

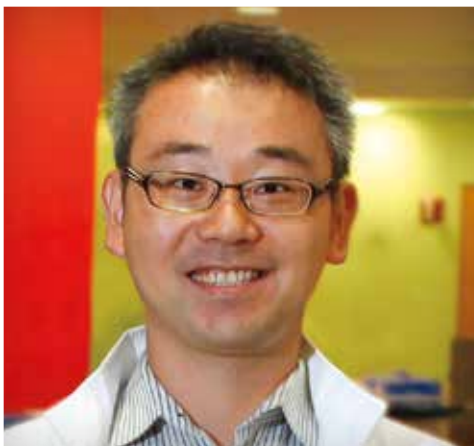


2015 YEAR IN REVIEW

THE STORY OF AFLAC
60 YEARS IN THE MAKING



Incorporated



Aflac voluntary insurance products pay cash benefits directly to the policyholder to help protect against income and asset loss when a specific health event or life situation presents financial challenges. Aflac is the number one provider of voluntary insurance at the worksite in the United States* and insures one in four households** in Japan, providing financial protection to more than 50 million people.

**Source: Eastbridge Consulting Group, Inc. U.S. Worksite/Voluntary Sales Report. Carrier Results for 2014. Avon, CT: April 2015*

***Based on the 2014 number of households published by Japan's Ministry of Internal Affairs and Communications*

2015 YEAR IN REVIEW

THE STORY OF AFLAC
60 YEARS IN THE MAKING



Ours is a story of service - 60 years in the making. As we celebrate our diamond anniversary, Aflac is here to help our policyholders in their time of need. It's a story about people - their compassion, strength and resilience.

AFLAC'S GOAL:

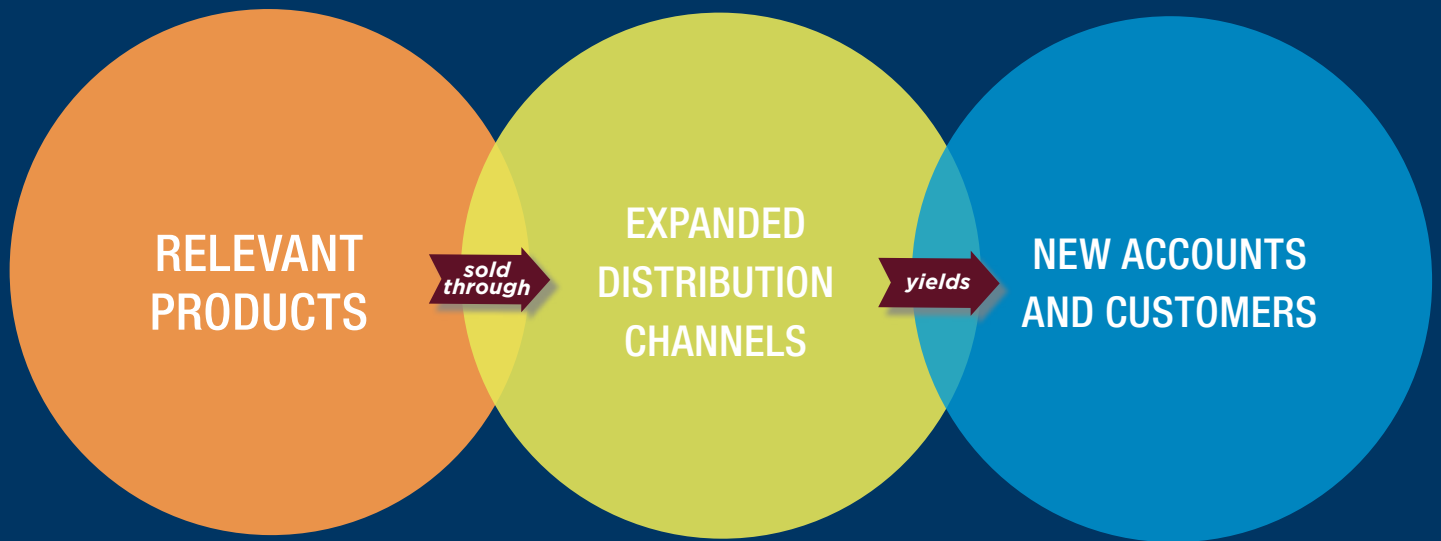
日米両国のお客様に、任意加入保険商品の分野で最高の価値を提供すること。それがわたしたちの目標です。

To provide customers with the best value in voluntary insurance products in Japan and the United States

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OUR STRATEGY FOR GROWTH



PROTECTING AGAINST:

- Asset Loss
- Income Loss
- Out-Of-Pocket Medical Expenses

REACHING CUSTOMERS AT:

- Worksite
- Retail Locations
- Home

INSURING:

- More than 50 million people

THE STORY OF AFLAC: 60 YEARS IN THE MAKING

Once upon a time, John Amos, Aflac's principal founder, joined with his brothers, Paul and Bill, to make their dream of starting an insurance company a reality. They knew people were facing serious medical health events and set out to establish a company focused on insurance products that would help to ease the financial burden of getting sick or injured. To many, such a venture may have seemed like a tall tale or an impossible dream back in 1955. But their vision and dedication laid the groundwork for an incredibly rewarding six decades in which we've grown our business – and in doing so, we've touched millions of lives. The privilege of enriching the lives of policyholders, sales associates, employees and shareholders remains our greatest priority and incorporates a passion that we call The Aflac Way.

The story of Aflac continued in 2015 as we celebrated a significant milestone: Aflac's 60th anniversary. Our diamond anniversary marked another year during which Aflac extended its lengthy record of success, while pursuing more opportunities. We made significant strides in advancing our vision of *offering high-quality voluntary products, solutions and service through diverse distribution outlets, building upon our market-leading position to drive long-term shareholder value.*

2015 operating earnings* per diluted share, excluding the impact of the yen, grew 7.5%. This metric is one of the principal financial measures used to evaluate management's performance, and we believe it continues to be a key driver of shareholder value.

AFLAC JAPAN

In Japan, where we insure one in four households, 2015 was a year of strengthening relationships with our sales channels and enhancing our product line to ensure we're continuing to meet the needs of consumers. We saw phenomenal success across all channels in sales of our third sector products, particularly with the product we pioneered – cancer insurance. These results helped generate a year in which we achieved the highest annual growth rate for third sector products in the past 10 years, helping us to maintain our status as the leading provider of both medical and cancer insurance in Japan.

AFLAC U.S.

In the United States, Aflac again earned the distinction of being the number one provider of voluntary insurance at the worksite**. 2015 was a year in which Aflac U.S. generated solid results, and we've been encouraged that the changes we made to our career and broker management infrastructure are laying the foundation for expanded long-term sales growth opportunities. We closed

2015 strongly with our fourth quarter new annualized premium sales hitting an all-time quarterly record in terms of premium amount. Most notably, I am very proud of the new chapter we marked in Aflac's history with the introduction of One Day PaySM, an industry-first initiative that allows us to process, approve and pay eligible claims in just one day.

STRONG CAPITAL PROFILE SUPPORTS OUR PROMISE

Our strong capital position reinforces what I believe is the most important promise an insurance company makes to its policyholders – to protect them when they need us most by paying claims fairly and promptly. We believe the financial strength of our company is important to our business. Our strong capital ratios demonstrate our commitment to our policyholders, bondholders and shareholders. This financial strength is reflected in the quality of our balance sheet. We are very pleased by our solid capital levels, and we regularly assess our capital adequacy using extreme economic scenarios to ensure our financial strength, considering the economic uncertainty in the world. Strong capital ratios serve to protect our policyholders' interests.

We're also proud that the rating agencies continue to recognize the strength of our balance sheet. Our financial strength ratings, which reflect our ability to pay claims, are A+ (Superior) by A.M. Best, Aa3 by Moody's, A+ by S&P and AA- by Rating & Investment Information Inc. (R&I).

While policyholders are always top of mind, we also strive to enhance shareholder value through capital deployment. As we've communicated, when it comes to deploying excess capital, we still believe that growing the cash dividend and repurchasing our shares represent the most attractive avenues, particularly absent other compelling uses of that capital. In 2015, we repurchased 21.2 million of our shares at a cost of \$1.3 billion.

I am also pleased with the action by our board of directors in 2015 to increase the cash dividend to shareholders, marking the 33rd consecutive year of dividend increases. Our objective is to grow cash dividends at a rate generally in line with operating earnings per diluted share before the impact of the yen.

We also take pride in generating an industry-leading return on equity, or ROE. Excluding the yen impact, our operating ROE for the full year was 20.2%, which was in line with our 2015 operating ROE target of 20% to 25%.

INVESTMENTS AND MARKET VOLATILITY

2015 represented a year of executing on our long-term investment strategy after completing the transformation of our investment platform, which included new leadership, building out investment teams in New York and Tokyo, new investment processes and governance that properly balances risk and investment returns. As we enter 2016, we once again find ourselves entering a period of volatility in the capital markets. Accordingly, we have a global investment policy that is governed by strict risk guidelines to ensure our portfolios are managed to achieve a high overall asset quality and remain diversified while seeking out attractive investment opportunities around the world. Our risk management discipline ensures we are mindful of various market challenges, including risks related to interest rates, credit spreads and foreign exchange to help ensure our portfolio will perform well through various market cycles. Our investment philosophy guides us to act in the best interests of our policyholders, while producing attractive returns for all of our stakeholders.

THE NEXT CHAPTER: KEEPING OUR PROMISE – THE AFLAC WAY

Ever since our company was founded six decades ago, we have always put the customer first by reminding ourselves daily about the promises we make to the policyholders and businesses who rely on us – and positioning our business to fulfill those promises. We know that we don't simply sell voluntary insurance products; we sell a promise to be there for our policyholders in their time of need – a promise we don't take lightly. By delivering on our promise, we've gained the trust of more than 50 million people worldwide who count on us to pay claims fairly and promptly when they need us most.

