Aflac Incorporated

Daniel P. Amos
Chairman, CEO and President

February 21, 2024



Aflac Incorporated

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 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*

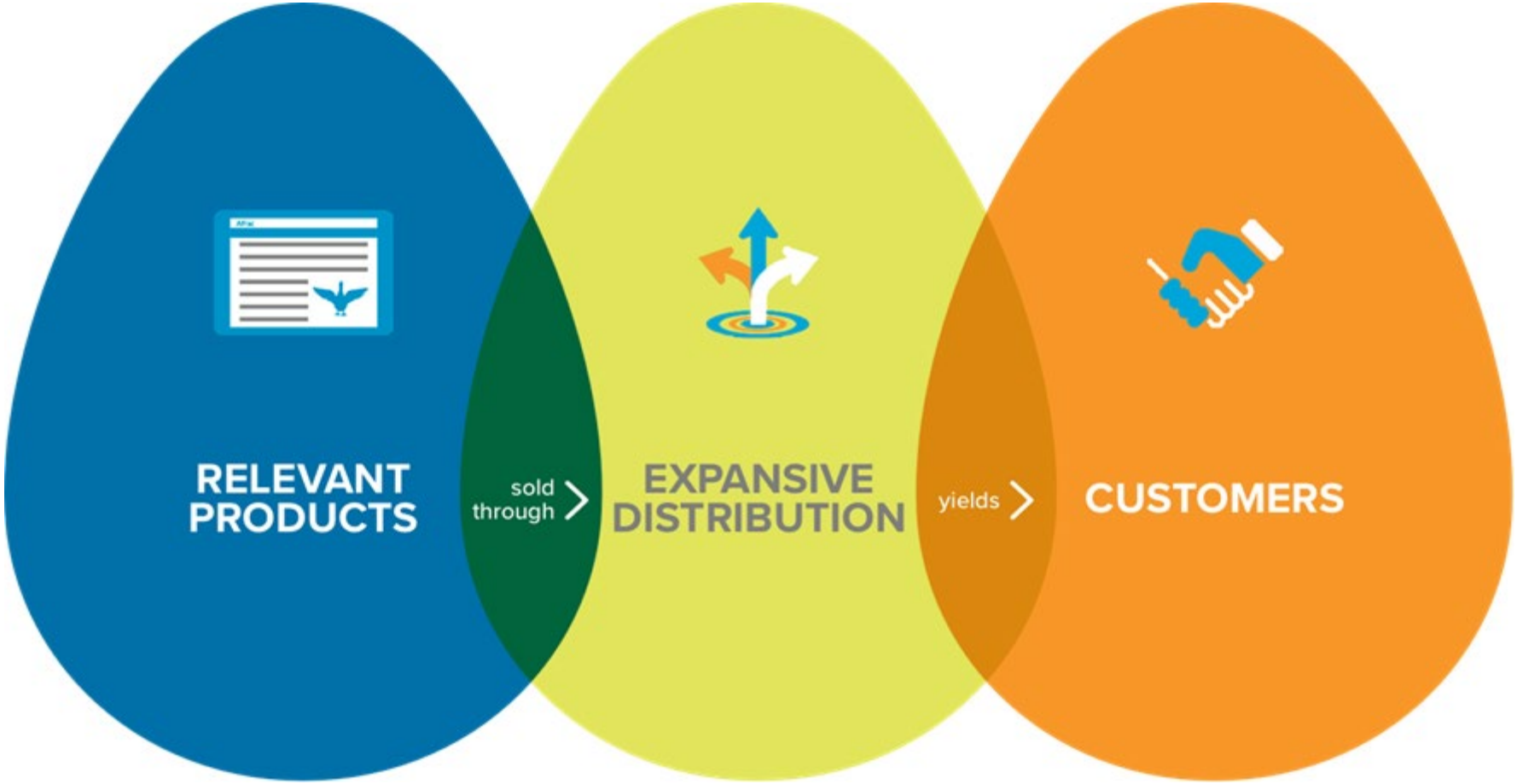
Non-U.S. GAAP Financial Measures and Reconciliations

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).

Aflac Incorporated's Long-Term Growth Strategy



Leveraging a Strong Brand in a Special Way

- **$173 million** to the **Aflac Cancer and Blood Disorders Center** since 1995 through our employees, agents and brokers
- **150,000+** patients and their families have received support through **Aflac Parents House** in Tokyo and Osaka since 2001



- **27,066 My Special Aflac Ducks** given to children with cancer and sickle cell disease since 2018 in the U.S., Japan and Northern Ireland
  - **6,742** delivered to children in 2023, including **3,075** for children with sickle cell disease



Aflac Incorporated

Aflac Japan Segment



Aflac Japan Insurance Products: Third Sector Leader

#1 provider of cancer and medical insurance in Japan[1]

