issuer or sector
- the effects of COVID-19 and its variants (both known and emerging), and any resulting economic effects and government interventions, on the Company's business and financial results
- 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
- interruption in telecommunication, information technology and other operational systems, or a failure to maintain the security, confidentiality 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
- the level of sales of Aflac Japan products in the Japan Post channel
- 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 (such as the coronavirus COVID-19), tornadoes, hurricanes, earthquakes, tsunamis, war or other military action, 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
- allegations or determinations of worker misclassification in the United States

Non-U.S. GAAP Financial Measures and Reconciliations

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.

Definitions of the Company's non-U.S. GAAP financial measures and applicable reconciliations to the most comparable U.S. GAAP measures are provided as appropriate.

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).

Strategic Overview

Daniel P. Amos
Chairman and CEO;
Aflac Incorporated



Tactical Capital Deployment

Annual Cash Dividend per Share



Our Focus

- Drive core growth, while curbing expenses
- Continue to do the right thing – The Aflac Way
- High-quality, diversified portfolio
- Strong capital and liquidity
- Tactical capital deployment

Be there for our policyholders when they need us most

Aflac Incorporated Operating Focus

Fred Crawford
President and Chief Operating Officer,
Aflac Incorporated



Strategic Positioning

Aflac Japan



Leverage

Cross-sell, up-sell, and incubate refreshed product and services that leverage our market leading position in Third Sector.

Aflac U.S.



Build

Product line “expansion” with acquired platforms integrated.
Focus shifts to optimization, alignment and growth

Enterprise



Explore

Select strategic equity investments, venture investing, alliances, and joint ventures offer future opportunity

An enterprise-wide operating model focused on “benefit realization”

Operating Strategy & Outlook

Aflac Japan



- **Recover:** Associates & Japan Post
- **Develop:** Product & Incubation

-
- **Sales**¹: Target ~ ¥80B in 2025
 - **Margins**²: 26% to 28%

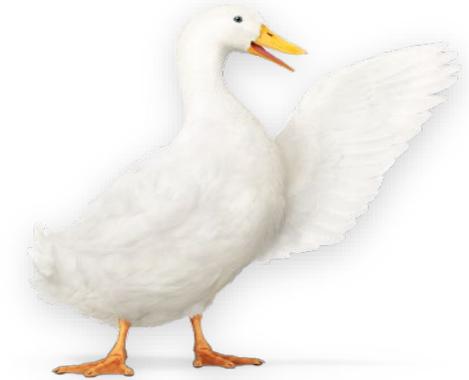
Aflac U.S.



- **Recover:** Small business franchise
- **Develop:** Expansion businesses

-
- **Sales:** Target ~ \$1.8B in 2025
 - **Margins**²: 17% to 20%

Enterprise



- **Invest:** Strategic alliances & venture
- **Return:** Capital efficiency strategies

-
- **Capital Generation:** ~ \$2.6 to \$3.0B³
 - **ROE:** Expansion efforts underway

Environmental Social Governance (ESG)

Driving ESG while delivering on shareholder value

Climate Risk

Establish a framework that defines and sets milestones to reduce and ultimately achieve net zero emissions

Incentive Compensation Objectives:

- Renewable electricity target
- Scope 1, 2, and 3 attestation¹

Responsible Investing

Advance Aflac Global Investments responsible investing framework and inaugural Sustainability Bond issuance

Incentive Compensation Objectives:

- Sustainable and DEI investments²
- Sustainability bond 100% invested

Diversity, Equity & Inclusion

Focused on developing and advancing a diverse leadership team while investing in underserved communities

Incentive Compensation Objectives:

- Japan “Women in Leadership”
- U.S. Sr. Management targets

Advance reporting and disclosure

Value Creation

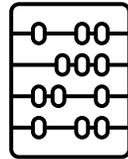
Growth



Product and business line extension

Building new businesses that leverage core

Margins



Strong morbidity margins with stable NII

Bending the U.S. expense ratio curve

Capital



Stable and robust return of capital

Strong ratios with focus on capital efficiency

Aflac Japan Strategic Overview and Growth Strategy

Masatoshi Koide
President and Representative Director,
Aflac Life Insurance Japan



Market Dynamics and Increasing Awareness Support Growth

Market dynamics support expansion of the third sector market:

- Aging population
- Projected social security benefits
- Changing consumer needs



COVID-19 and long-term demographic trends have significantly heightened awareness of financial and health care burdens



Macroeconomic changes

- The public continues to focus on financial security and protection against severe financial burdens

Health care

- Public awareness of health care continues to rise

Social security system

- Rising need to prepare for increased co-payments in the public health insurance system

Japan's Growing Third Sector

Stand-alone Cancer and Medical Policies

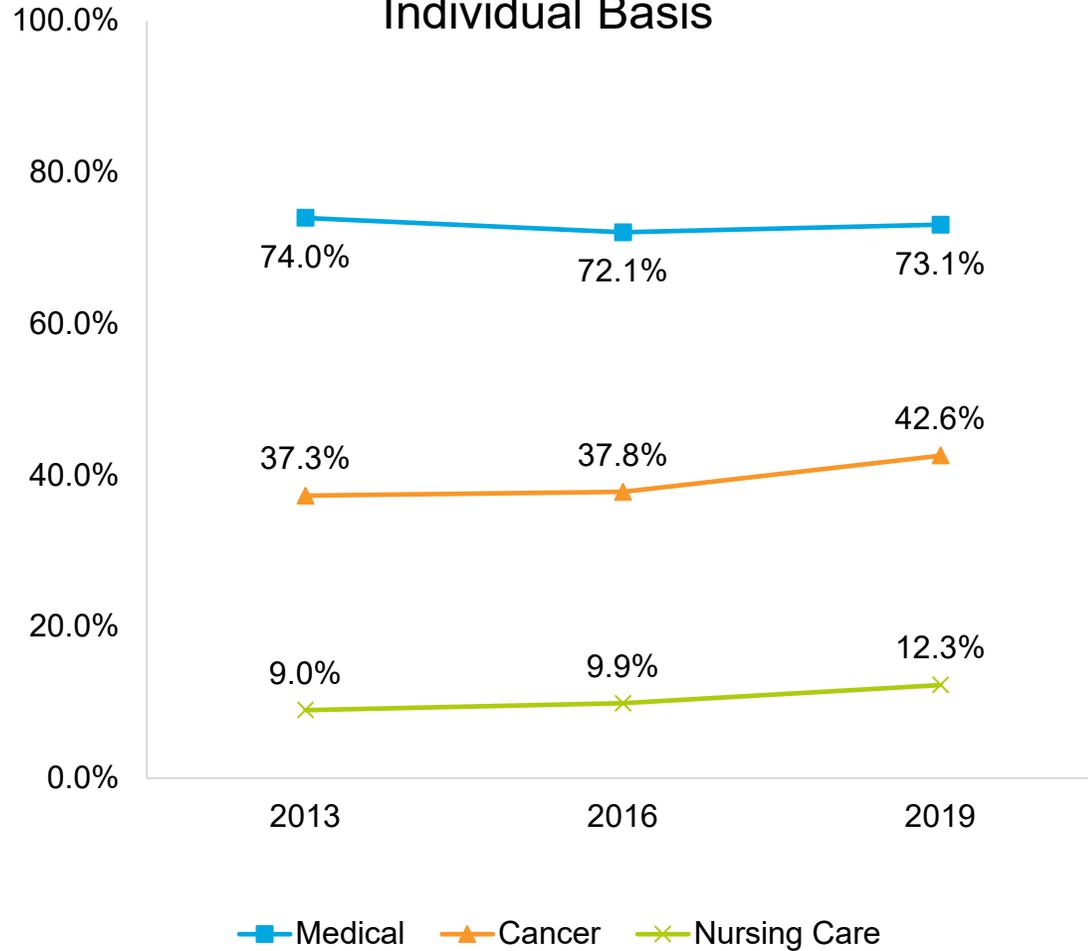
Policies in
Millions



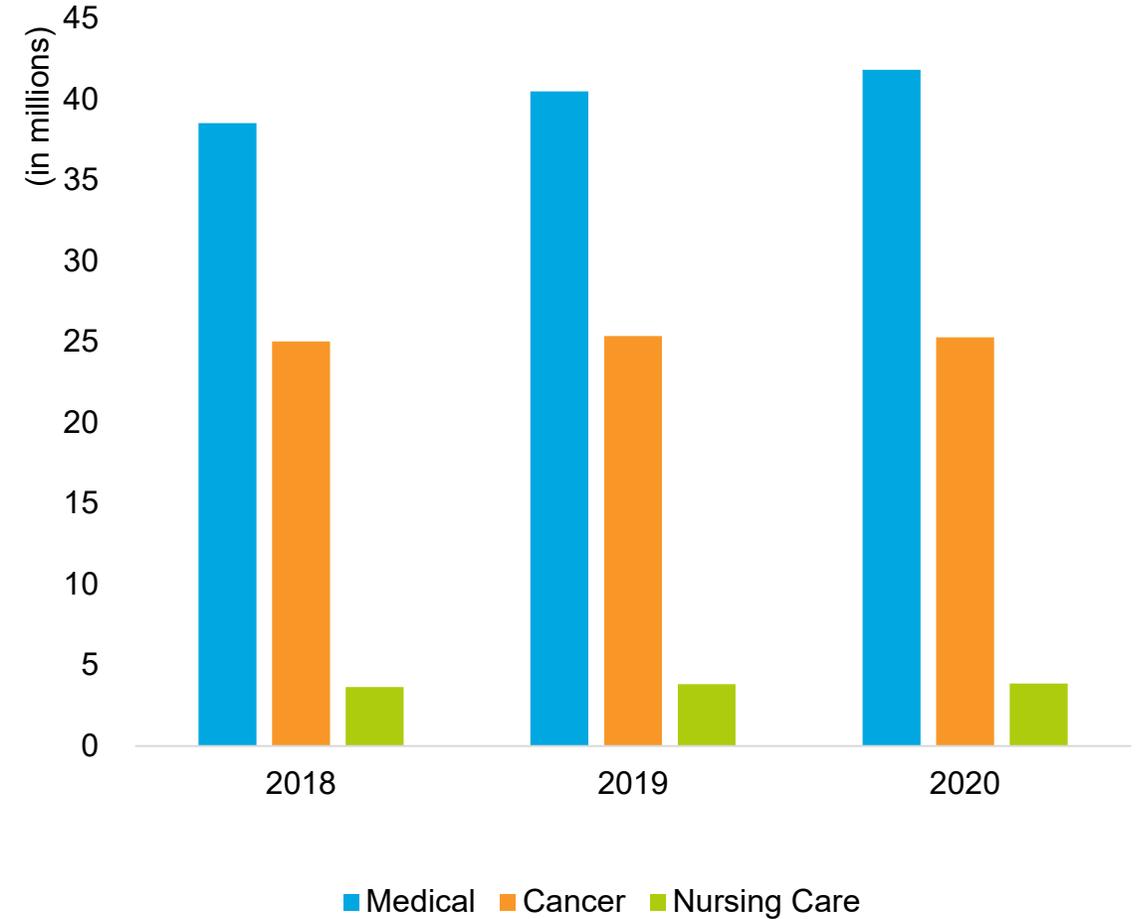
Source: Life Insurance Association of Japan; FSA basis, Life industry only

Market Penetration

Insurance Product Penetration, Individual Basis



Insurance Market Size (Number of policies in force)



Source: Japan Institute of Life Insurance

Source: Japan Institute for Insurance Research

Aflac Japan's VISION 2024

Position Aflac Japan as the leader for “Creating Living in Your Own Way”