As we look ahead, delivering on our promise will remain our priority because we know that is not only what sets Aflac apart, it's the **story of Aflac**.



Daniel P. Amos

Chairman and Chief Executive Officer
Aflac, Aflac Incorporated



**Aflac believes that an analysis of operating earnings, a non-GAAP financial measure, is vitally important to an understanding of the company's underlying profitability drivers. Aflac defines operating earnings as the profits derived from operations, inclusive of interest cash flows associated with notes payable, before realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities, as well as other and nonrecurring items.*

***Source: Eastbridge Consulting Group, Inc. U.S. Worksite/Voluntary Sales Report. Carrier Results for 2014. Avon, CT: April 2015*



Q In 2015, Aflac celebrated its 60th anniversary. Why is Aflac here to stay for the next 60 years?

A **Not only are the United States and Japan the largest insurance markets in the world**, but I believe they have been, and remain, very well suited to our products. Over the years, our product line may have expanded, but Aflac products are still as relevant today as ever. Our products are based on the concept of paying cash when a health event or life situation disrupts life. We'll continue our strategy of keeping our products in tune with market trends and developing effective sales channels to deliver them. Add to that our financial strength, brand recognition, and operational efficiencies, and Aflac is positioned to provide a measure of financial security to millions for the next 60 years and beyond. When I reflect back on our years in both countries, what stands out in my mind isn't related to numbers or years – it's the fact that Aflac's products have helped so many people.

Q What were Aflac's biggest challenges in 2015?

A **I would have to say that within the two markets in which we do business** – Japan and the U.S. – we've been focused on driving growth rates amidst a competitive landscape and evolving financial market conditions. We're working to drive growth in U.S. sales while also determining how to expand our Aflac Japan footprint. And of course, as I've said before, investing our new money cash flows in this historically low interest rate environment has continued to be challenging for Aflac and most other companies. As is always the case, we continually strive to balance growth in our dividend and share repurchase programs while also maintaining a strong capital base. Our goal is to deliver our promise to all of our stakeholders, including policyholders and shareholders.

Q From a policyholder perspective, how do Aflac products add value?

A **When someone files a claim**, it often coincides with a very difficult time in their life. Whether we're talking about Japan or the United States, getting cash in the hands of our policyholders during these difficult times is so important. I have often said that Aflac is in the business of paying claims, not denying them. In the United States, we introduced our One Day PaySM claims initiative in February 2015. One Day Pay is simply the natural evolution of how we've always done business: paying claims fairly and promptly – and now faster than ever before. A claim paid through One Day Pay means we "process, approve and pay a claim in just one day," which allows us to help lift our policyholders' financial burden quickly and allows them to focus on healing. This affirms our reputation as a strong product innovator and trusted brand.

Q How do you view Aflac's role in the community?

A **In 1995, we began our partnership** with the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta, and in 2001, we established the first Aflac Parents House in Japan, with two more added over the years. Since that time, these endeavors have been life changing to many, including me, while growing larger and more meaningful than I could have ever imagined. I cannot think of any partnerships I treasure more than those with the Aflac Cancer and Blood Disorders Center in the U.S., as well as the Aflac Parents House in Japan. When I think of children battling cancer, their families, and their physicians, I can't help but think of them as heroes. It's wonderful to know that from 1965 to 2000 the overall cure rate for childhood cancer has risen from 20% to 80%. But improvements in survival rates don't just happen. Results like this take care, research, and resources from many organizations and individuals. We have made it our priority to support efforts to achieve an even greater cure rate while also helping families cope with these devastating diagnoses. It's the right thing to do. At the same time, I believe that by being a strong corporate citizen, you ultimately have the opportunity to attract better people, who in turn make your company that much stronger, which enhances future success.

Q How has the evolution of the Aflac brand in the United States and in Japan benefited your business?

A *Maintaining our powerful and respected brand is essential because it represents who we are – the spirit of our people in Japan and the United States who represent the face of our products and who build trust with businesses, policyholders, consumers, our field force and brokers. We're pleased that the Aflac brand is also both well known and well respected. Having a trusted and compassionate brand has opened many doors for Aflac. Our brand represents who we are as a company and reflects how our constituents see us, so we're very protective of maintaining our reputation.*

Q How do you view Aflac's competition in Japan and the United States?

A *In Japan, Aflac has been the number one seller of cancer insurance since we entered the Japan market in 1974 and the leading seller of medical insurance since we introduced EVER, our base medical policy, in 2002. Over the last several years, competition has intensified, which I think has actually broadened the market and made the universe of potential customers bigger. In 2015, Aflac Japan remained the leading provider of cancer and medical insurance policies in Japan, insuring one in four households, and that tells the big story! In the United States, we are the leading provider of voluntary insurance at the worksite, and I think that speaks volumes too. While other companies are getting into the voluntary space, I do want to point out one major difference between Aflac and all the other competing U.S. companies: For Aflac, voluntary insurance sold at the worksite represents virtually all of our focus, whereas our competitors tend to offer voluntary products as a peripheral line of business. We believe this discipline and focus give us an edge that has contributed to our market-leading position.*



Q You have often said that people are Aflac's greatest assets – and that having a diverse base of employees is key to your success. How does diversity improve your success?

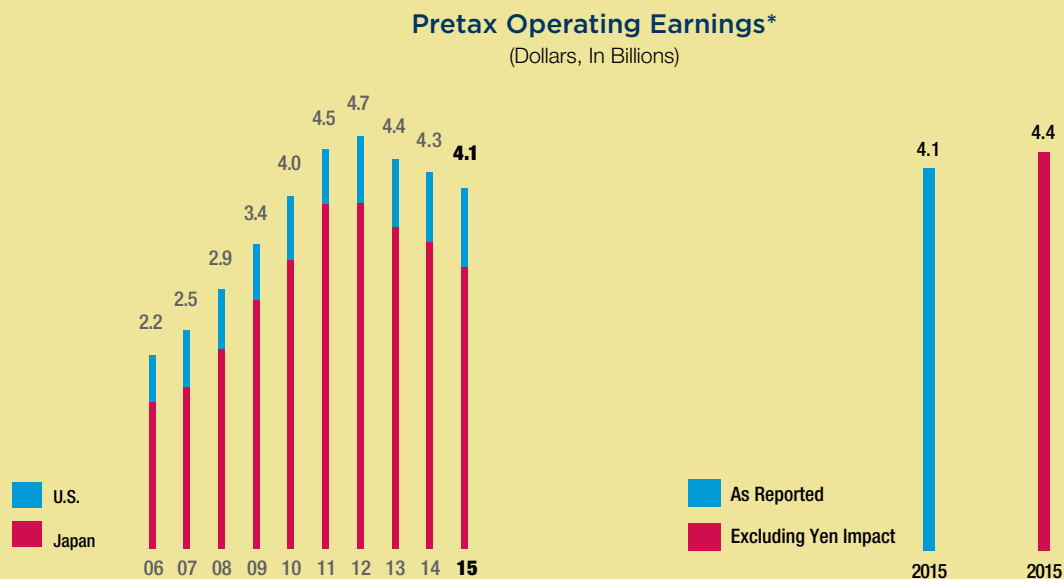
A *I don't want to look around and see only a room full of 60-something men; I already have a good sense of how much of that demographic thinks! I want to know how other people think, what motivates them, and what life experiences they have had that have molded their frames of reference. Diversity is essential to bring new and varied perspectives to the table. I am very proud of our workforce in the United States – it is incredibly diverse. At Aflac Japan, we are making great strides on this front as well. In fact, in November, we hosted our first ever women's empowerment event, the **Aflac Women in Leadership** global conference in Tokyo. This groundbreaking summit brought together for the first time the women of Aflac Japan and female members of senior and executive management from Aflac U.S. to discuss the changing tides of women in Japan and the importance of diversity in the workforce. In fact, Prime Minister Shinzo Abe has introduced an initiative in Japan known as Womenomics. This exciting initiative underscores what Aflac has done for years – celebrating and promoting women in the workforce. And in March 2016, Japan Women's Innovative Network (J-WIN) awarded Aflac Japan with a special **2016 J-WIN Diversity Award** for top management's commitment to actively promoting women in leadership, engaging all levels of the company in meaningful efforts toward this initiative, and initiating enhancements to the working style of the business culture. As I often say, with change comes opportunity, and I am very much looking forward to the opportunities I am sure will come to Aflac Japan as we continue to focus on diversity.*



THE IMPACT OF FOREIGN CURRENCY ON AFLAC

The company believes that it is important to understand the impact of translating yen into dollars on our financial statements. A significant portion of Aflac's business is in Japan, where the functional currency is the yen. For financial reporting purposes,

we translate Aflac Japan's results in yen into U.S. dollars. It's noteworthy that Aflac's currency exposure is primarily translation-related as opposed to currency transactions. Due to the significant contribution of Aflac Japan's operations to overall

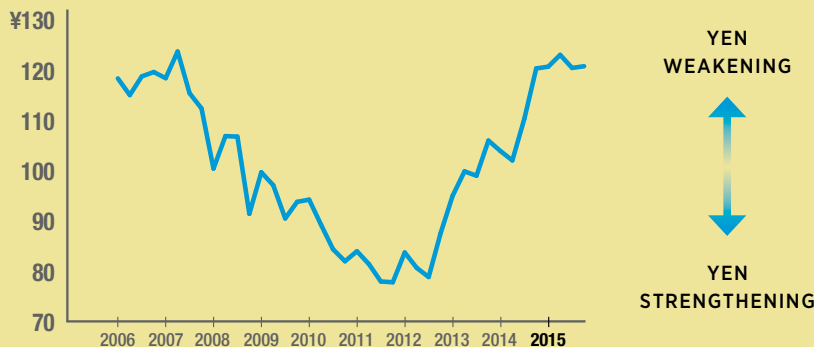


Impact of Currency on the Income Statement

Aflac's income statement is translated at the average exchange rate for the period. In years when the yen strengthens, translating yen into dollars causes more dollars to be reported. In years when the yen weakens, translating yen into dollars causes fewer dollars to be reported. After several years of strengthening, the yen has weakened for the past three years. In 2015, the average yen/dollar exchange rate weakened 12.8% from 105.46 yen to the dollar to 120.99 yen

to the dollar, which suppressed Aflac's income statement in dollar terms. We believe that viewing our results excluding the impact from foreign currency is the most meaningful way to evaluate our financial performance. Operating earnings for the full year of 2015 were \$4.1 billion. Excluding the impact from the weaker yen, operating earnings were \$4.4 billion.