Creating "Living in Your Own Way" with life cycle solutions

Medical	• Simple product design that appeals to younger policyholders with basic needs and older or existing policyholders who desire additional or updated coverage • Launched mid-September 2023
Cancer	• Provides coverage for the latest medical treatment and early detection, covering costs of thorough exams, genomic profiling tests and medical treatment requested by patients • Launched in stages beginning in agencies and Daido Life (Aug. '22), Dai-ichi Life and banks (Jan. '23) and Japan Post and Japan Post Insurance (Apr. '23)
Nursing Care	• Meets the needs of the aging population to cover out-of-pocket costs incurred while receiving public nursing care services
Income Support / Work Leave	• Provides benefits to policyholders if they miss work due to significant illness or injury or have short-term hospitalization and home care associated with work leave of less than a year
WAYS / Child Endowment	• First sector savings products providing younger customers an earlier introduction to Aflac and potentially third sector policies

Aflac Incorporated

[1] Aflac Japan is the number one insurer in terms of the total combined number of cancer insurance and medical insurance policies in force, according to the Life Insurance Statistics Report 2022 by Japan Institute for Insurance Research.

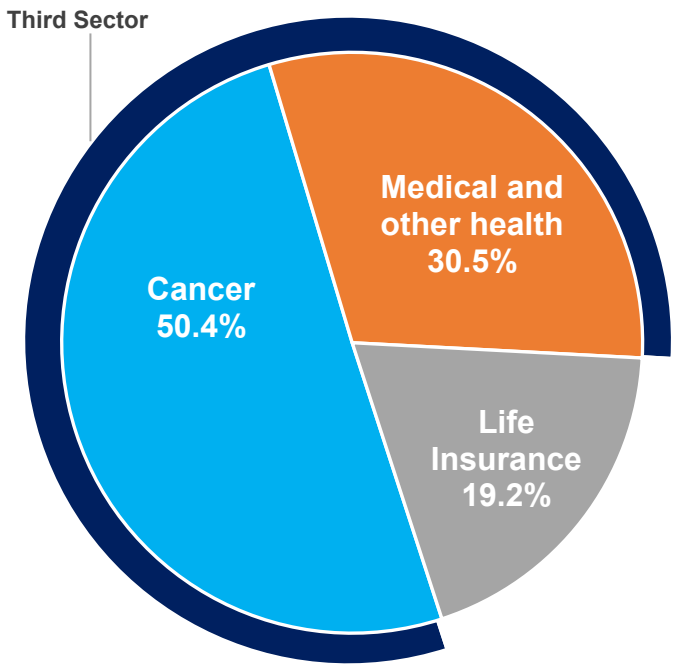
Reaching More Customers through Diverse Distribution:

Being Where People Want to Purchase Protection

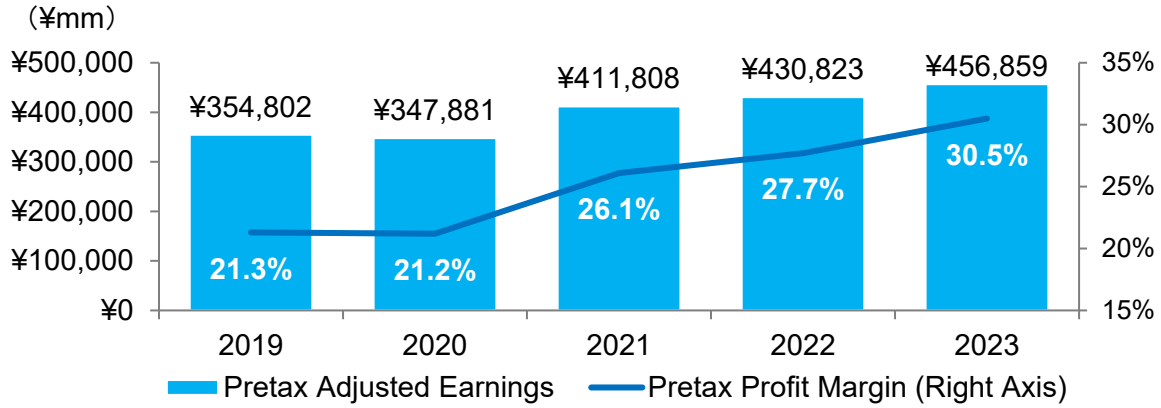
Core	**Traditional Channel**	• Vital for Aflac Japan sales, with nearly 7,000 agencies
Alliance Partners	**Japan Post Group**	• Japan Post Co., has more than 20,000 post offices nationwide selling Aflac cancer insurance products • Japan Post Insurance Co., LTD. offers Aflac cancer insurance products through its 76 directly managed offices
	Dai-chi Life	• Nearly 40,000 sales representatives offer Aflac cancer insurance products
	Daido Life	• Selling cancer insurance products in SME association market
	Banks	• Represented by nearly 90% of the total banks in Japan