To achieve VISION 2024, Aflac Japan's Medium-term Management Strategy consists of five key strategies centered on Talent, Strategy and Risk

Talent



Human capital management strategy
developing capabilities of diverse human capital

“Creating living in your own way” ecosystem strategy

Strategy



Financial strategy
for sustainable growth

Digital transformation and agile strategy
to provide new value to stakeholders

Risk



Solid governance and ERM strategy
to promote proactive and agile operations

Enhanced Products for Any Stage in Life



- Meet the medium- to long-term asset-building needs of young and middle-aged customers
- Convert to new third-sector policyholder



- Meet the growing need of SME employees to address the risk of not being able to work
- Launched new product in March 2022 that provides for loss of income in the event of short-term hospitalization

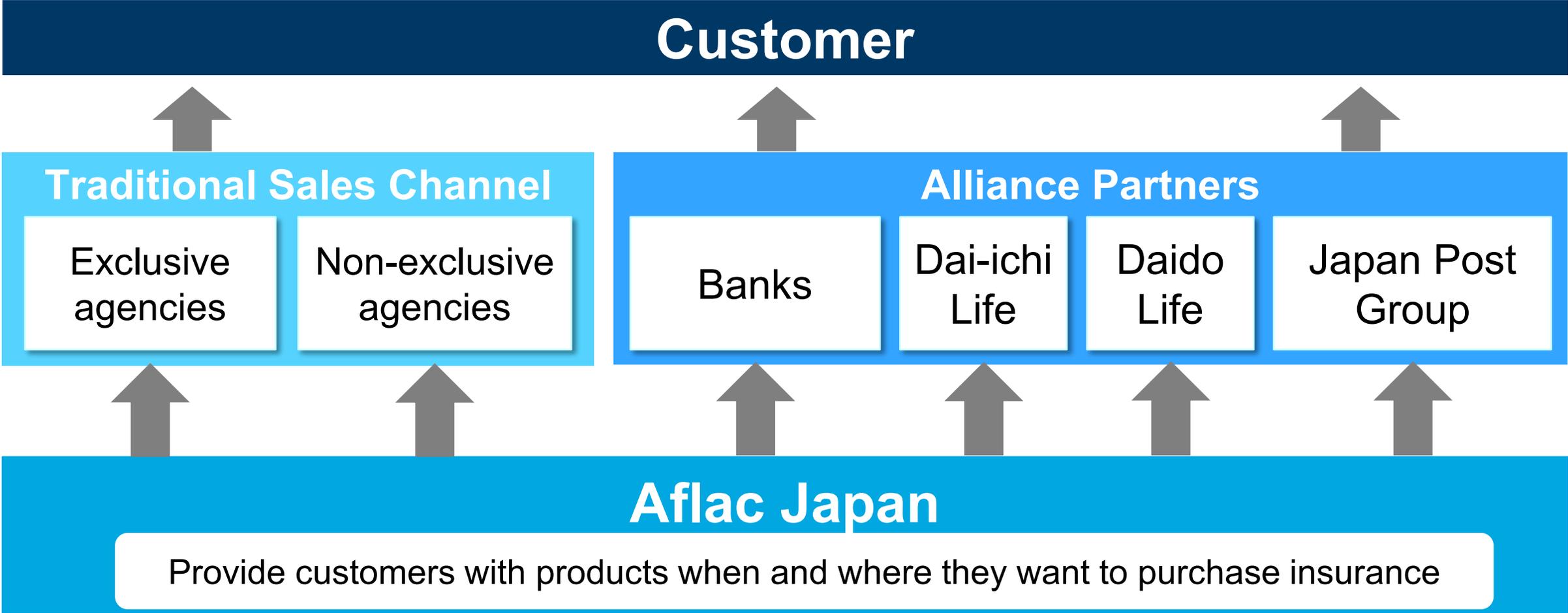


- Maintain market-leading position**
- Competitive environment with competitors launching new products one after another
 - Continue to enhance coverage with new, more attractive medical products
 - Launched new product, WINGS, with latest cancer treatments, revised premiums in August 2022
 - Will launch 32 services that provide comprehensive support from time of diagnosis to recovery



- Meet the needs of the aging population, a market with great potential in Japan
- Launched a new product to supplement Japan's public long-term care insurance in September 2021

Diverse Distribution to Reach More Customers



Strengthening Distribution Channels

Exclusive agencies



- Aflac Japan's main sales channel
- Strengthening efforts to recruit, train and increase productivity of sales agents selling our products and expanding where our products are being sold
- Established Sales Promotion Department exclusively in charge of the large exclusive agencies

Major non-exclusive agencies



- High sales potential, especially among younger customers
- Increased competition as many insurance companies are strengthening product offerings
- Aflac Japan is taking steps to expand its market share by adjusting its sales structure and practice

Japan Post Group



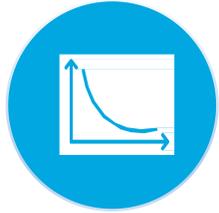
- High potential with 20,000 postal outlets throughout Japan
- Aflac Japan increased its sales offices from 17 to 48 nationwide exclusively for the Japan Post Group to provide more detailed sales support

Aflac U.S.

Teresa White
President, Aflac U.S.



Marketplace Trends



Economy

- Rising inflation
- Less discretionary funds
- Less savings & emergency funds



Health care

- Increasing deductibles for consumers
- Inability to take on medical expenses



Workforce

- Growing gig economy
- Evolving worksite dynamics
- Rebounding labor force

Implications

- Consumers believe that supplemental health insurance benefits are an important part of a comprehensive benefits program.
- Consumers are more concerned today about out of pocket expenses due to an unexpected health event.
- Consumers believe mental health coverage is critical.

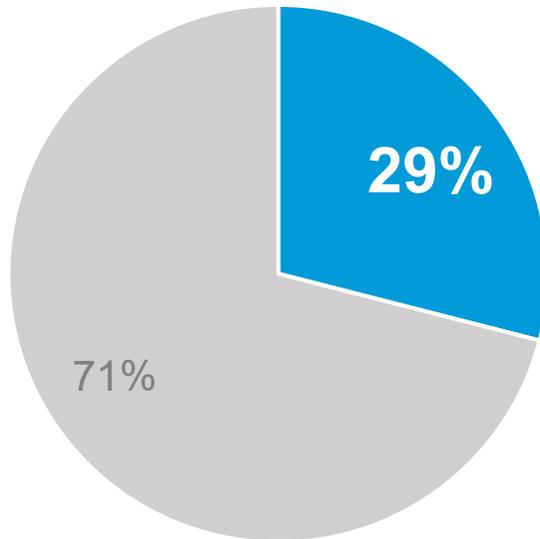
Positioned to Win

Aflac U.S. maintains a leadership position in the market, and we expect that position to only grow in the future as we execute on our growth strategy of Protecting the Core, Scaling our Acquisitions, and Positioning for the Future

Protecting the Core

Aflac continues to be the leader in Worksite Supplemental Health ¹ with 29% ² of the Market Share and over 3x larger than our nearest competitor.

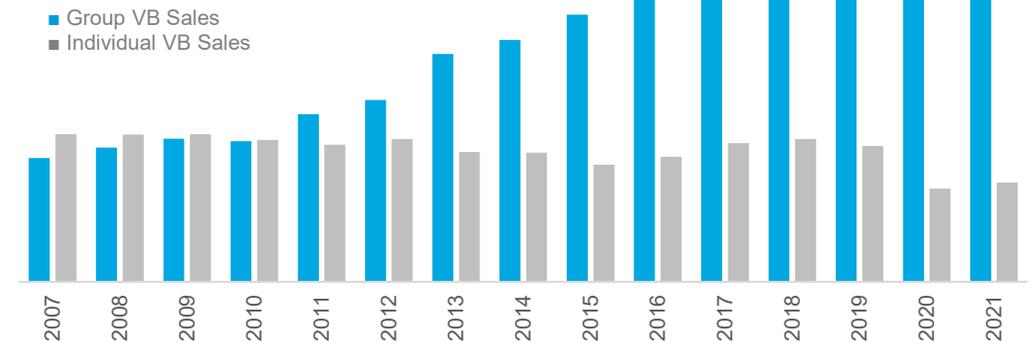
Our robust product portfolio and multi-channel distribution allow us to meet customer needs, how they prefer.



Scaling our Acquisitions

Group VB sales represented 78%³ of total market sales; Aflac continues to outpace the market with a 5yr CAGR of over 14%.

Our Argus and Zurich acquisitions enabled us to expand our leadership position, putting us on the front page of benefit solutions.



¹ Supplemental Health is defined as Accident, Cancer, Critical Illness and Hospital Indemnity Products

² Source: 2021Q4 U.S. Workplace Supplemental Health FINAL Sales Report: LIMRA

³ Source: U.S. Voluntary/Worksite Sales Report: Carrier Results for 2021, Eastbridge Consulting Group, Inc.

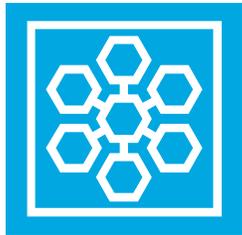
Aflac U.S.

Virgil Miller
Deputy President, Aflac U.S.



Positioning for the Future

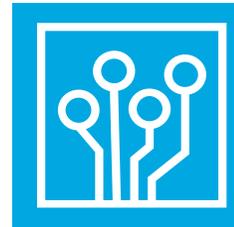
Positioning for the Future: We continue to assess market trends and explore new ways to improve our **customer experience**. Trends that we expect to shape our business in the future:



Product Bundling &
Integrated Experiences



Online Enrollment &
Benefit Administration

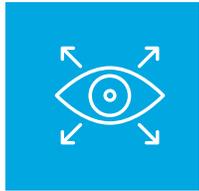


Digital Technology &
Investments in Analytics



State & Federal Mandates
Shift Demand

Aflac U.S. Strategy Overview



Vision

A world where people are better prepared for the expected – and unexpected – with benefits health insurance doesn't cover.