Average Yen/Dollar Exchange Rates



Source: Bloomberg ©

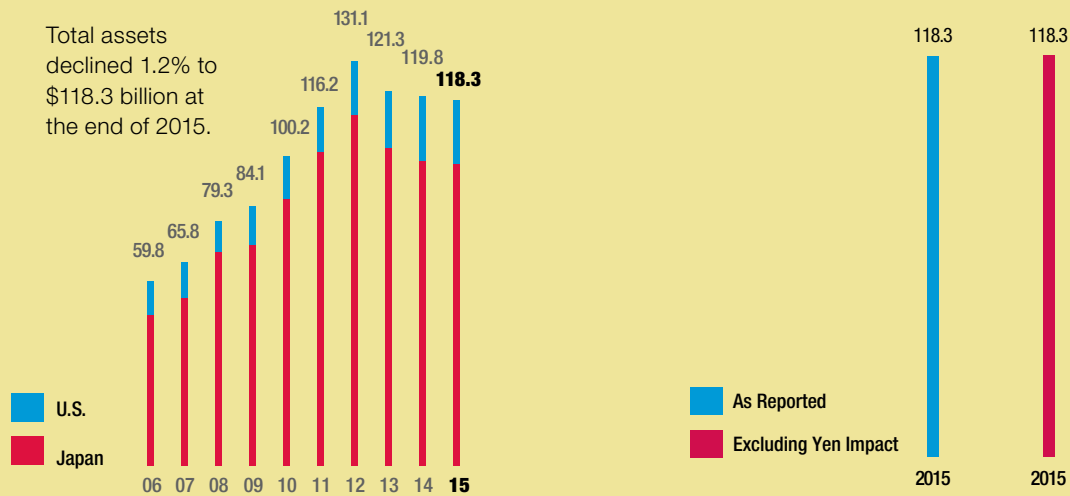
*Aflac believes that an analysis of operating earnings, a non-GAAP financial measure, is vitally important to an understanding of the company's underlying profitability drivers. Aflac defines operating earnings as the profits derived from operations, inclusive of interest cash flows associated with notes payable, but before realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities, as well as other and nonrecurring items.

earnings, a weaker yen suppresses Aflac Incorporated's results as reported in dollars. After several years of strengthening, the yen weakened in 2013, 2014 and 2015. It is important to note that as the yen weakened, our sensitivity to the yen has

decreased. Additionally, the portion of our pretax operating income from dollar-denominated sources has increased to more than 50% of the total.

Total Assets

(Dollars, In Billions)

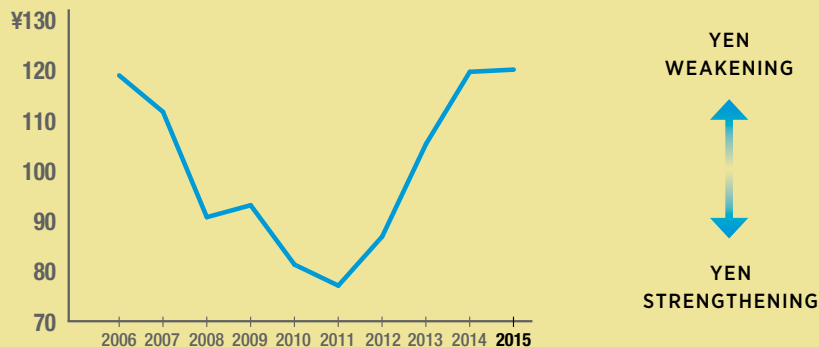


Impact of Currency on the Balance Sheet

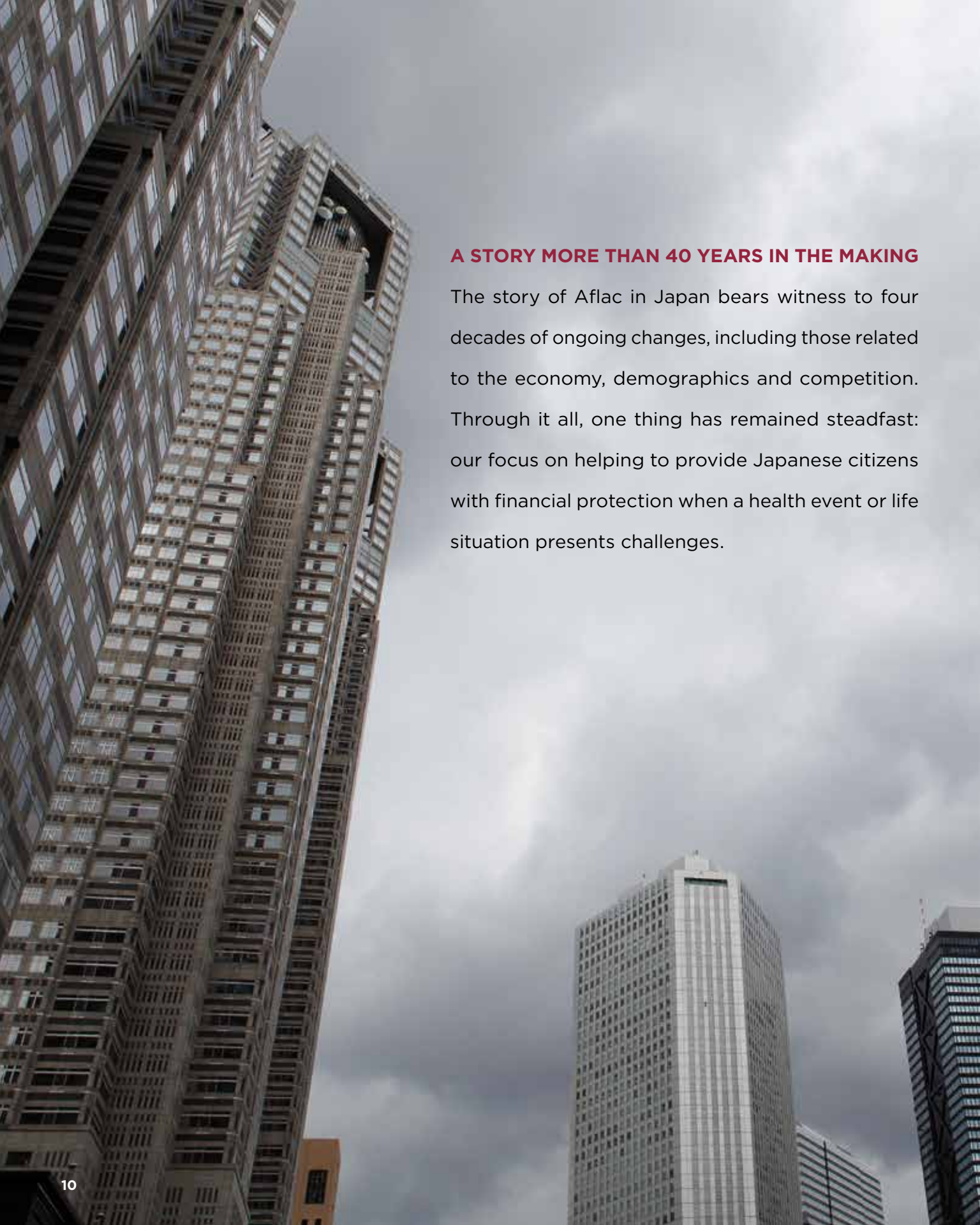
Aflac primarily holds yen-denominated assets to support the large amount of yen-denominated liabilities in Japan. Except for certain transactions, Aflac does not convert yen into dollars. Aflac's balance sheet is translated using the exchange rate at the end of the period. Given the recent weakening of the yen, Aflac's balance sheet was

likewise only slightly suppressed in dollar terms. The year-end exchange rate for 2015 weakened .05% from the prior year to 120.61 yen to the dollar. Both including and excluding the impact from the yen, total assets at the end of December 2015 were \$118.3 billion.