Aflac Japan Financials Update

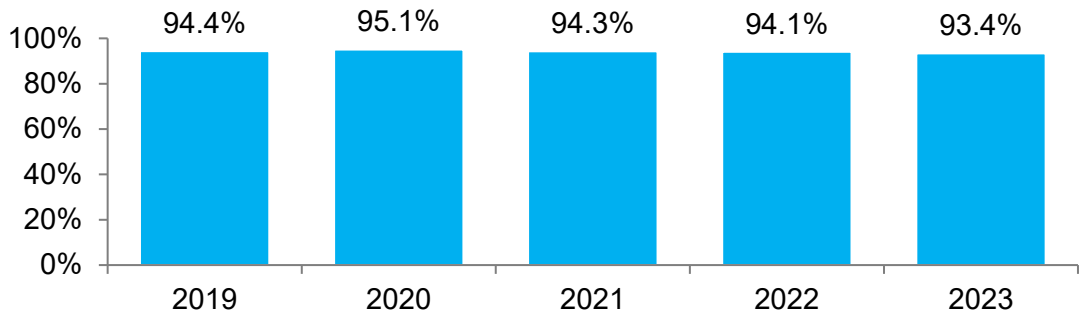
Aflac Japan Net Earned Premiums by Product



Pretax Adjusted Earnings and Pretax Profit Margin[1]



Premium Persistency (12-Month Rolling)

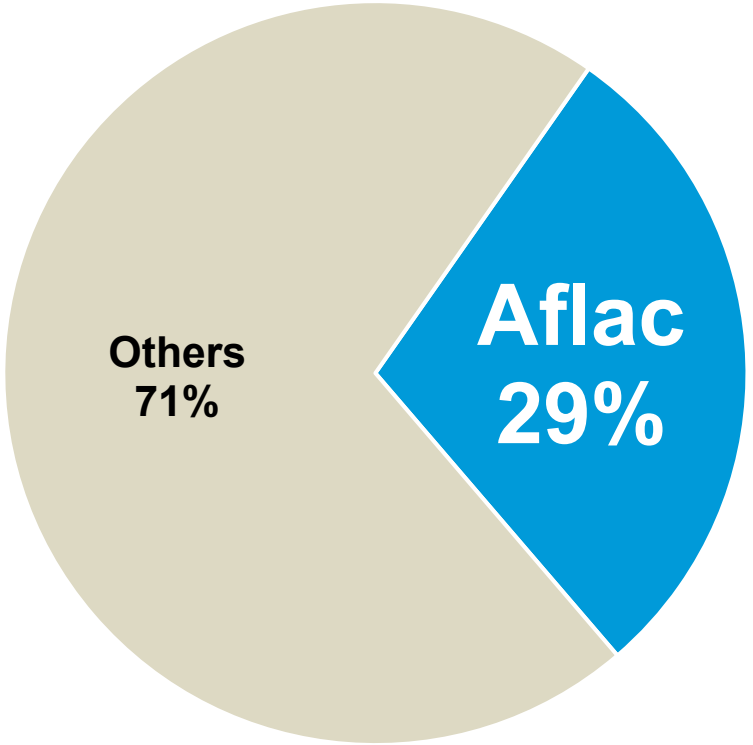


[1]Before management fee. Includes FX conversion associated with Japan's USD portfolio. All prior period adjusted earnings have been revised for the reclassification of amortized hedge costs for consistency with current period presentation.

Aflac U.S. Segment

Leader in U.S. Worksite Supplemental Health Insurance[1]

U.S. Worksite Supplemental Health Insurance Sales Market Share[2]



Aflac's market share is nearly **3x** greater than the nearest competitor

Aflac U.S. maintains its market leadership and expects to grow as we execute our strategy with a robust product portfolio that meets customer needs

- Critical Care (Incl. Cancer)
- Accident
- Short-term Disability
- Hospital Indemnity
- Supplemental Dental & Vision
- Network Dental & Vision
- Group Disability
- Life (Term, Whole)

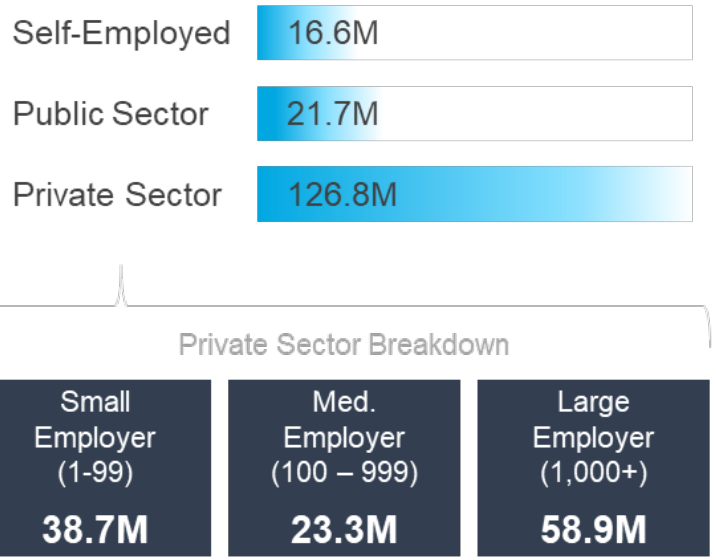
[1] Supplemental Health is defined as Accident, Cancer, Critical Illness and Hospital Indemnity Products
[2] Source: 4th Quarter 2022 U.S. Workplace Supplemental Health Sales Report: LIMRA