North Star

People-centric protection



Goals

~ \$1.8B in new sales by 2025
79 to 80% persistency

Strategic Objectives

- Increased access
- Increased participation
- Increased persistency

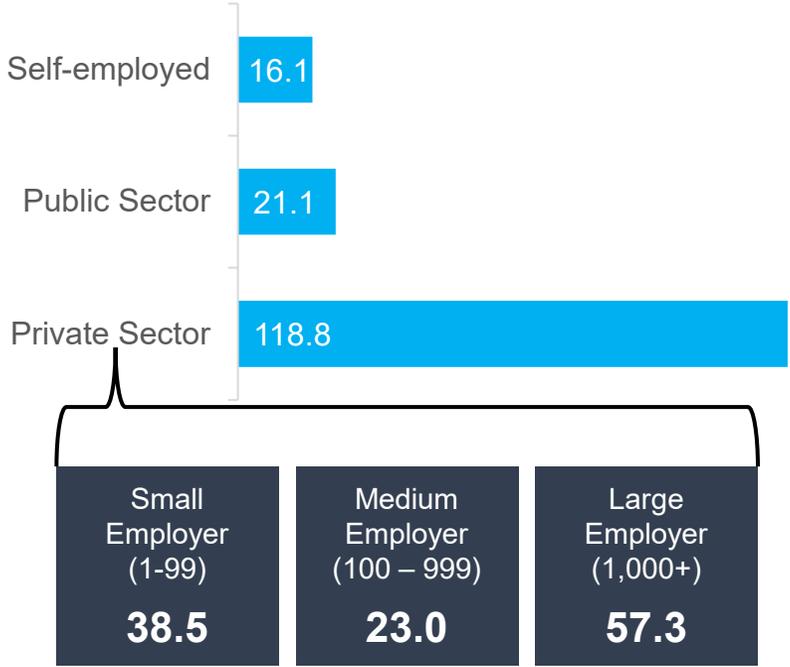
Key Foundational Enablers

- Defend our core business
- Accelerate the digital footprint
- Drive operational efficiency
- Retool the organization for the future

Supported by a Culture of Winning

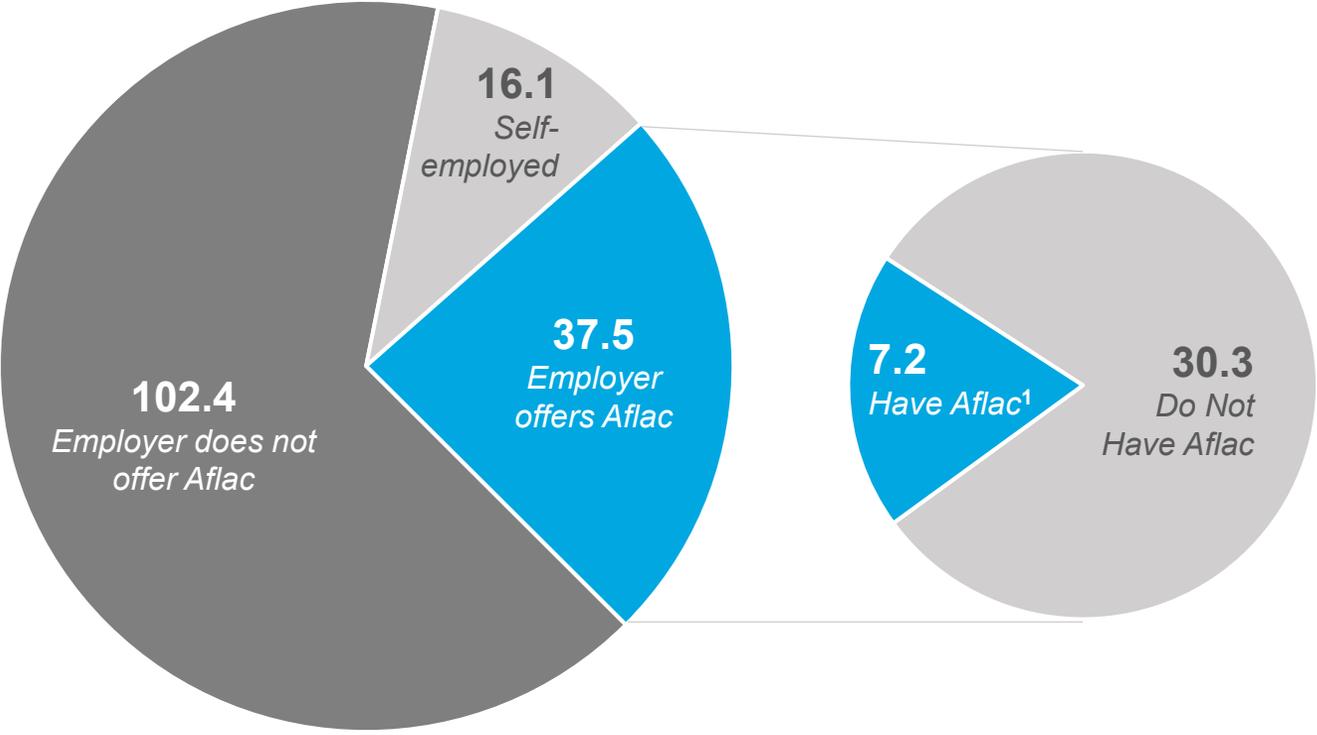
The Growth Opportunity

U.S. Working Population
156 Million



Solving for **Access, Penetration & Persistency**

(U.S. working population in millions)



Maintaining Our Strength



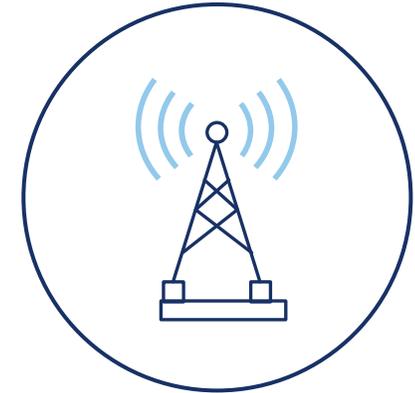
Focused on closing the gap by driving **utilization**.

Education + Awareness = Utilization



Maintaining a reputation of being **easy** to do business with.

Innovative technology & digital capabilities



Increasing our reach by partnering with champions of **care**.

With a focus on serving the underserved.

Challenges to Address



Balance of Growth
& Efficiency



Digital Execution
& Adoption



Progressive Workforce
& Talent Strategy

Transforming the Experience

With digital enhancements, we are transforming the customer experience!



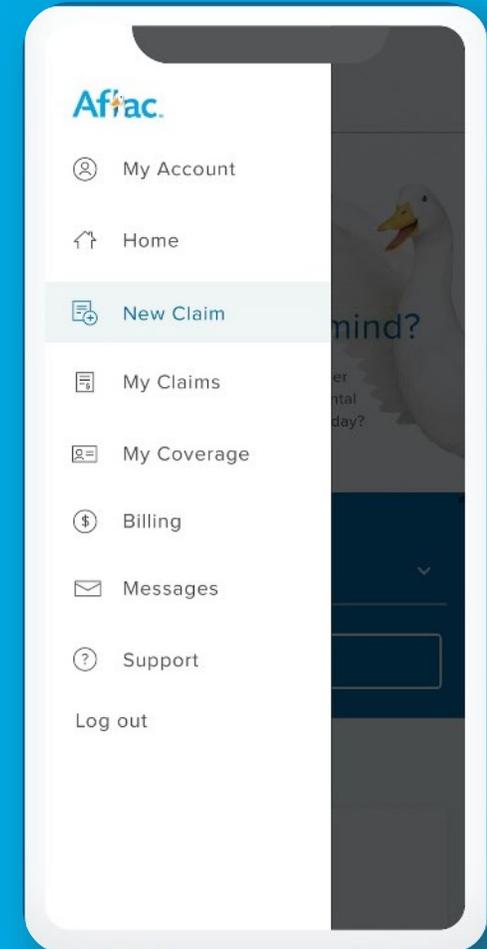
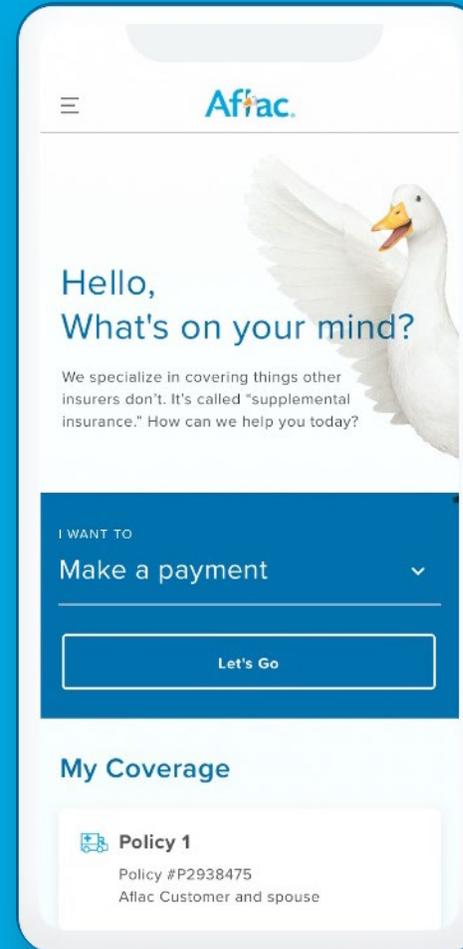
Ease



Automation



Self-service



Enabling Growth

We continue to execute on our One Digital Aflac strategy to digitize and enhance the producer experience providing more options for remote enrollment, straight-through-processing and mobile capabilities.



Enhancing the **enrollment experience** for producers and insureds



Streamlining the **onboarding experience** for policyholders and accounts



End-to-end optimization and digitization to improve the **service experience**

Remembering the Cause¹

46% of insured Americans don't have enough in savings to pay for medical expenses not covered by their health insurance.

25% of insured Americans state they would need to borrow money to pay medical costs and 49% would need to set up a payment plan.



Closing the Gap

Connecting the Strategy

Aflac's *Close the Gap* initiative aims to help educate, support and advocate around the critical and rising issue of medical debt. This program sparks dialogue and helps elicit change for Americans facing medical debt.

We are partnering with like-minded champions of care who share our vision in closing this gap.



Break

Q&A

Aflac Global Investments

Eric M. Kirsch
Executive Vice President and Global CIO;
President, Aflac Global Investments



Aflac Global Investments

World-class investment platform



Resilient platform delivering results through challenging markets

Aflac Global Investments

Bradley E. Dyslin
Deputy Global CIO
Aflac Global Investments



2022 Investment Themes

Resilient and diversified, high-quality portfolio positioned well for uncertain market environment

Increased Recession Risk

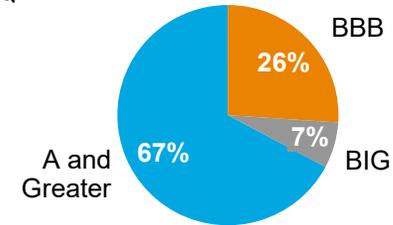
- Inflation at multi-decade highs
- Fed-driven rate increases
- Significantly weaker Yen
- Greater market volatility

Well-Positioned Portfolio

- **Consistent Process:** Disciplined strategic asset allocation, ALM, capital efficiency
- **High-Quality Credit Portfolio¹:** 93% investment grade; A- average quality
- **Durable Loan Portfolio:** 100% first lien, senior secured with low leverage
- **Credit Gain/Loss:** No material losses; net gain position
- **Alternatives:** Higher long-term returns
- **Proactive Hedging Strategies:**
 - ~70% of floating rate portfolio protected by fixed for floating swap over 5 years
 - FX hedging to maintain USD economic exposure

High-Quality Portfolio¹

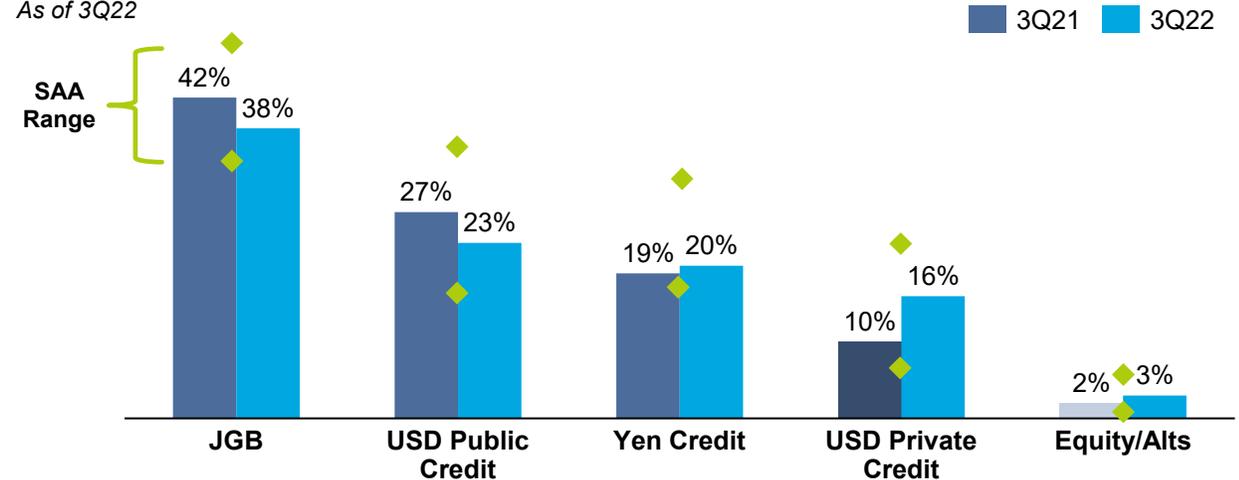
As of 3Q22



	3Q21	3Q22
Book Value	\$124bn	\$101bn
¥ / \$ FX Rate	112	145
Duration	11.5	10.2
Book Yield	2.88%	3.26%
Average Rating	A-	A-