Year-End Yen/Dollar Exchange Rates

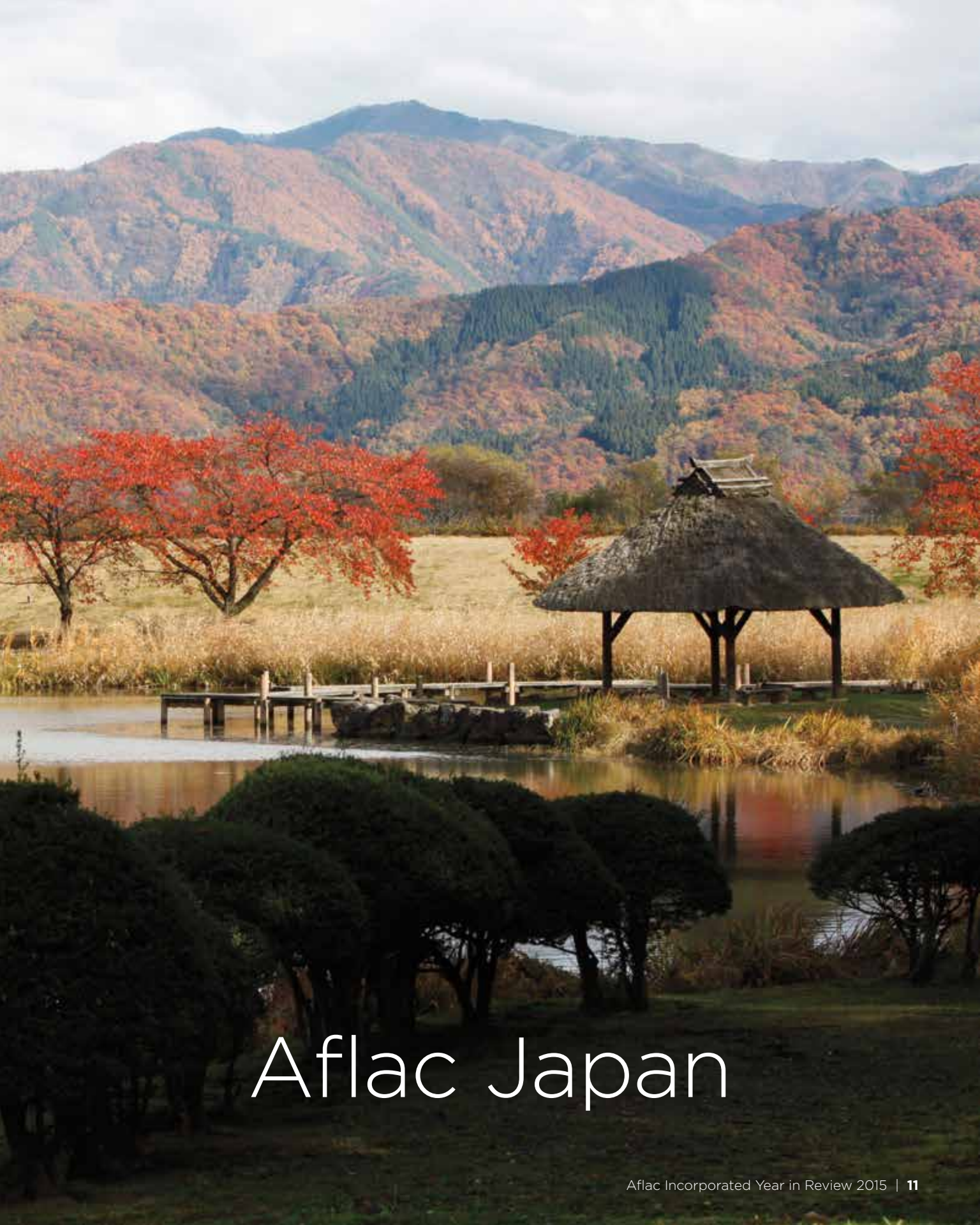


Source: Bloomberg ©



A STORY MORE THAN 40 YEARS IN THE MAKING

The story of Aflac in Japan bears witness to four decades of ongoing changes, including those related to the economy, demographics and competition. Through it all, one thing has remained steadfast: our focus on helping to provide Japanese citizens with financial protection when a health event or life situation presents challenges.



Aflac Japan



Masahiko Nishizawa (left), who runs his own independent sales agency, has beaten cancer twice, so he knows firsthand how Aflac products help mitigate health care cost, enabling him to focus his energy on a much greater battle: recovery. And three years ago, Mr. Nishizawa was devastated when he lost his best friend to the disease. These personal experiences and stories have strengthened his resolve to convey the importance and value of Aflac products to potential policyholders. He is pictured enjoying the delicious fruits of their labor with his wife, Toshiko, and father, Toshihiro, in their family's apple orchard and garden in Nagano, Japan. His entire family shares his passion for healthy living that nurtures the mind, body and spirit.

2015 AFLAC JAPAN FINANCIAL HIGHLIGHTS

IN YEN

- **Direct premium**** increased 1.4% to ¥1.5 trillion.
- **Total revenues** increased .5% to ¥1.76 trillion.
- **Pretax operating earnings** increased 5.3% to ¥384.1 billion.

IN DOLLARS*

- **Direct premium**** decreased 11.6% to \$12.6 billion.
- **Total revenues** decreased 12.3% to \$14.5 billion.
- **Pretax operating earnings** decreased 8.2% to \$3.2 billion.

**Dollar amount reflects impact of yen.*

***Direct premium represents amount excluding reinsurance.*

Despite the complex environment, Aflac has been able to navigate a secure course and grow its business through relevant products and a diversified distribution system. We strive each day to fulfill our promise of being there for our policyholders, with a focus on paying claims accurately and promptly. That's the story of Aflac!

Aflac's story in Japan began unfolding in 1974 when we emerged on the scene as the pioneer of cancer insurance. At that time, cancer was the second-leading cause of death, becoming the number one cause of death in 1981. With this as a backdrop, our cancer insurance product addressed a significant need in Japan then and continues to today. Over the

years, we've leveraged our brand and our evolving knowledge of the market to become an innovator and provider of other supplemental products. We are driven each day to remain good stewards of the trust that our Japanese policyholders have placed in us over these last four decades. This has allowed us to grow and become the leading provider of medical and cancer insurance in Japan today, and we are proud to provide insurance protection to one in four Japanese households.

In 2015, Aflac Japan's sales objective focused on cancer and medical products, known in Japan as third sector products. These policies are more profitable and less interest-rate

sensitive than life insurance or investment-type products such as annuities, which is especially important given the pervasive low-interest-rate environment in Japan. For 2015, we greatly exceeded our sales growth target for third sector products, generating an increase of 13.4%, which marks the highest growth rate for third sector products in the past 10 years.

Distribution that Reaches Japanese Consumers

To support our goal to be everywhere that people want to make insurance-buying decisions, we believe Aflac's diverse distribution platform remains one of the strongest in Japan. While Aflac insurance policies already cover one in four Japanese

AFLAC JAPAN DISTRIBUTION CHANNELS

	TRADITIONAL SALES CHANNEL*	<ul style="list-style-type: none"> • Aflac Japan was represented by approximately 13,100 sales agencies at the end of 2015, equating to nearly 114,000 licensed sales associates employed by those agencies, including individual agencies.
STRATEGIC ALLIANCES	DAI-ICHI LIFE	<ul style="list-style-type: none"> • Our alliance with Dai-ichi Life was launched in 2001. In 2015, Dai-ichi Life sold 86,019 of our market-leading cancer policies.
	BANKS	<ul style="list-style-type: none"> • Aflac Japan was represented by 372 banks at the end of 2015, or approximately 90% of the total number of banks in Japan.
	JAPAN POST GROUP	<ul style="list-style-type: none"> • In 2015, the number of post offices selling Aflac's cancer product increased to more than 20,000. Kampo offers Aflac cancer products through its 76 branches.
	DAIDO LIFE	<ul style="list-style-type: none"> • In September 2013, Aflac Japan and Daido Life Insurance entered into an agreement for Daido to sell Aflac's cancer insurance products specifically to the Hojinkai market, which is an association of small businesses.

* Includes independent agencies, independent corporate agencies and affiliated corporate agencies

households, we believe we can reach even more consumers through our product innovation. Our traditional channels, which include individual agencies, independent corporate agencies, and affiliated corporate agencies have been, and remain, key to our success, representing a significant portion of our sales in 2015.

Our strategic partnership unites Japan Post Group – the largest nationwide distribution network in Japan – with Aflac Japan, the industry leader in cancer insurance. Aflac Japan is the exclusive provider of cancer insurance distributed through post offices nationwide in Japan, and at the end of 2015, our cancer insurance policy

was offered through more than 20,000 postal outlets. Additionally, Japan Post Insurance Co., Ltd. (Kampo), the subsidiary of Japan Post Holdings Co., Ltd. that sells life insurance, distributes Aflac Japan’s cancer insurance products at Kampo’s 76 sales offices. Aflac Japan and Japan Post Group will continue to provide

AFLAC JAPAN PRODUCTS

THIRD SECTOR PRODUCTS

- **Cancer**
- **Medical**

FIRST SECTOR PRODUCTS

- **Life**
 - Term
 - Whole
 - Hybrid (WAYS)
- **Child Endowment**
- **Fixed Annuity**

The foundation of our product portfolio has been, and continues to be, supplemental health products, like cancer and medical insurance, which pay fixed benefits upon the occurrence of a specified health event and up to maximum limits.

CANCER INSURANCE

In 1974, Aflac pioneered the cancer product in Japan, and we remain the number one provider of cancer insurance today. As part of our ongoing efforts to ensure we’re responding to customer and distribution needs, we introduced New Cancer DAYS in September 2014.

MEDICAL INSURANCE

In early 2002, we first introduced EVER, a stand-alone, whole-life medical product, as a solution to help Japanese citizens with rising copayments related to Japan’s universal health care coverage. Within one year of the introduction of EVER, Aflac became the leading seller of medical insurance in Japan. Most recently, in June 2015, we introduced an enhanced medical product.

Aflac has been selling first sector life products with smaller face amounts since 1996.

WAYS

In 2006, WAYS was introduced, and banks started selling this unique hybrid whole-life product in 2008. WAYS can be converted to a fixed annuity, medical coverage or nursing care benefits when the policyholder reaches a predetermined age.