Aflac Incorporated

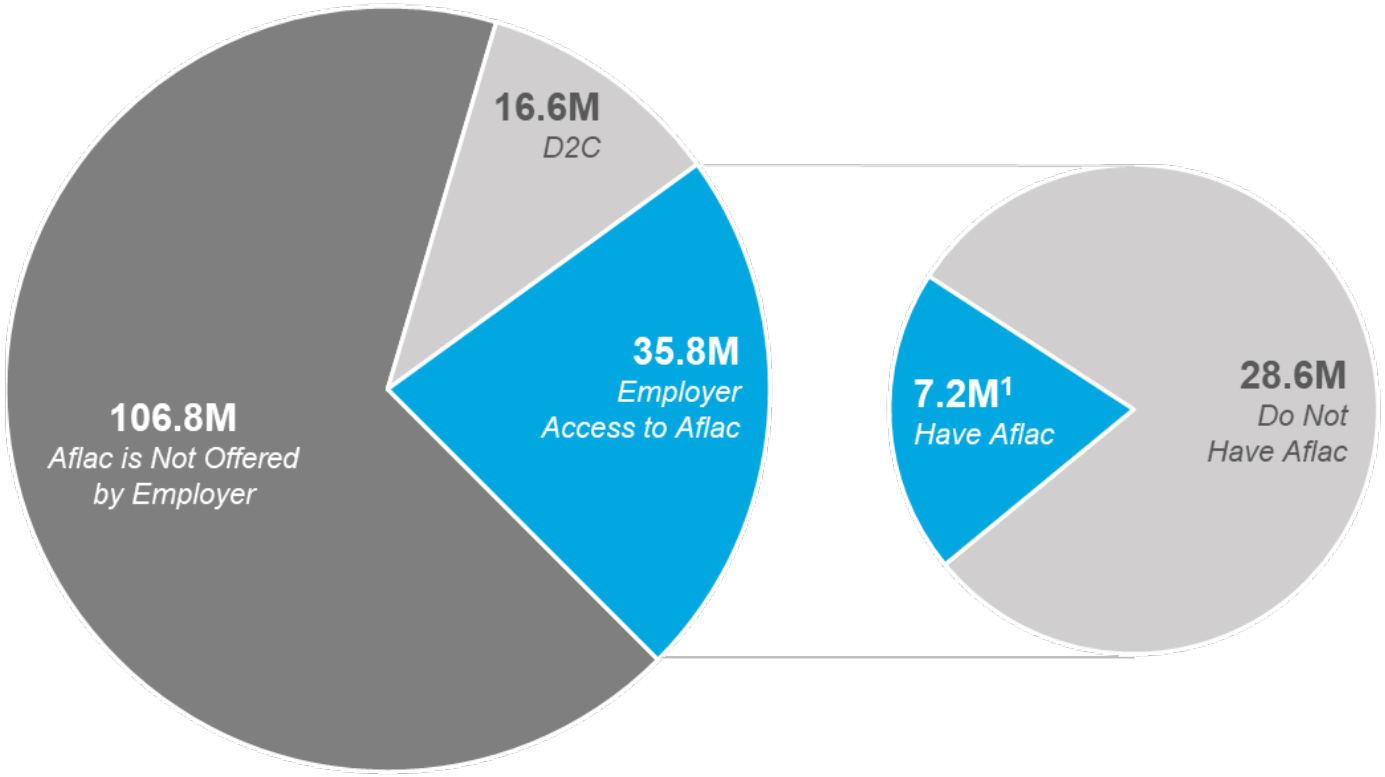
Aflac U.S. Growth Opportunities

U.S. Working Population

159.2 Million



Solving for Access, Penetration & Retention

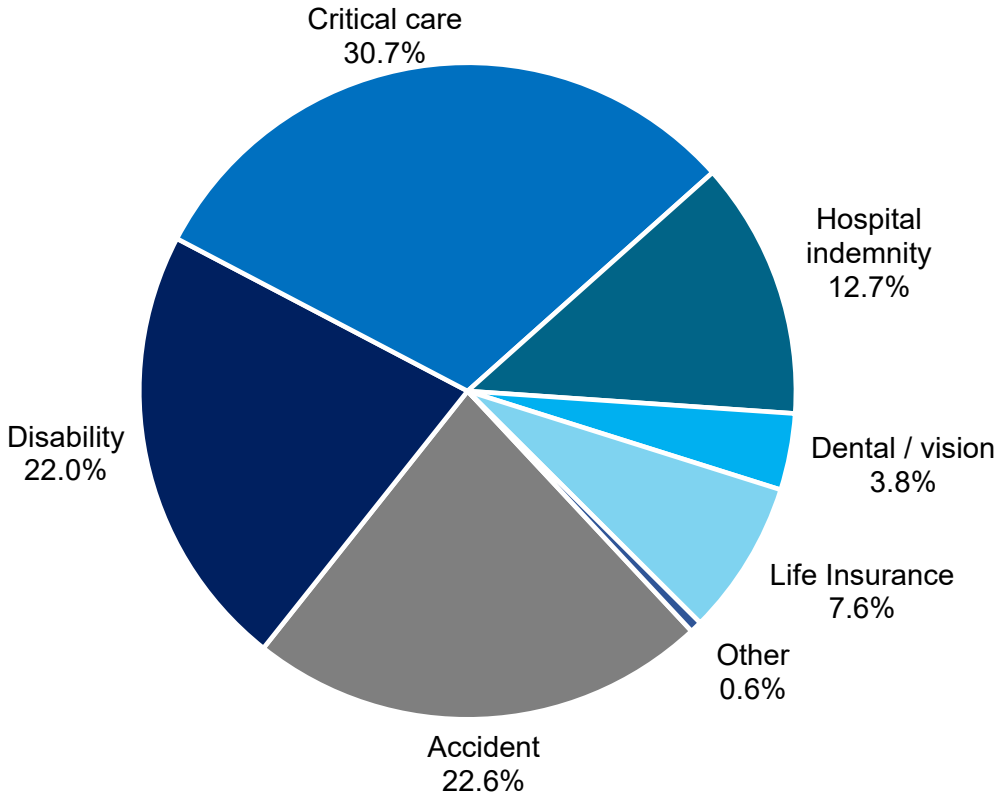


[1]Aflac policy/certificate holders and covered employees as of December 31, 2022| Source: 2022 Bureau of Labor Statistics- Current Population Survey

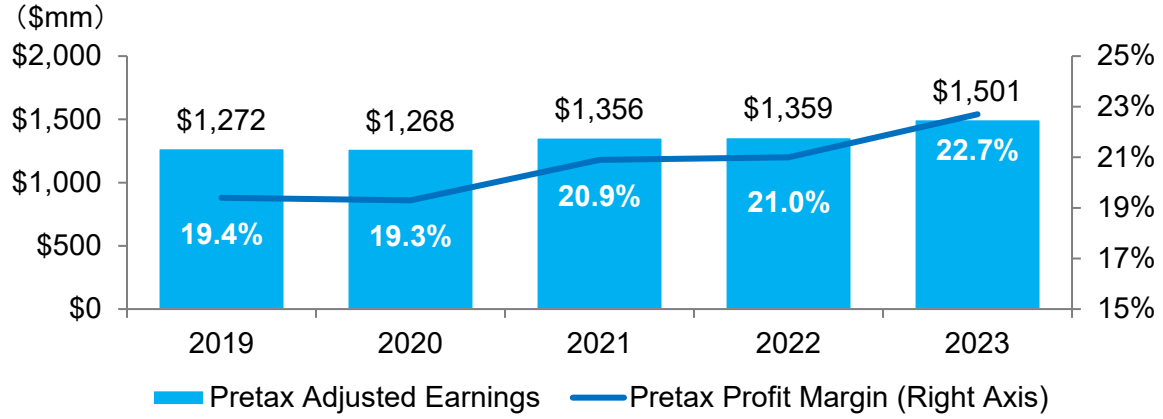