Asset Allocation¹

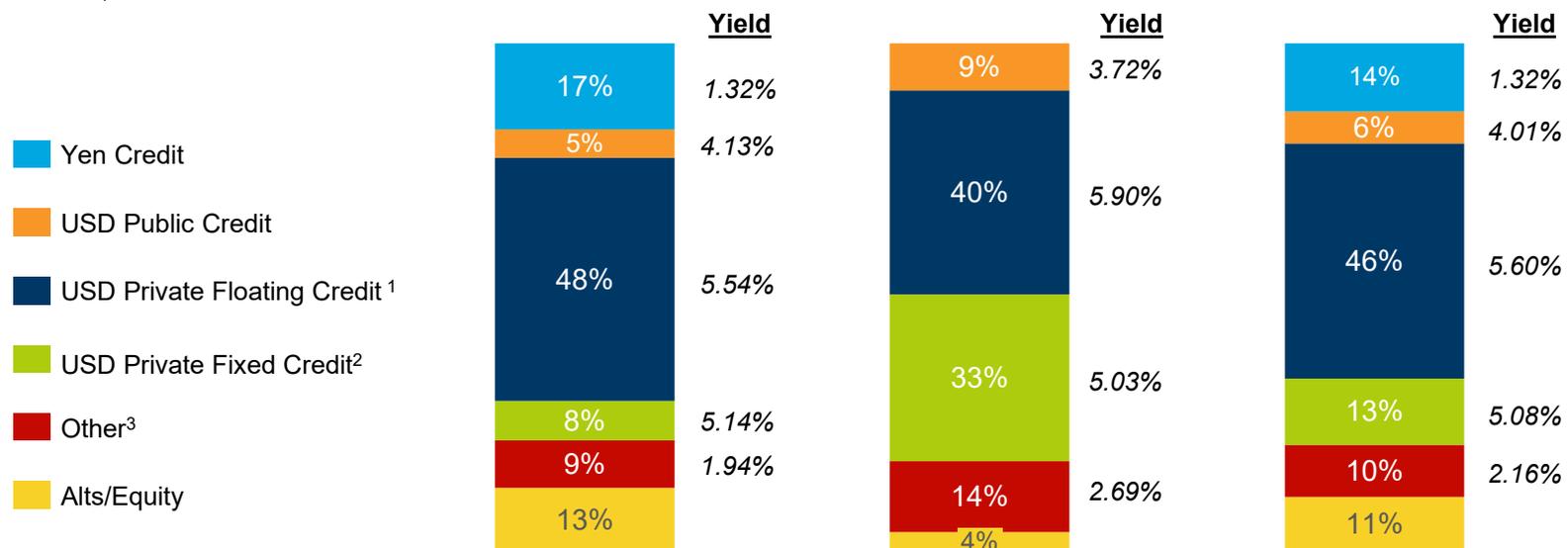
As of 3Q22



New Money Allocation and Yields

Improving risk-adjusted returns by growing exposure to USD private assets

As of 3Q22 YTD



	Aflac Japan	Aflac US	Consolidated
New Money (in billions)	¥669 / \$5.4	\$1.4	\$6.8
Redemptions (in billions)	¥507 / \$3.7	\$0.7	\$4.4
New Money Yield ⁴	4.16%	4.90%	4.31%
Redemption Yield ⁵	4.02%	5.07%	4.18%
New Money Avg. Quality	BBB	BBB+	BBB
Redemptions Avg. Quality	BBB+	BBB	BBB+

Key Themes

- Growing USD private credit
- Opportunistic Yen credit
- Rising rates boosting yields
- Disciplined loan deployment
- Strong credit underwriting
- Systematic deployment in Alternatives

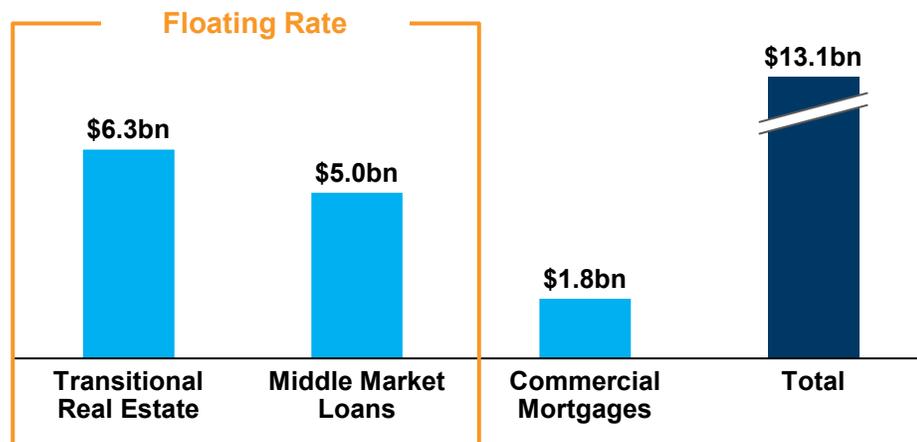
¹ Private Floating Credit includes Middle Market Loans and Transitional Real Estate ² Private Fixed Credit includes Infrastructure Debt, Private ABS, and Structured Private Credit ³ Other reflects floating rate CLOs swapped into fixed rate ⁴ New Money Yield reflects US GAAP methodology: gross of external manager fees, where applicable and excludes Equity and Alts ⁵ Redemption Yield represents the book yield associated with any investment that is sold, matures, or is repaid during the period

Loan Portfolio

100% first lien, senior secured loans with low leverage

Portfolio Overview¹

Book Values²
As of 3Q22

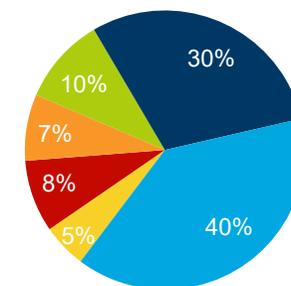


	Transitional Real Estate	Middle Market Loans	Commercial Mortgages	Total
Book Yield ³	6.33%	8.52%	3.29%	6.75%
Avg. Spread ⁴	333 bps	508 bps	151 bps	375 bps
Avg. Rating	BBB	B+	A+	BBB-
Avg. Commitment	\$48mm	\$16mm	\$22mm	\$32mm
Largest Loan	\$177mm	\$35mm	\$75mm	\$177mm
Unique Issuers	148	354	90	592

Broadly Diversified Portfolios

Commercial Real Estate⁵ By Property Type

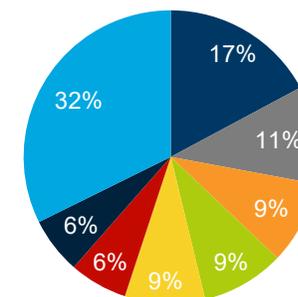
- Other
- Retail
- Industrial
- Hospitality
- Office
- Multifamily



- TRE loans supported by:
 - High quality properties
 - Proven business plans
 - Sponsor track record and resources
- Very high quality CML portfolio
- Average LTV of 60%

Middle Market Loans By Sector

- Healthcare
- Technology
- Consumer Cyc Srv
- Industrial Other
- Financial Other
- Food and Beverage
- Consumer Products
- Other⁶



- Low average senior leverage of 4.6x at closing
- Strong covenants
- Focus on non-cyclical sub-sectors
- Diversified by size, sector, and geography

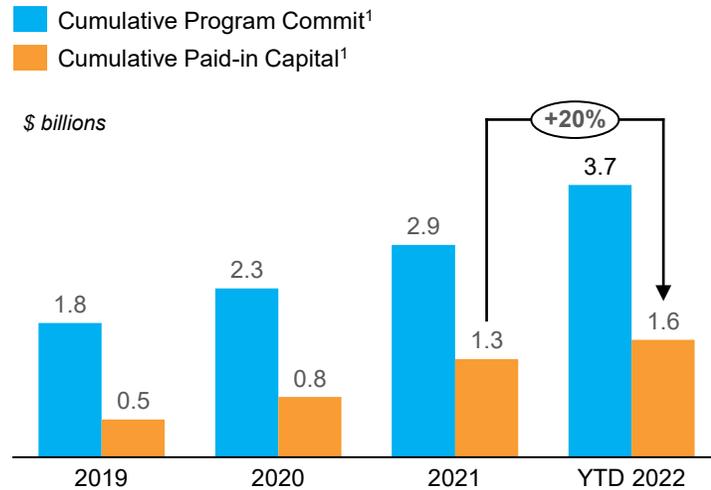
¹ Portfolio refers to General Account Assets of Aflac Japan and Aflac US and excludes Corporate assets and other structured products ² Book values are net of reserves ³ Book Yields are displayed as gross ⁴ TRE spread over LIBOR or SOFR; MML spread over LIBOR; Commercial Mortgages spread over Treasuries ⁵ Commercial Real Estate is comprised of Transitional Real Estate and Commercial Mortgage Loans ⁶ Other comprises 16 sectors with 1% or less exposure to each (Source: S&P LCD)

Alternatives Portfolio

Investing for higher long-term returns

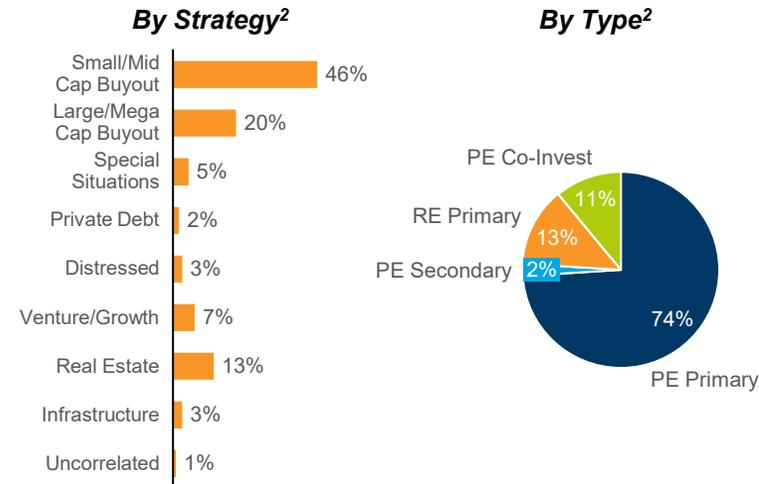
As of 3Q22

Growing Deployment



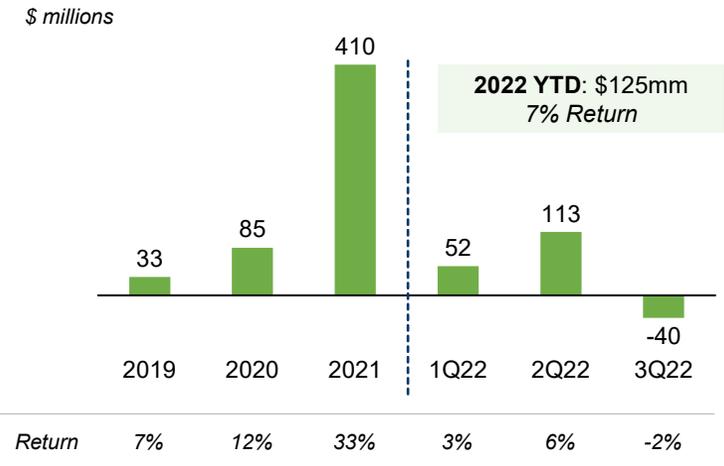
- Disciplined and deliberate commitment pacing
- \$1.6bn deployed, 20% growth year-over year
- 3- to 7-year average call cycle