CHILD ENDOWMENT

In 2009, Aflac introduced a child endowment product that pays a lump-sum benefit at the time of a child’s entry into high school and an educational annuity for each of the four years of college.

FIXED ANNUITY

In 1999, Aflac introduced a fixed annuity product to enhance our product portfolio.



The Osaka Asahi Post Office opened its doors in Osaka, Japan 38 years ago. Since then, they have evolved over the years to offer an array of postal services as well as financial products and insurance to hundreds of its customers who turn to them for help on a daily basis. **Nobuo Nakagawa** is a sales promotion leader at the Osaka Asahi Post Office, and his responsibility is to sell insurance products, including Aflac's Cancer DAYS "insurance for daily living." He frequently visits customers at their homes by way of motorcycle to sell insurance products. Mr. Nakagawa does not view his job as merely a transaction to sell insurance; he makes it his mission to listen to and understand each customer's unique life situation and then counsel them on specific insurance products that provide customized solutions to best suit their needs. Particularly given that cancer has been the leading cause of death since 1981, Mr. Nakagawa is passionate about delivering to his customers the real peace of mind and financial protection that Aflac has been providing through our founding cancer insurance product.





Among the largest shinkin banks in Japan, the story of **the Saitamaken Shinkin Bank** is 68 years in the making. The bank attributes its success largely to their employees, who offer a broad portfolio of financial solutions that best respond to customers' needs throughout various stages of life. This includes Aflac's cancer and medical insurance, as well as other life insurance products.

Bank employees **Chihiro Yoshimoto**, **Kasumi Iyogi** and **Ayami Watanabe** approach their customers with expertise and compassion, thoughtfully identify and then suggest products that provide customized coverage. Many times, this entails meeting customers at the bank, and occasionally it entails visiting customers' homes, sometimes by bicycle, to discuss their needs and ensure the most appropriate coverage is offered.

Rising health care costs have driven the majority of Japanese consumers to seek private insurance to help cover rising out-of-pocket expenses.



training and support that not only ensure the success of our alliance, but more importantly, the best experience for customers throughout Japan.

Relevant Products That Respond to Consumers' Needs

For many years, Japanese citizens have seen health care costs increase amid an aging population and declining birthrate. The people of Japan are covered by a national health care insurance system that provides a baseline level of medical insurance for its citizens. However, it does not cover all medical-related expenses. Over the last four decades, since our entrance into the Japanese market, Japanese citizens have had to take on more financial responsibility for their medical care, including out-of-pocket health care expenses. Today, most consumers under Japan's national health care system currently pay 30% of covered medical costs. Rising health

care costs have driven the majority of Japanese consumers to seek private insurance to help cover rising out-of-pocket expenses. Aflac's trusted brand and relevant products provide options that millions continue to seek as they struggle to bear the financial burden of higher medical expenses.

The foundation of our product portfolio has been, and continues to be, supplemental health products such as cancer and medical insurance, referred to as third sector insurance in Japan (see chart on page 14). Over the last four decades, we've customized our products to respond to the changing needs of Japanese consumers as well as advances in medical treatments and modifications in Japan's health care delivery system. While we also sell several life products that are part of Japan's first sector insurance category, our focus remains on selling third sector

products, which are less interest rate sensitive, and limiting the sale of level-premium first sector products that are used to facilitate cross selling of third sector products.

To ensure we remain in step with the wants and needs of Japanese consumers and our distribution channels, Aflac Japan continually enhances its portfolio of products. In September 2014, we introduced New Cancer DAYS, the latest revision to our cancer product offering, which also includes a product sold exclusively through Japan Post. In June 2015, we introduced an enhancement to EVER, the medical product we first introduced in 2002. We have made various revisions over the years to our suite of EVER products. Our most recent enhancement offers riders that address critical diseases such as cancer, heart attack, and stroke.

**Aflac's Brand: More than Four
Decades of Building Trust**

Aflac has established a trusted brand in Japan, and we continually seek opportunities to leverage our brand through innovative advertising campaigns in our efforts to drive sales. Our advertising is unique in an increasingly crowded and competitive market, especially within the medical insurance category.

In 2003, Aflac Japan began using the Aflac Duck, and its popularity continues to connect with consumers today.

On an ongoing basis, Aflac Japan created separate and unique spin-off characters related to the Aflac Duck to market specific products and help drive sales. In 2014, which was Aflac's 40th year of operations in Japan, we introduced an advertising campaign there featuring a new character called "Hajimete," or "Pioneer," Duck to promote New Cancer DAYS, our most recent cancer product offering. This character was developed to remind customers that Aflac was the "pioneer" of cancer insurance in Japan.

In 2015, we built on the popularity of the Hajimete Duck in a commercial that also features characters representing Aflac's founders and their quest to create products that help provide financial protection following a serious medical event.

By leveraging the popularity of the Aflac Duck through different characters over the years, nine out of ten people recognize the Aflac brand. We will continue to connect with consumers through innovative marketing campaigns for our product line.

Aflac Japan created the "Hajimete," or "Pioneer," Duck to promote our New Cancer DAYS product and remind customers that Aflac was the pioneer of cancer insurance in Japan. This 2015 commercial features three brothers collaborating on the creation of a cancer insurance product to ease the financial burden of people facing cancer.





The story of the **Aflac Parents House** is one of hope, love and courage. The Aflac Parents House provides cheerful and spacious accommodations where pediatric patients and their families can stay together in a home-away-from-home environment while they fight cancer or other serious diseases. Through generous donations from Aflac Japan's sales agents, employees and officers, three Parents House locations – two in Tokyo and one in Osaka – Aflac Japan is helping thousands of children and adolescents battling health issues, while also supporting the families that love them. The encouraging smiles and unending support of the staff and volunteers at the Aflac Parents House help provide a setting where families can summon the strength to overcome their treatment journey.

Shizuko Yoshino's story is a rich one, indeed, with many exciting chapters that span continents and echo similar themes: family, hard work and helping others. She and her husband moved from Japan to the United States in the early 1960s. Her husband worked as a professor at Harvard University, and she was a library employee there for 35 years. Mrs. Yoshino always found the time to volunteer to help young and elderly people of different walks of life. Following her husband leaving the university, she moved back to Japan in 2009. She spends a great deal of her time at one of the two Aflac Parents House locations in Tokyo. There, she is in charge of cultivating a rooftop garden that yields fresh fruits and vegetables used to feed children facing cancer and other serious illnesses.





The story of Aflac comes to life every day through the spirit of our dedicated and compassionate employees. **Hiroyuki Miki** is one such employee who works in **Aflac Heartful Services**, a subsidiary Aflac established in 2009 to help develop the talents, abilities, and independence of individuals overcoming various challenges - while supporting Aflac's business operations.

He has worked at Aflac for four years and has a passion and exceptional talent for shakyo, the intricate art of calligraphy that entails copying Buddhist scriptures. It is said that the concentration required for practicing shakyo brings about peace of mind in the artist - the very feeling we strive to give our policyholders as their life story unfolds with a challenging health situation or life event.



Administrative Efficiency Improves Productivity, Accuracy, Service and Value

Delivering on our promise of paying claims accurately and promptly has always been, and continues to be, the cornerstone of our business, and we are proud that we place our highest priority on being there for our policyholders when they need us most. Our long-term drive to pay claims accurately and promptly has further enhanced the relationship of trust we've built with our customers over the decades.

One way we continually strive to improve our administrative efficiency is through technology. When we began operations in Japan in 1974, our systems were specifically built to administer third sector products, which are characterized by a large volume of low-premium products. The administrative efficiencies we've gained through the years have enhanced the value we deliver to customers daily.

The Story of Aflac

As we assess our past accomplishments and make our plans for the future, the competitive strengths that

have made Aflac the leading provider of medical and cancer insurance are very much alive and well. In fact, they are thriving!

Looking to the future, we believe Aflac products will continue to provide valuable insurance options for Japanese consumers. We believe our innovative product development strategies and enhancements to current product offerings will benefit customers now and in the future, supporting our commitment to deliver on our promises just as we have for more than four decades.





AFLAC JAPAN – KEY OPERATIONAL METRICS

	TOTAL POLICIES AND RIDERS IN FORCE*	ANNUALIZED PREMIUMS IN FORCE**	NEW ANNUALIZED PREMIUMS**	TOTAL NUMBER OF AGENCIES AND BANKS REPRESENTING AFLAC	LICENSED SALES ASSOCIATES***
2015	38,115	¥1,617,691	¥120,855	13,509	113,967
2014	37,028	1,594,433	114,513	14,870	121,143
2013	36,117	1,567,112	149,308	16,293	126,584
2012	34,880	1,492,451	210,620	18,855	125,266
2011	33,372	1,343,663	161,033	20,146	120,744
2010	31,665	1,255,600	135,813	19,982	115,406
2009	29,934	1,200,437	122,345	19,635	110,528
2008	29,020	1,161,662	114,692	18,882	107,458
2007	28,443	1,125,561	114,636	18,461	100,810
2006	27,334	1,083,127	117,455	18,432	90,226

*In thousands

**In millions

***Excludes Dai-ichi Life, banks, Japan Post Group and Daido Life

A scenic landscape featuring a large, leafy tree in the center-left of a vibrant green field. In the foreground, a rustic wooden fence runs across the bottom. The background shows rolling green hills under a clear blue sky with some light clouds. The overall scene is bright and sunny, suggesting a spring or summer setting.

A STORY 60 YEARS IN THE MAKING

2015 saw the 60th year of Aflac's founding, marking a major milestone and chapter in our story, and a busy year it was! Aflac U.S. further advanced its longstanding vision to be the number one provider of voluntary insurance at the worksite in the United States* - a position we've held for many years. Achieving this means we must be both proactive and reactive to changes in the U.S. health care environment and workplace demographics, while also leveraging our company's strengths.