Aflac U.S. Financials Update

Net Earned Premiums

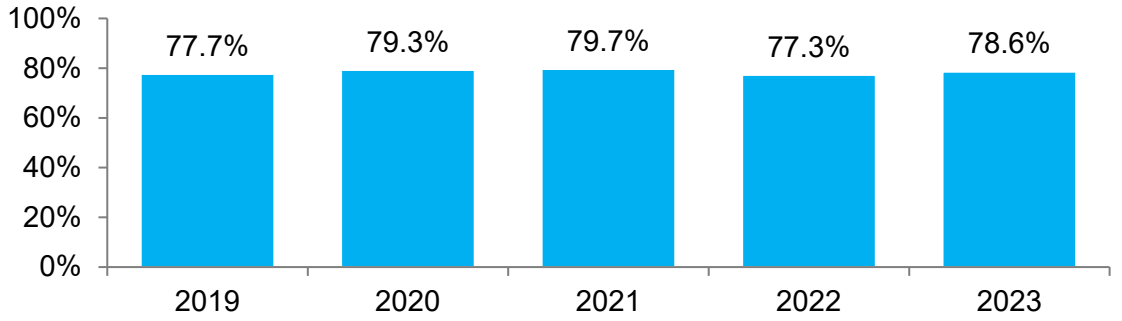
YTD as of 12/31/2023



Pretax Adjusted Earnings and Pretax Profit Margin[1]



Premium Persistency (12-Month Rolling)



[1] Before management fee. All prior period adjusted earnings have been revised for the reclassification of amortized hedge costs for consistency with current period presentation.