Strategy Diversification



- Nearly 3,300 underlying individual investments
- Further diversified by GP and vintage
- Extensive due diligence

Variable Net Investment Income



- Long-term return target of 10%
- Average annual return of 12%³
- Well positioned despite market volatility

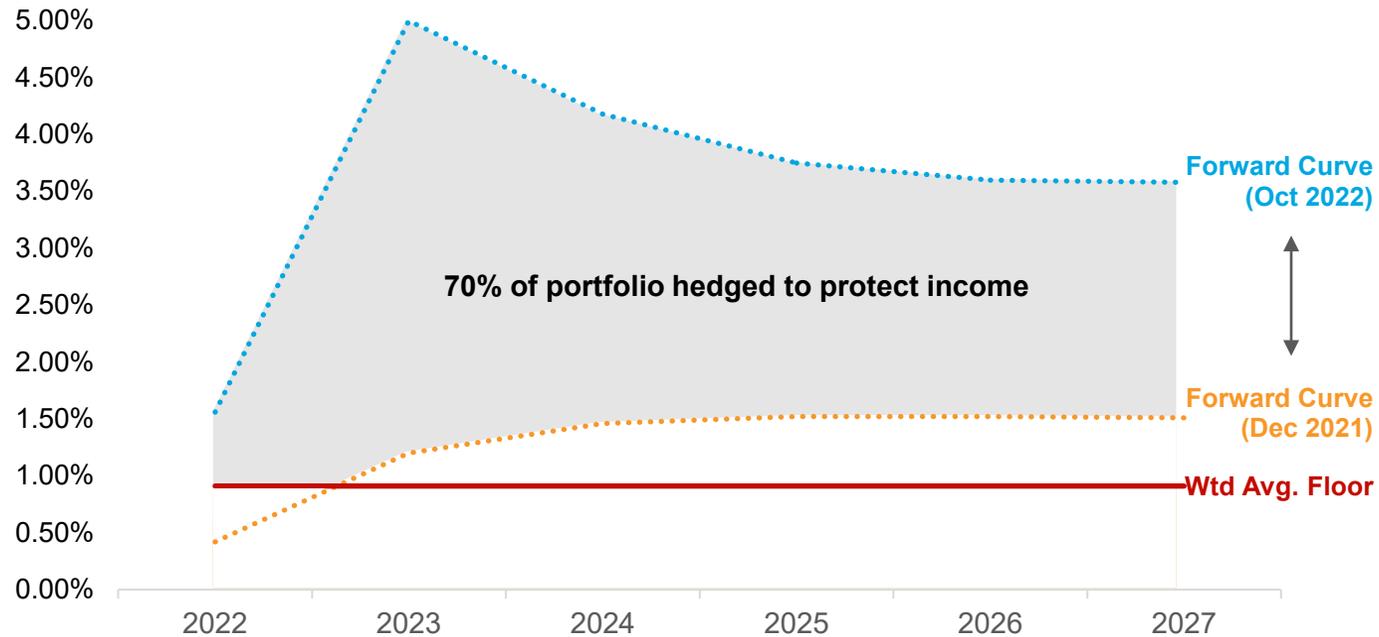
¹ Program Commit represents the overall commitment to our Alternative Managers. Paid-in capital is the cumulative contribution to Alternative Managers. The difference represents remaining commit as disclosed in company filings ² Based on commitments to underlying managers ³ Reflects time-weighted, geometric average return

Interest Rate Hedging Strategies

Swap overlay provides income protection on 70% of \$11bn floating rate loan exposure

Interest Rates

1-Month LIBOR Forward Curve



Strategy

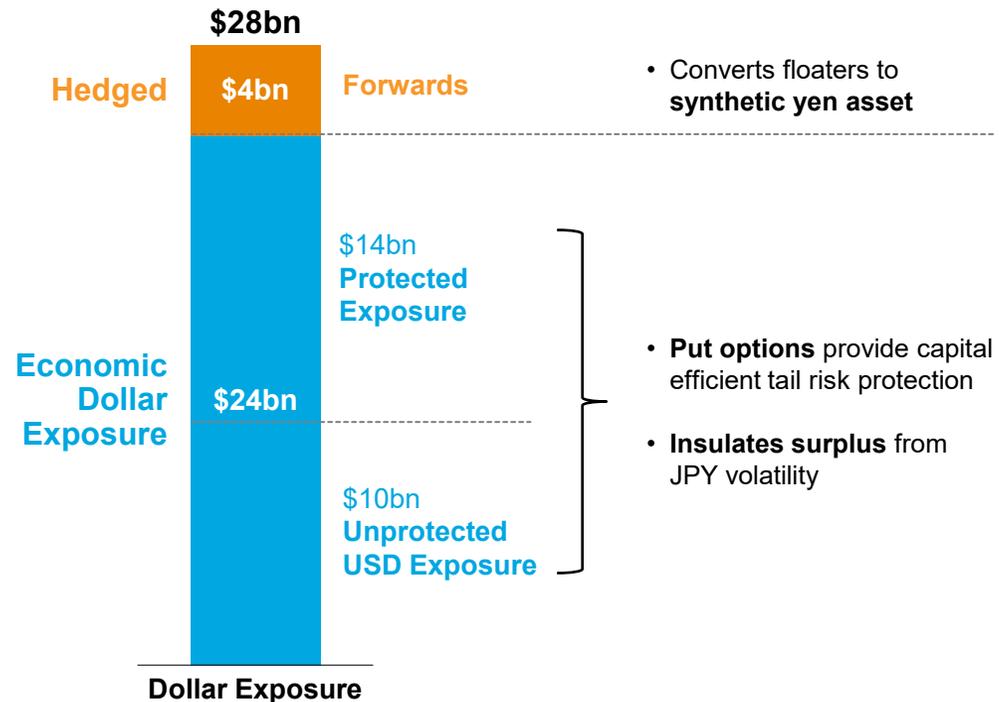
- Acute shift in LIBOR forward curves
- Significant NII potential from floating rate portfolio
- Tactically protecting NII from future rate volatility
 - ~70% of floating rate assets hedged for five years
- Balanced risk management of rate and earnings uncertainty
 - Capture current high rate levels and limit downside
 - Retain some upside should rates continue higher

Currency Hedging Strategies

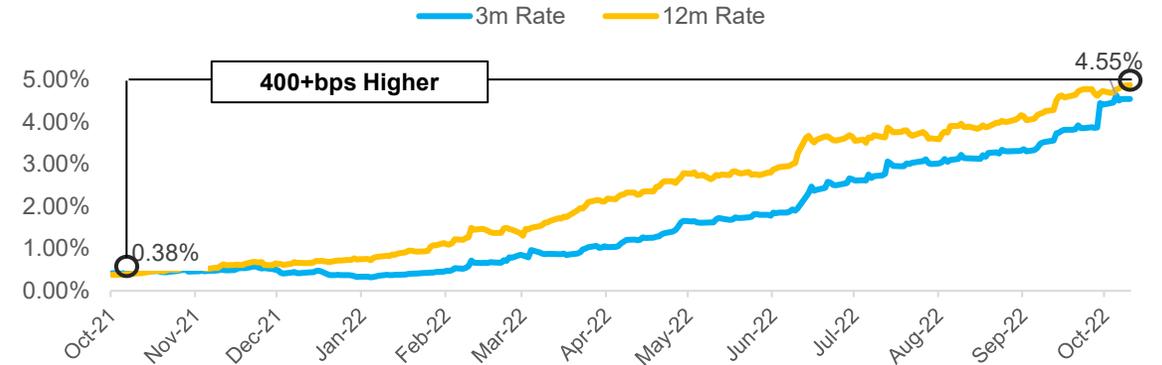
Diversified hedging program provides capital and cost efficiency

Aflac Japan: Currency Hedging Strategy

Market Value¹, as of 3Q22



Forwards Market Pricing: 3-month and 1-year



2022 Highlights and 2023 Outlook

- **2022 hedge costs of \$112mm benefit from lower rates**
 - Forwards: 100% locked at 89bps
 - Options: 94% locked in at 52bps
- **2023 hedge costs expected to be significantly higher**
 - Forwards: Costs offset through Aflac Inc. program and higher floating rate income
 - Options: Strategy to reflect market conditions and capital position

¹ Book value of dollar exposure is \$27 billion.

Well-Prepared for Increased Volatility and Recession Risk

**Disciplined credit
and opportunities from
uncertain environment**

**Opportunistic deployment
in Private Credit**

**Systematic deployment
of Alternatives portfolio**

**Currency managed to
Aflac corporate objectives**

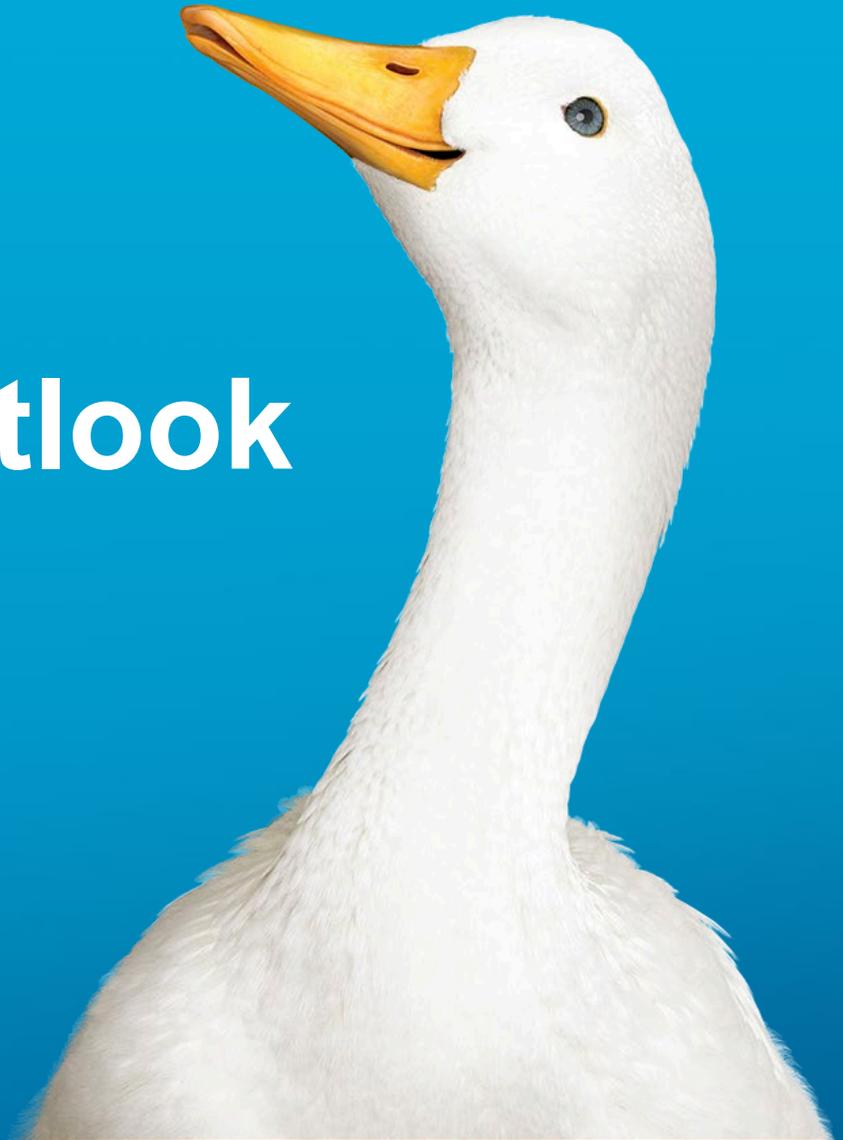
**Tactically managing
interest rate volatility**