*Source: Eastbridge Consulting Group, Inc. U.S. Worksite/Voluntary Sales Report, Carrier Results for 2014. Avon, CT: April 2015



Aflac U.S.



Marcus Jones, manager, Client Relations at Aflac Group in Columbia, S.C. says that the best thing about working at Aflac is the company's commitment to taking care of its customers. "Our customers are at the forefront of everything we do at every level of the company. It doesn't matter if you're working in the mailroom, creating materials for an upcoming enrollment, loading an enrollment file or answering phones, it's all done with the thought that there is a policyholder out there who is depending on us to keep our promise." This approach embodies the Aflac way and illustrates why Aflac is the leading provider of supplemental insurance at the worksite. Marcus has enjoyed an inspiring journey to weight loss and physical fitness. His is a story of achieving an ideal work / life balance, channeling his passion for helping others into his work at Aflac Group and continually raising the bar for himself through physical training.

2015 AFLAC U.S. FINANCIAL HIGHLIGHTS

- **Direct premium*** increased 2.6% to \$5.3 billion.
- **Total revenues** increased 3.0% to \$6.0 billion.
- **Pretax operating earnings** increased 2.7% to \$1.1 billion.

**Direct premium represents amount excluding reinsurance.*

Aflac is the number one provider of voluntary insurance at the worksite in the United States*, where about 98% of our products are sold on a payroll deduction basis. In 2015, we continued to concentrate our efforts in the United States on improving and expanding our distribution system, creating innovative products and owning our customer experience. In doing so, we have expanded our presence in the voluntary worksite market and made strides toward re-establishing the sales momentum we expect to achieve in the U.S. market. In 2015, new annualized premium sales for Aflac U.S. were \$1.5 billion, representing an increase of 3.7% over the prior year’s sales.

We believe the need for Aflac’s products will only continue to grow in the current climate where health care costs are continuing to increase and employees are bearing more and more of that financial burden. At the same time, we are empowering our distribution channels to reach more businesses of

all sizes through our career field agents and broker relationships. We continually seek opportunities to leverage our strong brand to support product growth in the ever-evolving health care environment. Additionally, we continue to seek innovative ways to offer our holistic array of value added services to employers, who are increasingly turning to voluntary supplemental providers to provide better options and solutions to their employees.

Innovative Products Provide Financial Protection

Our commitment to consumers and our ability to respond and even anticipate their needs is the most fundamental element of our business. Ever since Aflac was founded 60 years ago, our competitive and valued insurance products have been one of our greatest strengths and a common thread in our story year after year. Aflac policies provide cash benefits paid directly to the customer that can be used to help consumers cope with unexpected out-of-pocket

medical expenses such as medication and co-pays, household expenses, or protection against income and asset loss associated with an illness or medical event. We believe our portfolio of individual and group products provides consumers with outstanding value, while providing businesses of all sizes with the opportunity to offer their employees an affordable and comprehensive selection of supplemental benefit solutions. In 2015, we sought innovative solutions to the challenges consumers face by introducing revised policies on both an individual and group basis. Among these, we introduced a revised individual accident product that provides benefits for home modifications as well as enhanced coverage for prosthetic devices and for injuries sustained in an organized sporting activity. Additionally, we launched a new group critical illness product that offers unmatched provisions, benefits and options for brokers to design plans that best meet the employer’s needs, including a selection of value added services.

**Source: Eastbridge Consulting Group, Inc. U.S. Worksite/Voluntary Sales Report. Carrier Results for 2014. Avon, CT: April 2015*

AFLAC U.S. PRODUCTS

INCOME-LOSS PROTECTION

- Short-Term Disability
- Life (Term, Whole)

ASSET-LOSS PROTECTION

- Accident
- Cancer
- Critical Illness

SUPPLEMENTAL MEDICAL

- Hospital Indemnity
- Dental
- Vision

AFLAC U.S. DISTRIBUTION

CHANNEL	MARKET SEGMENT	PRODUCTS
Career Agent	< 100 employees	Individual
Broker	100-1,000 employees	Individual/ Group (standardized)
	> 1,000 employees	Group (customized)

Expanding and Developing Our Distribution

We believe sales will benefit from our streamlined and multifaceted approach to distribution. To reach our sales goals, our objective is to be where consumers want to purchase our products. To this end, we are continually working to enhance our sales capabilities through our career sales force of traditional/individual agents as well as our broker channel. Because the needs of our distribution channels are quite different, we strive to customize our approach to support their particular sales efforts and accommodate their particular customers' needs.

At the end of 2015, our extensive distribution network was made up of more than 40,000 monthly average producers. We have seen promising results and improvements in distribution following the modifications we made to our sales management infrastructure in the second half of 2014 after a thorough evaluation of the market and our business model. These included tactical initiatives centered on better performance management

and competitive compensation more closely tied to corporate goals that link sales management's success to Aflac's success. With these changes beginning to take hold in 2015, we believe they will continue to enhance the value we deliver to our policyholders and shareholders.

In addition to these tactical initiatives, we continue to deepen our relationships with insurance brokers on local, regional and national levels to improve our access to businesses employing more than 100 workers. As we continue working to enhance relationships with larger brokers, we are pursuing avenues to have our products offered on their private exchanges. As consumers' preferences change with respect to how and where they want to buy health insurance, we will continue to hone our distribution opportunities and provide more voluntary product solutions to help consumers dealing with a major health event or unexpected illness.

Owning Our Customer Experience by Leveraging the Aflac Brand

We've created a strong brand that is

incredibly popular with consumers, while at the same time, establishing a strong reputation for paying claims fairly and promptly. The well known and now beloved Aflac Duck has been the star of one of the most successful advertising campaigns ever. Since the Aflac Duck emerged on the scene on the eve of the new millennium, he's appeared in 85 commercials that have placed our rambunctious feathered friend in situation after comical situation, propelling Aflac's brand awareness to new heights and helping us tell our story. These days, he comically tells the story of how we take care of our policyholders – by paying claims faster than ever before! As a result of leveraging the popularity of the Aflac Duck, nine out of ten Americans now recognize the Aflac brand. The Aflac brand isn't only about the Aflac Duck or our advertising initiatives – it's also about how we take excellent care of our customers, including policyholders and payroll accounts. We believe it's important not only to meet, but also to exceed the expectations of all of our customers.



Over the last 60 years, Aflac has continuously worked to improve our distribution system to deliver the valuable benefits of our products to consumers. Turning the page to 2015, which we have described as a year of building, Aflac sought not only to improve distribution among traditional career agents, but also among our broker channel. In early 2015, Aflac began working with **Pattysue Rauh**, Executive Vice President and National Benefits Leader for **Brown & Brown, Inc.** to begin offering Aflac's voluntary products to Brown & Brown's sales team and national network of brokers. These brokers, in turn, deliver a holistic array of benefits solutions to their clients. In her role at Brown & Brown, Pattysue is responsible not only for cultivating and managing relationships with carriers such as Aflac, but also for Brown & Brown's private labeled exchange, resource centers, communication portal, overrides and incentives, training and education for employee benefits producers and compliance resources.





Darlene Dillon, district sales coordinator and independent sales agent representing Aflac from the Philadelphia, Pa. area, has been an Aflac agent for more than 20 years. Throughout this time, Darlene has helped to bring her clients the peace of mind that Aflac's policies provide. Darlene's zest for helping others comes through each time she presents a policy or overview to a client, and her dedication and passion exemplify Aflac's greatest asset: its people. In recognition of her achievements, Darlene was the recipient of the 2015 Convention President Amos award, which is awarded to the veteran associate who achieves the highest qualification points.

In 2015, Darlene's story with Aflac became personal on a deeper level after she was diagnosed with cancer. Darlene has spent decades sharing the value of Aflac's policies with her clients, so it came as no shock to her when Aflac delivered on its promises to her as a policyholder. Thanks to early detection and excellent care, Darlene expects a full recovery.



The Aflac Duck closed 2015 and rang in a magical new year with his “Magician” television commercial, which debuted on New Year’s Eve. In this enchanted commercial, the Aflac Duck demonstrated that there’s no trick to getting paid quickly, thanks to Aflac’s One Day Pay initiative.

With that in mind, the Aflac Duck was very busy in 2015, acknowledging in a series of commercials that while he may not be the world’s best hair stylist or magician, he is definitely an expert at paying claims fast. This campaign was designed to demonstrate Aflac’s mission to pay claims quickly – more quickly than ever, in fact – so that our policyholders can remain focused on recovering from an injury or illness rather than financial burden.

To further drive home our desire to pay claims fast, in February 2015, we marked a new chapter in Aflac’s story with the introduction of One Day Pay, an industry-first

initiative that allows us to process, approve and pay eligible claims in just one day. We estimate that 70% of our policyholders can use One Day Pay for their claims, and in 2015, we did not miss our One Day Pay commitment for a single claim that met the One Day Pay criteria. In fact, we paid 1.2 million of them in total! We will continue to pursue initiatives designed to “own the customer experience” and further enhance customer satisfaction.

Our customers have told us that they’re more satisfied when they use One Day Pay, and 96% of our policyholders that have used SmartClaim, our online claims

submission tool used with One Day Pay, are likely to recommend Aflac to other people. We believe that One Day Pay will continue to enhance our strong brand, shape our story, and set Aflac apart.

Further highlighting our commitment to delivering on our promise and owning our customer experience, we are proud that in January 2016, Aflac’s contact centers were recognized by J.D. Power for providing “an outstanding customer service experience.” This recognition is based on successful completion of an audit and exceeding a customer satisfaction benchmark.