Consolidated EPS

Reconciliation of Net Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share

Twelve months ended December 31

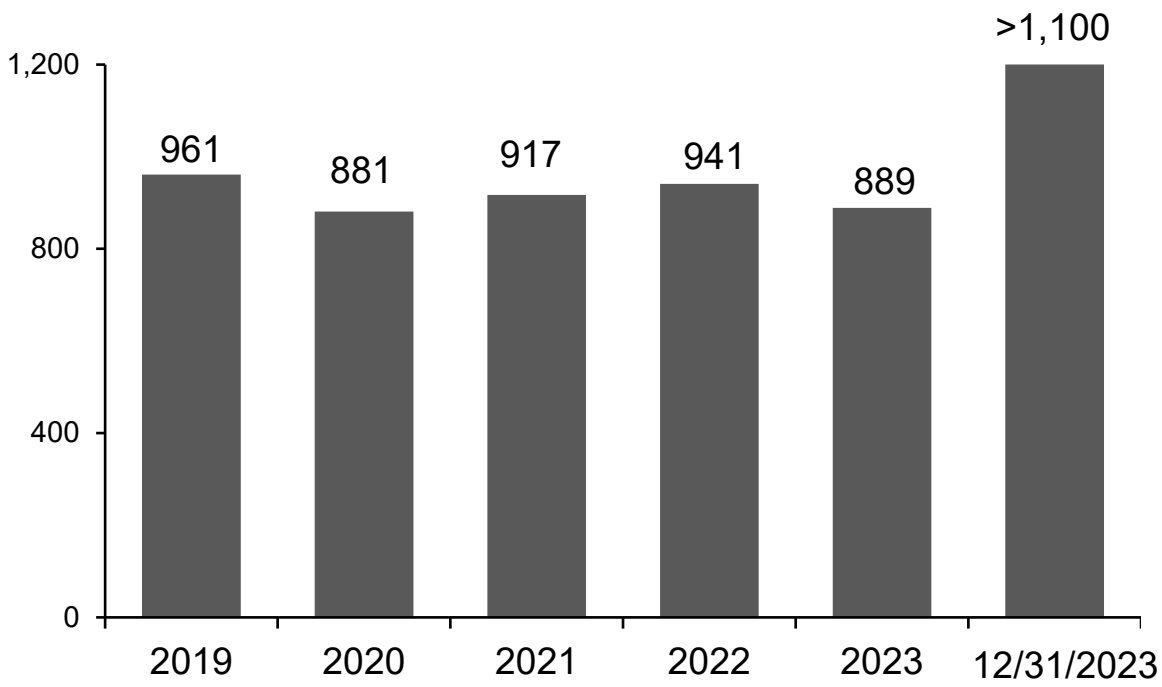
	2023	2022	% Change
Net earnings per diluted share	$7.78	$6.93	12.3%
Items impacting net earnings:			
Adjusted net investment (gains) losses	(1.53)	(.70)	
Other and non-recurring (income) loss	(0.07)	—	
Income tax (benefit) expense on			
Items excluded from adjusted earnings[1]	0.04	(0.56)	
Adjusted earnings per diluted share	$6.23	$5.67	9.9%
Current period foreign currency impact[2]	0.19	N/A	
Adjusted earning per diluted share			
excluding current period foreign currency impact[3]	$6.43	$5.67	13.4%

[1] Primarily reflects release of $452 million in deferred taxes 2022.
[2] Prior period foreign currency impact reflected as “N/A” to isolate change for current period only.
[3] 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.