**Explore opportunities
from uncertain environment**

Financial Focus & Outlook

Max K. Brodén

**Executive Vice President;
CFO, Aflac Incorporated**



U.S. GAAP Accounting Changes

No Economic Impact

LDTI Expectations

- \$18.6 billion impact to AOCI upon adoption (Jan. 1, 2021) with an estimated decline of 2/3 as of 6/30/2022
- **No change** in equity ex-AOCI measures: Leverage and Adjusted ROE
- **No change** in our strong gross premium valuation (GPV) margins

Expected Impact of LDTI ¹

Financial Measure	Aflac Japan	Aflac U.S.
Benefit Ratio	Slightly ↓	Slightly ↓
Expense Ratio	Modestly ↓	Modestly ↓
Pretax Profit Margin	Modestly ↑	Modestly ↑

Deferred Profit Liability (DPL)

- Reclassify the change in DPL from Total Benefits and Claims to Net Earned Premiums with no impact on Net Earnings

Aflac Japan Strength in Core Margins

2023e – 2024e

Benefit Ratio %



Expense Ratio %



Pretax Profit Margin %



**Underlying
Earned Premium
CAGR¹
-2.5 to -1.5%**

Assumptions

Benefit ratio reflects:

- Increasing third sector mix

Near-term headwinds to the expense ratio:

- Earned premium decline
- Investments for efficiency

Tailwinds to the expense ratio:

- Benefit realization from various investments

Aflac U.S. Margins Reflect Growth Investments

2023e – 2024e

Benefit Ratio %



Expense Ratio %



Pretax Profit Margin %



**Earned Premium
CAGR¹
+3.0 to +5.0%**

Assumptions

Benefit ratio reflects:

- Gradual upward pressure from new lines of business
- Favorable near-term claims experience

Near-term headwinds to the expense ratio:

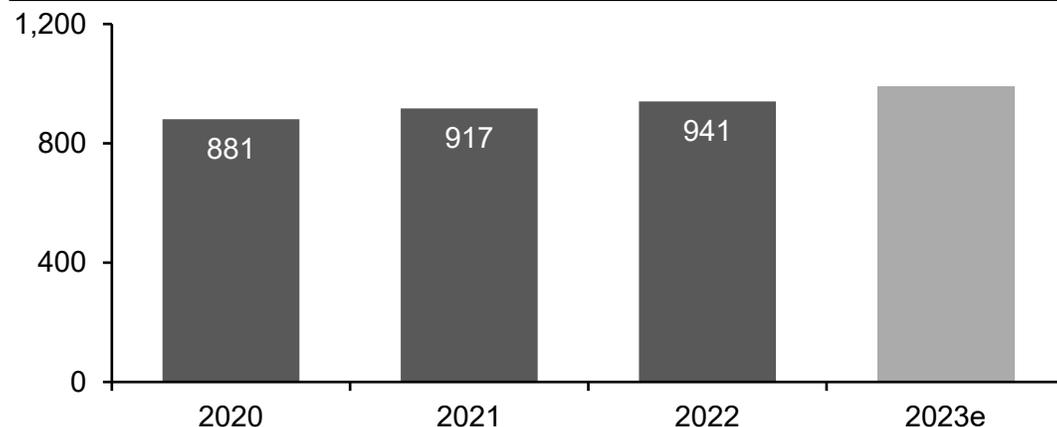
- Buildout of Aflac Dental & Vision and Group Life & Disability
- Reduced sales during the pandemic

Strong Capital Ratios

Aflac Japan

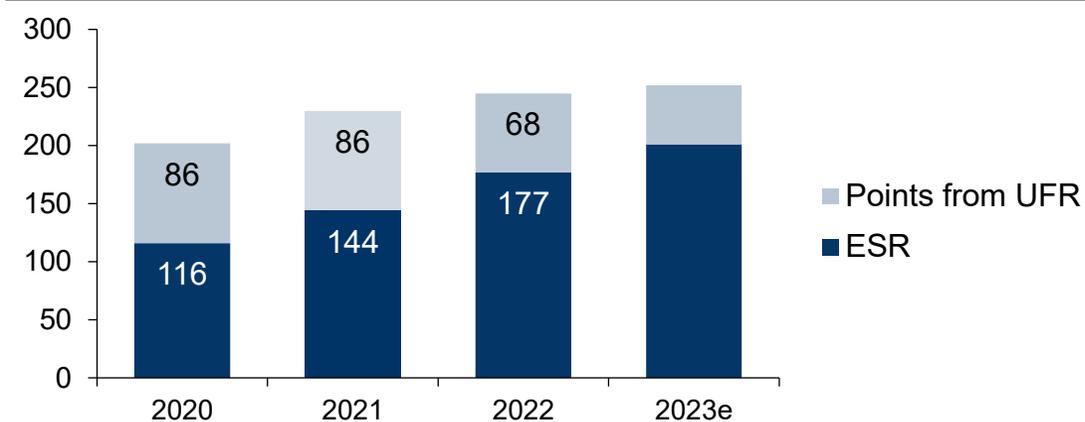
Solvency Margin Ratio

(Fiscal year ending March 31, %)



Economic Solvency Ratio

(Fiscal year ending March 31, %)



SMR Sensitivity

(% points¹ as of September 30, 2022)

Yen rates +1%	(35)
Dollar rates +1%	(37)
Yen strengthens +10	(62)
Credit spreads +1%	(50)

ESR Sensitivity

(% points¹ as of September 30, 2022)

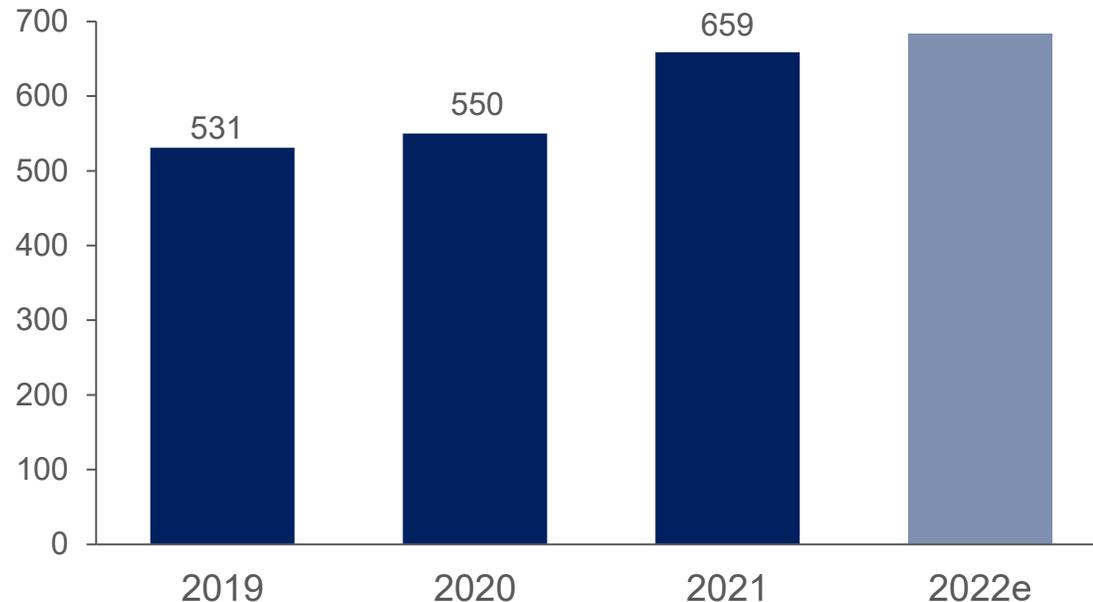
Yen rates +1%	+34
Dollar rates +1%	(10)
JPY/USD weakens -10	(12)
Credit spreads +1%	(23)

Strong Capital Ratios¹

Aflac U.S.

Aflac Combined Risk-Based Capital Ratio

(Fiscal year ending December 31, %)



Considerations

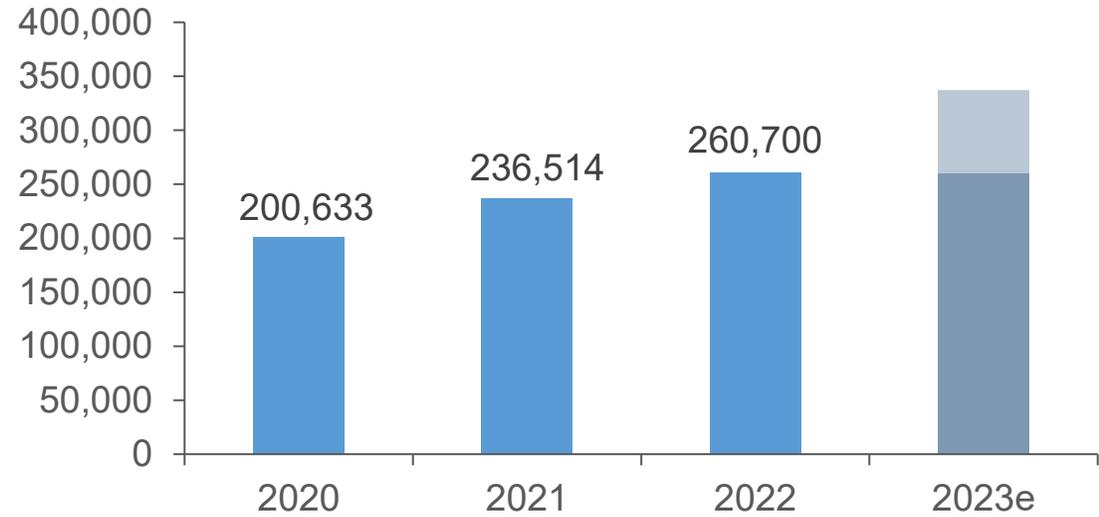
- RBC ratio is a book value framework
- Ordinary dividend up to 100% of U.S. statutory earnings
- Elevated earnings in 2021 due primarily to lower claims
- Target 400% Combined RBC over time, given:
 - strength of the earnings profile,
 - low risk and stability of our operations and
 - low asset leverage

Strong Statutory Earnings¹

Aflac Japan and Aflac U.S.