AFLAC U.S. – KEY OPERATIONAL METRICS

	POLICIES AND CERTIFICATES IN FORCE*	ANNUALIZED PREMIUMS IN FORCE**	TOTAL NEW ANNUALIZED PREMIUM**	MONTHLY AVERAGE PRODUCERS
2015	12,498	\$5,760	\$1,487	40,092
2014	12,407	5,668	1,433	40,476
2013	12,310	5,570	1,424	41,505
2012	12,232	5,451	1,488	44,398
2011	11,732	5,188	1,476	45,188
2010	11,436	4,973	1,382	45,113
2009	11,688	4,956	1,453	48,292
2008	11,437	4,789	1,551	48,402
2007	11,116	4,510	1,558	46,818
2006	10,519	4,101	1,423	44,482

*In thousands
**In millions

TOMODACHI Initiative

Since January 2013, Aflac has participated in the TOMODACHI Initiative, a public and private partnership that invests in the next generation of Japanese and American citizens in meaningful disciplines.

Hirozumi Sano, M.D., Chief of Pediatrics at Sapporo Hokuyu Hospital in Japan, is the third participant in a series of Japan-based pediatric cancer specialists invited to the Aflac Cancer and Blood Disorders

Center of Children's Healthcare of Atlanta through the TOMODACHI-Aflac Program to observe and share best practices related to research, care and treatment protocols of children with cancer.

Hirozumi Sano, M.D., is Chief of Pediatrics at Sapporo Hokuyu Hospital in Japan and a TOMODACHI Initiative participant at the Aflac Cancer Center.

The Aflac Cancer Center is a national leader among childhood cancer, hematology, and blood and marrow transplant programs, serving infants through young adults and giving children like **Maylee Highland**, 3 (right), and **Hannah Moore-Harris**, 7 (left), the opportunity to receive world-class care.



The Aflac Cancer Center also saw a bittersweet milestone in 2015. After serving for the past 15 years, **William G. Woods, M.D.**, professor and director of the Aflac Cancer Center decided it was the right time to pass the leadership torch to his successor, **Douglas K. Graham, M.D., Ph.D.** Throughout his tenure, Dr. Woods has touched the lives of thousands of his patients and their families, and left an indelible footprint on the Aflac Cancer Center. Taking the reins and leading the next chapter of the Aflac Cancer Center, Dr. Graham brings a wealth of experience to the table, having previously served as Professor of Pediatrics and immunology at Children’s Hospital Colorado, where he oversaw all clinical oncology research.



Aflac Cancer and Blood Disorders Center

2015 marked a series of milestones in the journey of the Aflac Cancer and Blood Disorders Center of Children’s Healthcare of Atlanta, including the celebration of its 20th anniversary of partnership with Aflac. Since 1995, the Aflac Cancer Center has become nationally renowned as one of the leading childhood cancer, hematology, and blood and marrow transplant programs in the country. Thanks to innovative research

and leading-edge treatment options, childhood cancer now has a five-year survival rate of 80%.

2015 also saw another major milestone for both Aflac as a company and the Aflac Cancer Center—exceeding the \$100 million mark in contributions to the Aflac Cancer Center. This cause is near and dear to the heart of the Aflac family, including the foundation, executives, employees and field force.

Aflac’s independent sales agents contribute from their monthly commissions to the Aflac Cancer Center, providing innovative funding for research. This generosity has contributed to the Aflac Cancer Center’s success and distinction in research, a factor which led to the Aflac Cancer Center being named one of the top 10 pediatric cancer programs in the United States in 2015 by *U.S. News and World Report*.

LOOKING TO THE FUTURE

As our story unfolds into 2016 and beyond, we believe the strengths that have positioned Aflac as the leading provider of voluntary insurance products at the worksite are firmly established, and we are positioning Aflac in a way that we believe will enhance our footprint in the ever-changing health care environment. The United States continues to be well suited for the types of products we offer, and we still believe that there is significant room for growth. As businesses and

consumers continue to look for practical and affordable solutions to the challenging health care market the United States faces, we believe a desire for the type of supplemental products Aflac sells will continue to grow. Accordingly, we are also confident that our leading brand, comprehensive array of products and expanding distribution system will continue to position Aflac as the voluntary insurance company of choice and the leading provider of voluntary insurance at the worksite.

We believe these attributes, along with innovative solutions like One Day Pay, will help Aflac stand out in this increasingly competitive and evolving market.

Though many things have changed over the course of our six decades, one storyline has remained the same – our promise to exemplify The Aflac Way by being there for our policyholders when they need us most and paying claims fairly and promptly.



AFLAC MILESTONES: CHAPTER BY CHAPTER

1955 – 1969 A Time of Vision



- 1955** American Family Life was founded on November 17, when principal founder John Amos joined with his brothers, Paul and Bill, to start the insurance business in a small six-room complex in downtown Columbus, Georgia.
- 1958** American Family Life pioneered the introduction of a cancer policy after identifying the need to lift the financial burden of cancer patients and their families.
- 1964** Aflac began “cluster selling,” which involved selling our cancer products at the worksite in addition to selling directly to individuals.



Aflac Founders: Paul, John, and Bill Amos



Aflac office - 1955



Aflac Japan - 1975



Aflac Japan sales - 1975



Aflac listed on the New York Stock Exchange - 1974

The 70s A Decade of Expansion

- 1970** Aflac expands from a small regional company into a rapidly growing national insurer licensed in 37 states.
- 1974** **June 14** – American Family Life Assurance Company of Columbus was listed on the New York Stock Exchange (NYSE), with AFL opening at \$7.25 per share.
- October 1** – Aflac went international and began selling insurance in Japan.
- 1975** To accommodate the incredible growth, American Family Life employees excitedly moved into the \$7.1 million, fully paid-for nineteen-story headquarters office building.

The 80s A Decade of Momentum

The 1980s continued our momentum as we developed our strategy of broadening our product line and expanding our distribution system.

- 1982** The company had total assets of more than \$1 billion.
- 1989** American Family Life Assurance Company of Columbus adopted the acronym “Aflac.”

The 90s A Decade of Innovation

The early '90s marked the launch of Aflac's first national advertising campaign. Accident/disability insurance became the number one selling product for Aflac U.S.

- 1995** Aflac focused its national philanthropic efforts on the treatment and cure of childhood cancer with a multimillion dollar donation to the Aflac Cancer Center at Egleston Children's Hospital.
- 1996** Aflac U.S. introduced SmartApp®, which revolutionized the policy application process by allowing agents to electronically issue business more quickly and conveniently than ever before.

The 2000s A Decade of Recognition



2008

Brand Recognition: Aflac's success and momentum continued into the new millennium with the launch of the Aflac Duck campaign that catapulted Aflac's consumer awareness to where nine out of 10 people now recognize the Aflac brand in both the United States and Japan.

Corporate Governance Recognition: Aflac became the first publicly owned company in the United States to give shareholders a "Say on Pay" advisory vote on compensation.



2009 Aflac acquired Continental American Insurance Company (CAIC), now branded as Aflac Group Insurance.

2010 and Beyond Spreading Our Wings, Delivering Our Promise

Through our simple strategy of offering consumers relevant products through effective distribution, we continue to strive to provide financial protection to our policyholders and create value for you, our shareholders.

2013 Aflac Japan began expansion of its partnership with Japan Post Group to offer Aflac's products through 20,000 postal outlets.

2014 Aflac celebrated another major milestone: 40 years of operations in Japan.

2015 Marking its diamond 60th anniversary and continuing its trailblazing vision, Aflac introduced the groundbreaking industry-first initiative, One Day Pay, which enables us to process, approve and pay eligible claims in just one day.

2016 Aflac's contact center operations achieved J.D. Power certification for providing an outstanding live phone channel customer service experience.

Accolades and Recognition:

Throughout the 2000s and beyond, Aflac has continued to accomplish great things, and the world continues to take notice. For example, *Fortune* magazine recognized Aflac as one of the 100 Best Companies to Work For in America for the 18th consecutive year as well as one of Most Admired Companies for the 15th time, ranking the company No. 1 in innovation for the insurance, life and health category. Additionally, *Ethisphere* named Aflac one of the World's Most Ethical Companies for the 10th consecutive year.

Aflac SmartClaimSM
One Day PaySM



SELECTED FINANCIAL DATA

For the Year (In millions, except for share and per-share amounts)	2015	2014	2013	2012
Revenues:				
Net premiums, principally supplemental health insurance	\$ 17,570	\$ 19,072	\$ 20,135	\$ 22,148
Net investment income	3,135	3,319	3,293	3,473
Realized investment gains (losses)	140	215	399	(349)
Other income	27	122	112	92
Total revenues	20,872	22,728	23,939	25,364
Benefits and expenses:				
Benefits and claims, net	11,746	12,937	13,813	15,330
Expenses	5,264	5,300	5,310	5,732
Total benefits and expenses	17,010	18,237	19,123	21,062
Pretax earnings	3,862	4,491	4,816	4,302
Income taxes	1,329	1,540	1,658	1,436
Net earnings	\$ 2,533	\$ 2,951	\$ 3,158	\$ 2,866

Share and Per-Share Amounts

Net earnings (basic)	\$ 5.88	\$ 6.54	\$ 6.80	\$ 6.14
Net earnings (diluted)	5.85	6.50	6.76	6.11
Items impacting net earnings, net of tax:				
Realized investment gains (losses):				
Securities transactions and impairments	\$.23	\$.26	\$.09	\$ (.69)
Impact of derivative and hedging activities:				
Hedge costs related to foreign currency investments	(.20)	(.05)	(.04)	(.01)
Other derivative and hedging activities*	.06	.03	.49	.22
Other and non-operating income (loss)	(.40)	.10	.04	(.01)
Cash dividends paid	\$ 1.58	\$ 1.50	\$ 1.42	\$ 1.34
Shareholders' equity	41.73	41.47	31.82	34.16
Weighted-average common shares used to calculate basic EPS (In thousands)	430,654	451,204	464,502	466,868
Weighted-average common shares used to calculate diluted EPS (In thousands)	433,172	454,000	467,408	469,287