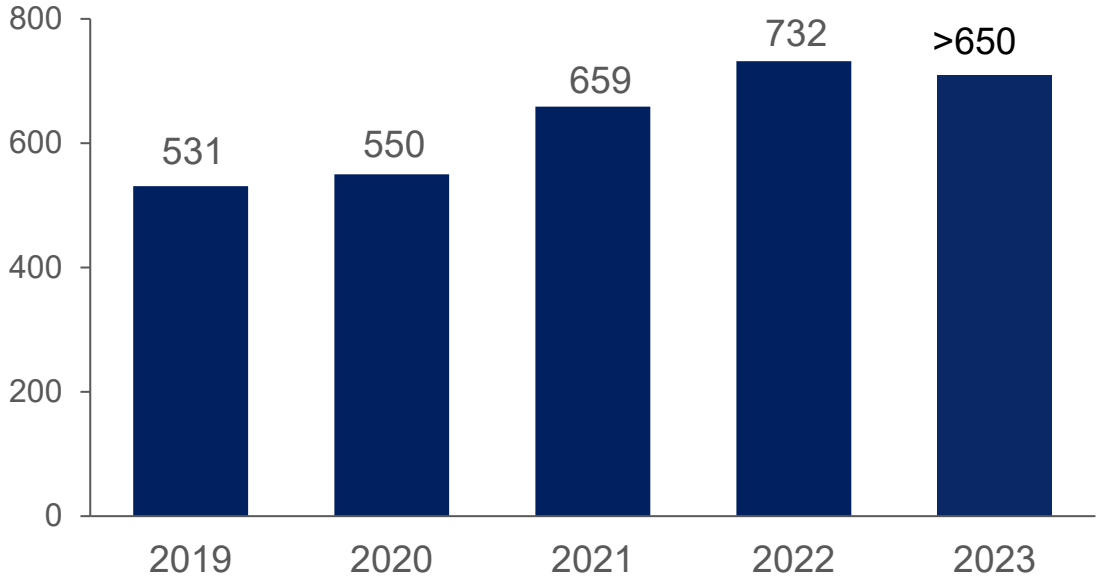
Liquidity and Capital Management

Strong Capital Ratios

Solvency Margin Ratio
(Fiscal year ending March 31, %)



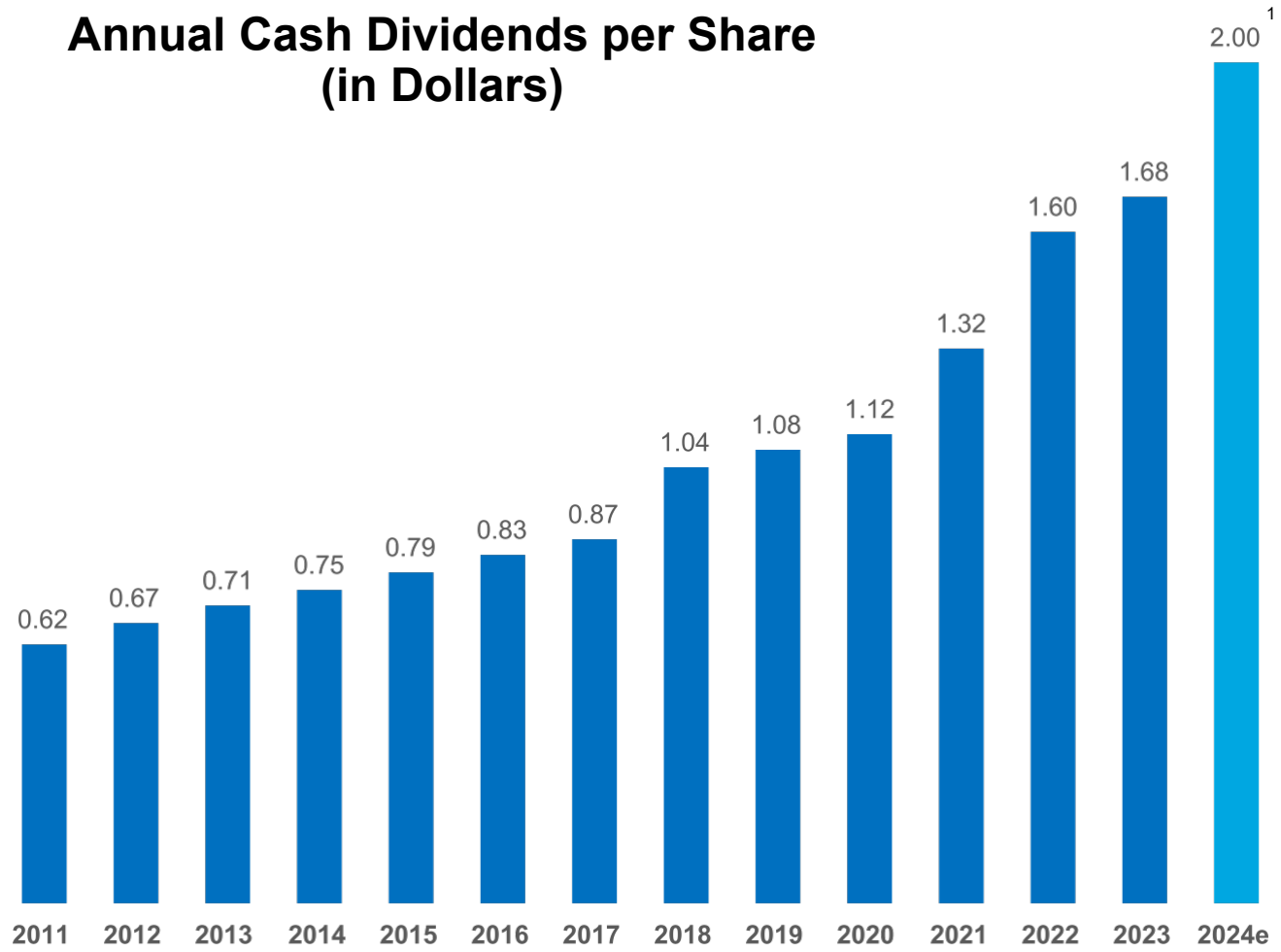
Aflac Combined Risk-Based Capital Ratio [1]
(Fiscal year ending December 31, %)