FSA Earnings Projection

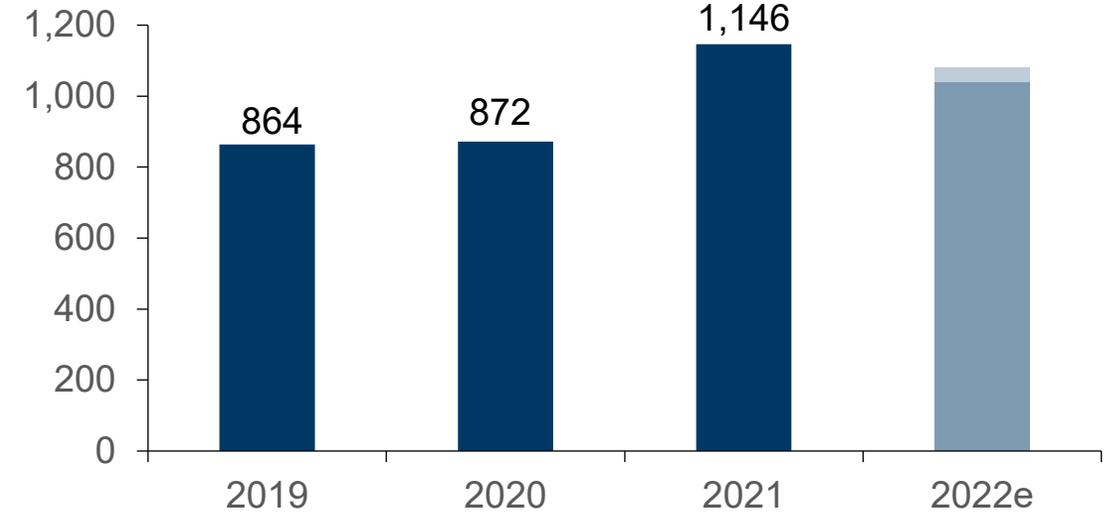
(Fiscal year ending March 31, ¥ in millions)²



■ Represents asset impairment, realized loss budget, realized F/X gains and reinsurance

U.S. Statutory Earnings Projection

(Fiscal year ending December 31, \$ in millions)



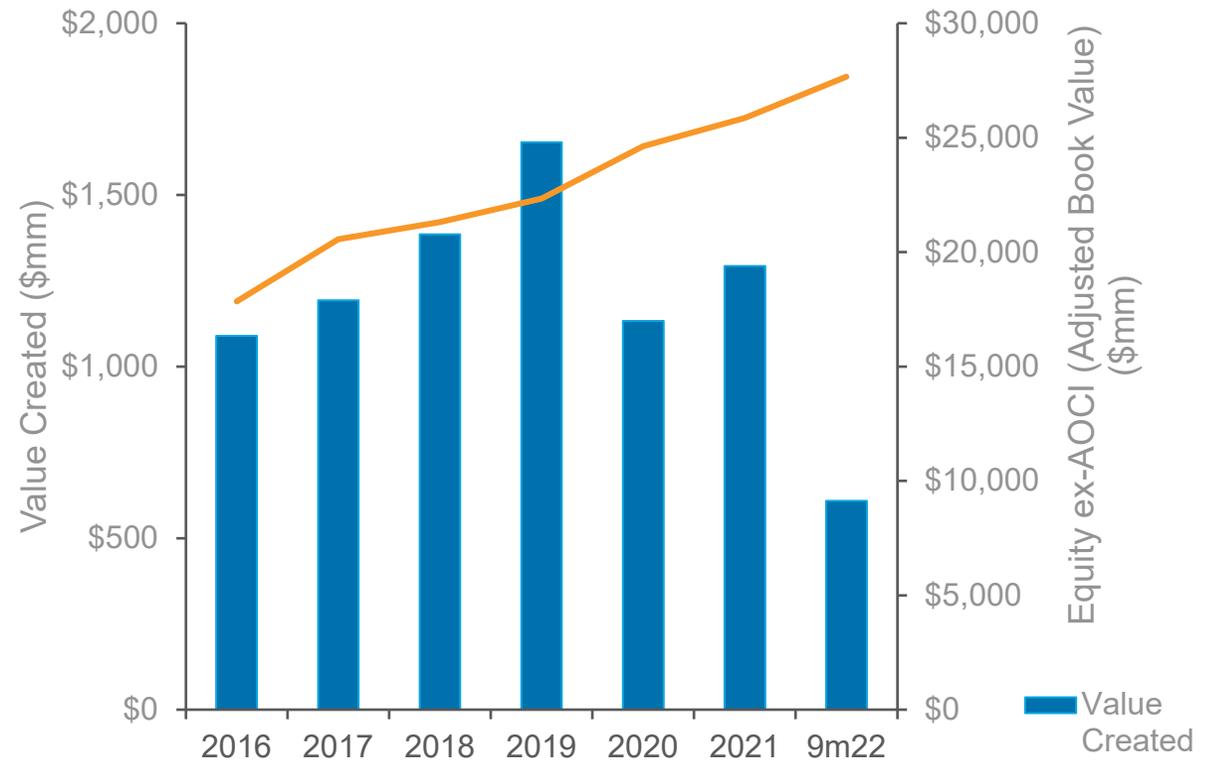
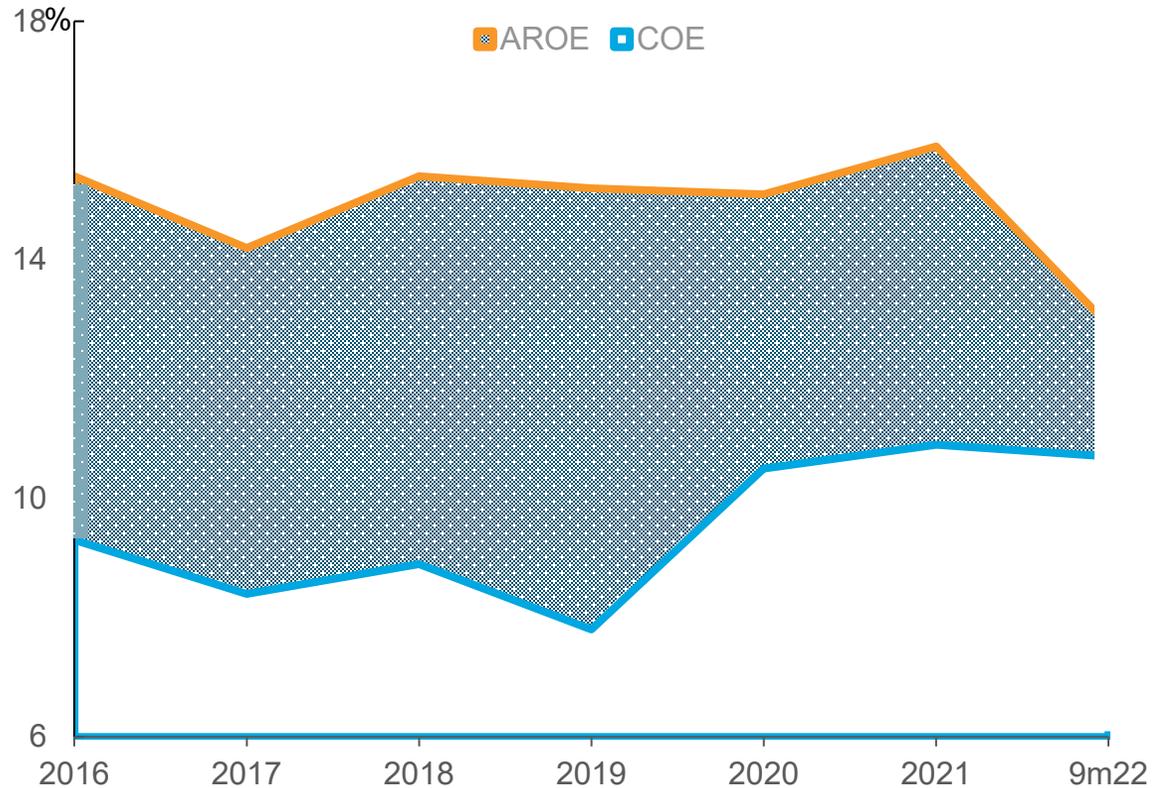
■ Represents asset impairment and realized loss budget

Considerations

- Ordinary dividend of 100% of U.S. statutory earnings
- Elevated earnings in 2022 due primarily to lower statutory benefits

Value Creation¹

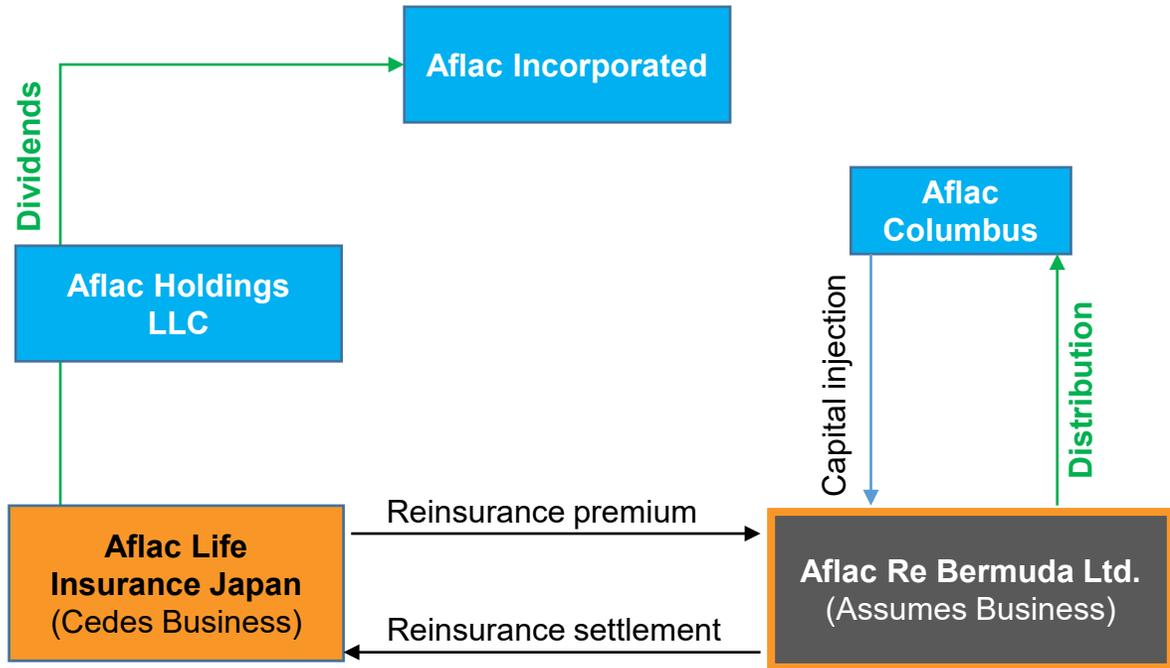
Driving the Spread between Return and Cost of Equity



- Stable differential between adjusted return on equity and cost of equity
- Building equity and creating value, as measured by the product of equity and the differential between AROE and COE
- Near term AROE pressured by investment in future growth and net build in book value

Enhancing ROE

Internal reinsurance has a capital flow of capital injection, dividend payment, and reinsurance settlement.