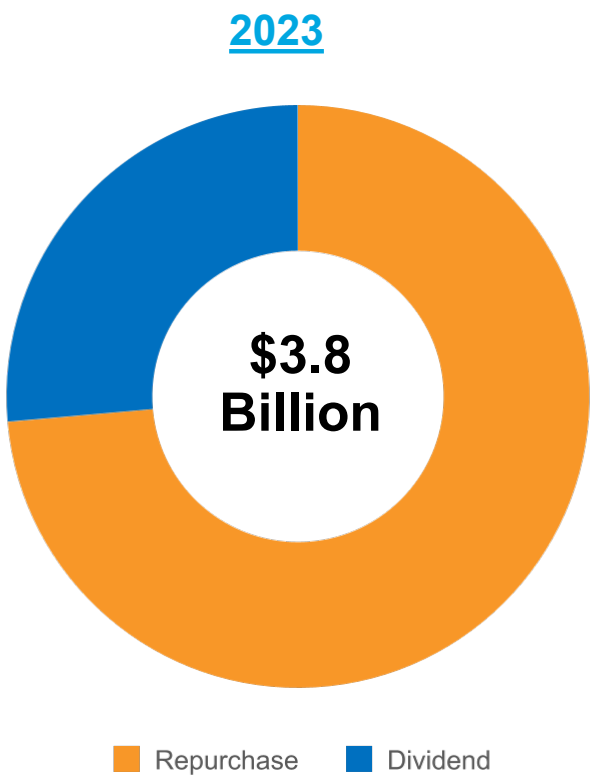


[1] Combined RBC ratio is the aggregated ratio of four subsidiaries: American Family Life Assurance Company of Columbus (Aflac); Continental American Insurance Company (CAIC), branded as Aflac Group Insurance (AGI); American Family Life Assurance Company of New York (Aflac New York); and Tier One Insurance Company (TOIC)

Aflac Incorporated

Returning Capital to Shareholders





[1]Annualized first quarter dividend; dividends for second through fourth quarters of 2024 have not been declared.

Strategic Points of Leverage

- Industry-leading market share and scale in Japan and U.S.
- Recognized and powerful brand
- Diverse and productive distribution
- Product innovation and customized, high-quality service
- Strong capital position
  - Stable earnings
  - Strong cash flows




Aflac®
Incorporated

Appendix

Glossary of Non-U.S. GAAP Measures

The Company defines these 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 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.

• **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 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 cash flows 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 cash flows 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 cash flows 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.

Reconciliation of Net Earnings to Adjusted Earnings[1]

Twelve months ended December 31, in millions

	2023	2022	% Change
Net earnings	$4,659	$4,418	5.5%
Items impacting net earnings:			
Adjusted net investment (gains) losses	(914)	(447)	
Other and non-recurring (income) loss	(39)	(1)	
Income tax (benefit) expense on items excluded from adjusted earnings[1]	26	(357)	
Adjusted earnings	$3,733	$3,614	3.3%
Current period foreign currency impact[2]	113	N/A	
Adjusted earnings excluding current period foreign currency impact[3]	$3,847	$3,614	6.4%

Aflac Incorporated

[1] Primarily reflects release of $452 million in 2022.
[2] Prior period foreign currency impact reflected as “N/A” to isolate change for current period only.
[3] 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.

Effect of Foreign Currency on Adjusted Results

Twelve months ended December 31, 2023

	Including Currency	Excluding Currency[2]
Net premium income[3]	(5.2)%	(0.9)%
Adjusted net investment income[1]	(2.1)%	0.1%
Total benefits and expenses	(5.5)%	(1.3)%
Adjusted earnings[1]	3.3%	6.4%
Adjusted earnings per diluted shares[1]	9.9%	13.4%

[1] Non-U.S. GAAP measures, refer to the appendix for the definition.
[2] Amounts excluding currency changes were determined using the same foreign currency exchange rate for the current period as the comparable period in the prior year, which eliminates dollar-based fluctuations driven solely from currency rate changes.
[3] Net of reinsurance