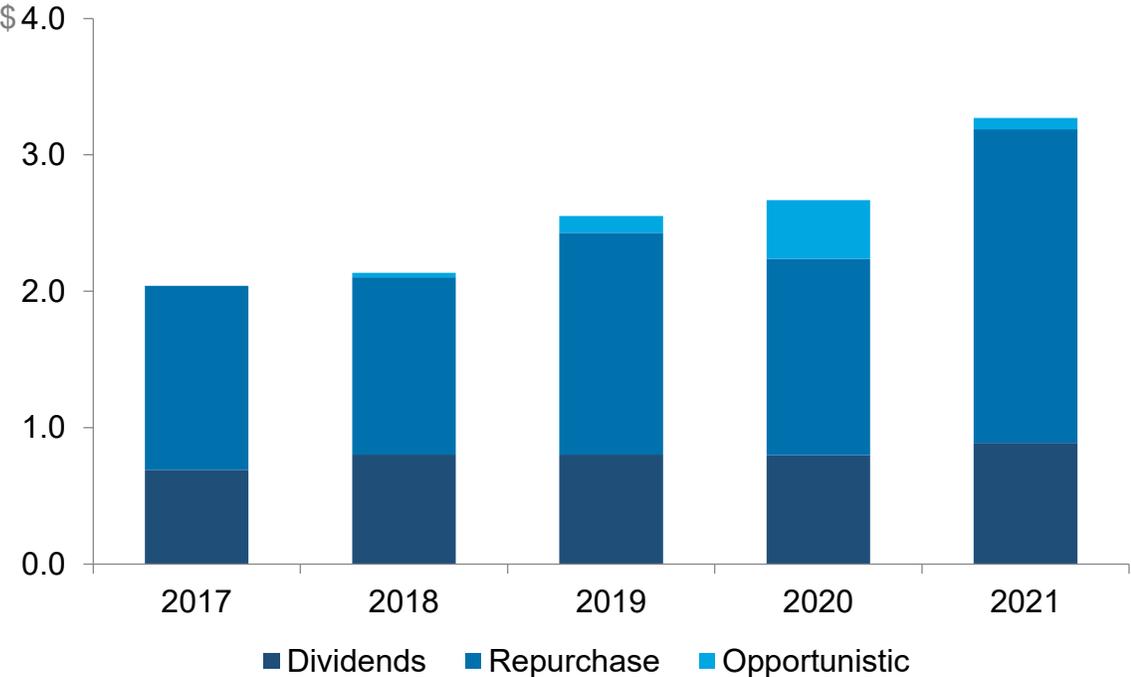


- First transaction estimated to free \$900 million to \$1 billion of capital throughout enterprise
 - » \$400 million estimated to go to Aflac Incorporated
 - » Opportunistically deploy the remainder above our cost of capital

Strategy estimated to lift Adjusted ROE by up to 100-200 bps over time¹

Capital Deployment Under Stable Conditions

Tactical Deployment (\$ billions)



Considerations

- Expected run-rate annualized insurance subsidiary dividends of \$2.6 billion to \$3.0 billion¹
- Deployable capital defined as excess capital after reinvestment in core insurance businesses
- Opportunistic represents amounts available for incremental growth investments that leverage franchise strengths and our market-leading positions, as well as venture investments

¹Assumes average exchange rate of 130. ¥/\$ and provision for asset impairments, excludes reinsurance.

Financial Overview

Strategic Outlook

- **Margins** – near-term margins compressed by investments in growth and efficiency
- **Growth** – revenue and earnings turn the corner in the 2023-2025 timeframe
- **Capital Deployment** – tactical repurchase supports stability in earnings per share
- **Value** – growth in economic value and spread between ROE and COE

Dividend reflects future cash flow and earnings expectations

Break

Q&A

Speakers and Panelists

Speakers

Please find speakers' bios [here](#).



Daniel P. Amos

Chairman and Chief Executive Officer,
Aflac Incorporated



Frederick J. Crawford

President; Chief Operating Officer,
Aflac Incorporated



Masatoshi Koide

President and Representative Director,
Aflac Life Insurance Japan



Teresa L. White

President,
Aflac U.S.



Virgil R. Miller

Incoming President,
Aflac U.S.



Eric M. Kirsch

Executive Vice President and Global
Chief Investment Officer; President,
Aflac Global Investments



Bradley E. Dyslin

Incoming President, Global Chief
Investment Officer;
Aflac Global Investments



Max K. Brodén

Executive Vice President;
Chief Financial Officer,
Aflac Incorporated

Panelists – Aflac Japan

Please find speakers' bios [here](#).



Charles D. Lake II

Chairman and Representative Director,
Aflac Life Insurance Japan;
President, Aflac International



J. Todd Daniels

Director; Executive Vice President;
Chief Financial Officer,
Aflac Life Insurance Japan



Koichiro Yoshizumi

Executive Vice President; Director
of Sales and Marketing;
Aflac Life Insurance Japan



June P. Howard

Senior Vice President, Financial
Services; Chief Accounting Officer,
Aflac Incorporated



Steven K. Beaver

Senior Vice President;
Chief Financial Officer,
Aflac U.S.



Albert A. Riggieri

Senior Vice President; Global Chief Risk
Officer and Chief Actuary,
Aflac Incorporated



David Young

Vice President, Investor and Rating
Agency Relations and ESG,
Aflac Incorporated

Appendix

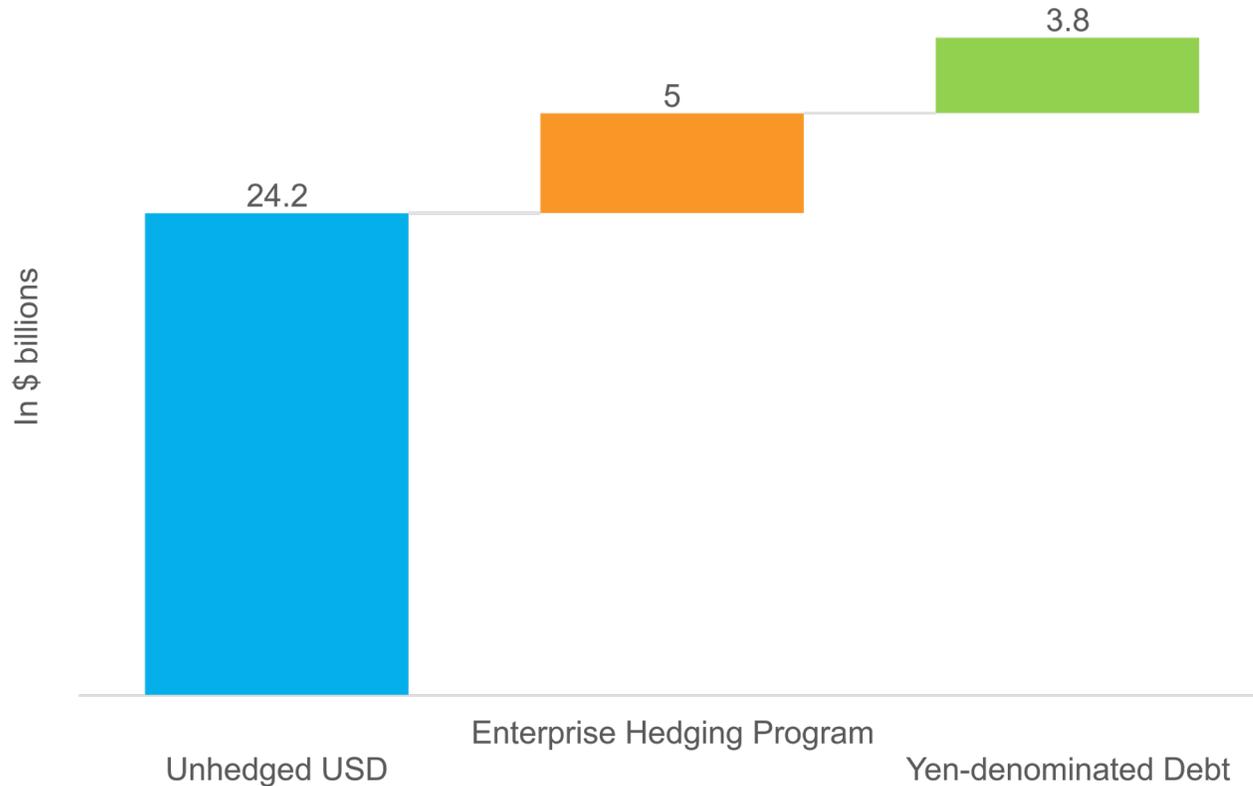
Glossary of Non-U.S. GAAP Measures

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 cannot be predicted or that are outside management's control. 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 cash flows from derivatives associated with notes payable but excluding any nonrecurring 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 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 net earnings and average total shareholders' equity.
- Adjusted return on equity excluding foreign currency impact is adjusted earnings excluding the current period foreign currency impact divided by average shareholders' equity, excluding AOCI. The Company considers adjusted return on equity excluding foreign currency impact important as it excludes changes in foreign currency and 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 excluding foreign currency impact is ROE as determined using 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 term of the hedge. 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 including unrealized foreign currency translation gains and losses is adjusted book value plus unrealized foreign currency translation gains and losses. Adjusted book value including unrealized foreign currency translation gains and losses per common share is adjusted book value plus unrealized foreign currency translation gains and losses at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value including unrealized foreign currency translation gains and losses, and its related per share financial measure, important as they exclude certain components of AOCI, which fluctuate due to market movements that are outside management's control; however, it includes the impact of foreign currency as a result of the significance of Aflac's Japan operation. The most comparable U.S. GAAP financial measures for adjusted book value including unrealized foreign currency translation gains and losses and adjusted book value including unrealized foreign currency translation gains and losses per common share are total book value and total book value per common share, respectively.
- Net earned premium excluding deferred profit liability and estimated impact of internal reinsurance strategy" is a non-U.S. GAAP financial measure. 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. 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.

3Q22 Lowering Enterprise Exposure to Currency

Economic Hedge: Protecting current and future distributions of Japan's economic value



Hedging Real Economic Events

- Cash flows from the foreign subsidiary, Aflac Life Insurance Japan, to the holding company
- Future expected cash flows on a present value basis

Component

Constraint

Unhedged USD

FSA earnings and SMR volatility

Enterprise Hedging Program

Holding company liquidity

Yen-denominated debt

Japan debt capital market conditions

Reconciliation of U.S. GAAP Return on Equity (ROE) to Adjusted ROE

	2022 (YTD September 30, 2022)	2021	2020	2019	2018
U.S. GAAP ROE ¹	18.7 %	12.9 %	15.3 %	12.6 %	12.2 %
Impact of excluding unrealized foreign currency translation gains (losses)	(2.3)%	(0.8)%	(0.9)%	(1.0)%	(1.0)%
Impact of excluding unrealized gains (losses) on securities and derivatives	3.8 %	5.1 %	6.2 %	3.6 %	3.0 %
Impact of excluding pension liability adjustment	(0.1)%	(0.1)%	(0.2)%	(0.1)%	(0.1)%
Impact of excluding AOCI	1.4 %	4.2 %	5.1 %	2.5 %	1.8 %
U.S. GAAP ROE - less AOCI	20.0 %	17.1 %	20.3 %	15.1 %	13.9 %
Differences between adjusted & net earnings ²	(7.1)%	(1.2) %	(5.2)%	—	1.5 %
Adjusted ROE – reported ³	12.9 %	15.9 %	15.1 %	15.2 %	15.4 %

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 See non-U.S. GAAP financial measures for definition of adjusted return on equity

Reconciliation of U.S. GAAP Equity to Adjusted Book Value¹

	2022 (YTD September 30, 2022)	2021	2020	2019	2018
U.S. GAAP Equity ¹	24,152	33,253	33,559	28,959	23,462
Accumulated other comprehensive income(AOCI)	(3,511)	7,393	8,934	6,615	2,151
U.S. GAAP Equity - less AOCI (Adjusted BV)	27,663	25,860	24,625	22,344	21,311

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
- **bps** – basis points
- **CAGR** – compound annual growth rate
- **CLO** – collateralized loan obligation
- **CML** – commercial mortgage loan
- **COE** – cost of equity
- **DEI** – diversity, equity and inclusion
- **PL** – deferred profit liability
- **ESG** – environmental, social and governance
- **ETF** – exchange-traded fund
- **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
- **RBC** – risk-based capital
- **SAA** – strategic asset allocation
- **SME** – Small-medium enterprise
- **SMR** – solvency margin ratio
- **TRE** – transitional real estate
- **USD** – U.S. dollar
- **VNII** – variable net investment income
- **YTD** – year to date

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