At Year-end

Assets:				
Investments and cash	\$ 105,897	\$ 107,341	\$ 108,459	\$ 118,219
Other	12,399	12,426	12,848	12,875
Total assets	\$ 118,296	\$ 119,767	\$ 121,307	\$ 131,094
Liabilities and shareholders' equity:				
Policy liabilities	\$ 87,631	\$ 83,933	\$ 89,402	\$ 97,720
Income taxes	4,340	5,293	3,718	3,858
Notes payable	5,011	5,282	4,897	4,352
Other liabilities	3,606	6,912	8,670	9,186
Shareholders' equity	17,708	18,347	14,620	15,978
Total liabilities and shareholders' equity	\$ 118,296	\$ 119,767	\$ 121,307	\$ 131,094

Supplemental Data

Stock price range:	High	\$ 66.53	\$ 66.69	\$ 67.62	\$ 54.93
	Low	51.41	54.99	48.17	38.14
	Close	59.90	61.09	66.80	53.12
Yen/dollar exchange rate at year-end (yen)	¥ 120.61	¥ 120.55	¥ 105.39	¥ 86.58	
Weighted-average yen/dollar exchange rate (yen)	120.99	105.46	97.54	79.81	

*Includes impact from ASC 815 for all years presented prior to 2011

Amounts in 2010 and 2011 have been adjusted for retrospective adoption of revised accounting guidance related to deferral of policy acquisition costs effective January 1, 2012.

2011	2010	2009	2008	2007	2006	2005
\$ 20,362	\$ 18,073	\$ 16,621	\$ 14,947	\$ 12,973	\$ 12,314	\$ 11,990
3,280	3,007	2,765	2,578	2,333	2,171	2,071
(1,552)	(422)	(1,212)	(1,007)	28	79	262
81	74	80	36	59	52	40
22,171	20,732	18,254	16,554	15,393	14,616	14,363
13,749	12,106	11,308	10,499	9,285	9,016	8,890
5,472	5,065	4,711	4,141	3,609	3,336	3,247
19,221	17,171	16,019	14,640	12,894	12,352	12,137
2,950	3,561	2,235	1,914	2,499	2,264	2,226
1,013	1,233	738	660	865	781	743
\$ 1,937	\$ 2,328	\$ 1,497	\$ 1,254	\$ 1,634	\$ 1,483	\$ 1,483
\$ 4.15	\$ 4.96	\$ 3.21	\$ 2.65	\$ 3.35	\$ 2.99	\$ 2.96
4.12	4.92	3.19	2.62	3.31	2.95	2.92
\$ (1.81)	\$ (.58)	\$ (1.67)	\$ (1.37)	\$.04	\$.10	\$.33
—	—	—	—	—	—	—
(.34)	—	(.01)	—	—	—	(.02)
—	—	.02	—	—	—	.07
\$ 1.23	\$ 1.14	\$ 1.12	\$.96	\$.80	\$.55	\$.44
27.76	22.44	17.96	14.23	18.08	16.93	15.89
466,519	469,038	466,552	473,405	487,869	495,614	500,939
469,370	473,085	469,063	478,815	493,971	501,827	507,704
\$ 103,462	\$ 88,230	\$ 73,192	\$ 68,550	\$ 57,056	\$ 51,972	\$ 48,989
12,775	12,013	10,914	10,781	8,749	7,833	7,372
\$ 116,237	\$ 100,243	\$ 84,106	\$ 79,331	\$ 65,805	\$ 59,805	\$ 56,361
\$ 94,239	\$ 82,310	\$ 69,245	\$ 66,219	\$ 50,676	\$ 45,440	\$ 42,329
2,308	1,689	1,653	1,201	2,531	2,462	2,577
3,285	3,038	2,599	1,721	1,465	1,426	1,395
3,459	2,666	2,192	3,551	2,338	2,136	2,133
12,946	10,540	8,417	6,639	8,795	8,341	7,927
\$ 116,237	\$ 100,243	\$ 84,106	\$ 79,331	\$ 65,805	\$ 59,805	\$ 56,361
\$ 59.54	\$ 58.31	\$ 47.75	\$ 68.81	\$ 63.91	\$ 49.40	\$ 49.65
31.25	39.91	10.83	29.68	45.18	41.63	35.50
43.26	56.43	46.25	45.84	62.63	46.00	46.42
¥ 77.74	¥ 81.49	¥ 92.10	¥ 91.03	¥ 114.15	¥ 119.11	¥ 118.07
79.75	87.73	93.49	103.46	117.93	116.31	109.88

INVESTOR FACTS

Aflac's Total Return to Shareholders

2015 marked the 33rd consecutive year Aflac Incorporated increased its annual dividend. Including reinvested cash dividends, Aflac's total shareholder return increased .5% in 2015. This compares with a total return decline of 6.3% for the S&P Life & Health Index and an increase of 1.4% for the S&P 500 and .2% for the Dow Jones Industrial Average. For many years, we have managed our business with a long-term view in mind. As a result:

- ▶ Over the last five years, Aflac's total shareholder return, including reinvested dividends, was 21.0%.
- ▶ Over the last 10 years, Aflac's total return to shareholders, including reinvested dividends, was 62.8%.

AFL Shareholder Mix*

Number of registered shareholders	86,638
Percentage of outstanding AFL shares owned by institutional investors	68%
Percentage of outstanding AFL shares owned by individual investors	32%

*Approximate as of 12/31/15

First Shareholders

Cost of 100 shares purchased in 1955 when Aflac was founded	\$1,110
Number of shares those 100 shares grew into (after 28 stock dividends and splits)	187,980 shares
Value at 12/31/15 (excluding reinvested dividends)	\$11.3 million
Dividends paid in 2015	\$297,008

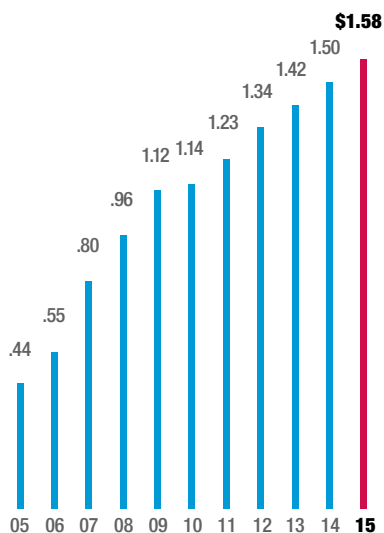
Aflac Financial Strength*

Standard & Poor's	A+
Moody's Investors Service	Aa3
A.M. Best	A+ (Superior)
Rating & Investment Information Inc. (R&I)	AA-

*Ratings as of 3/1/16

Visit aflac.com and click on *Investors* to access:

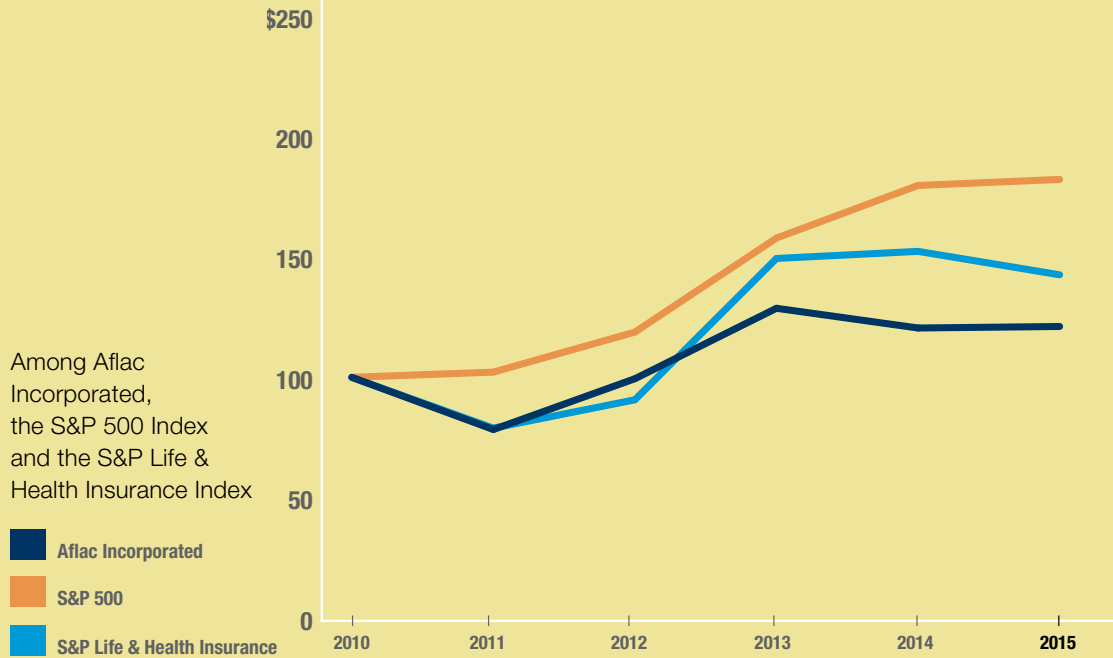
- ▶ Your AFL shareholder account through *aflinc*®
- ▶ Aflac's financial information
- ▶ A calendar of events
- ▶ Dividend reinvestment plan (DRIP) information



Annual Cash Dividends Paid Per Share

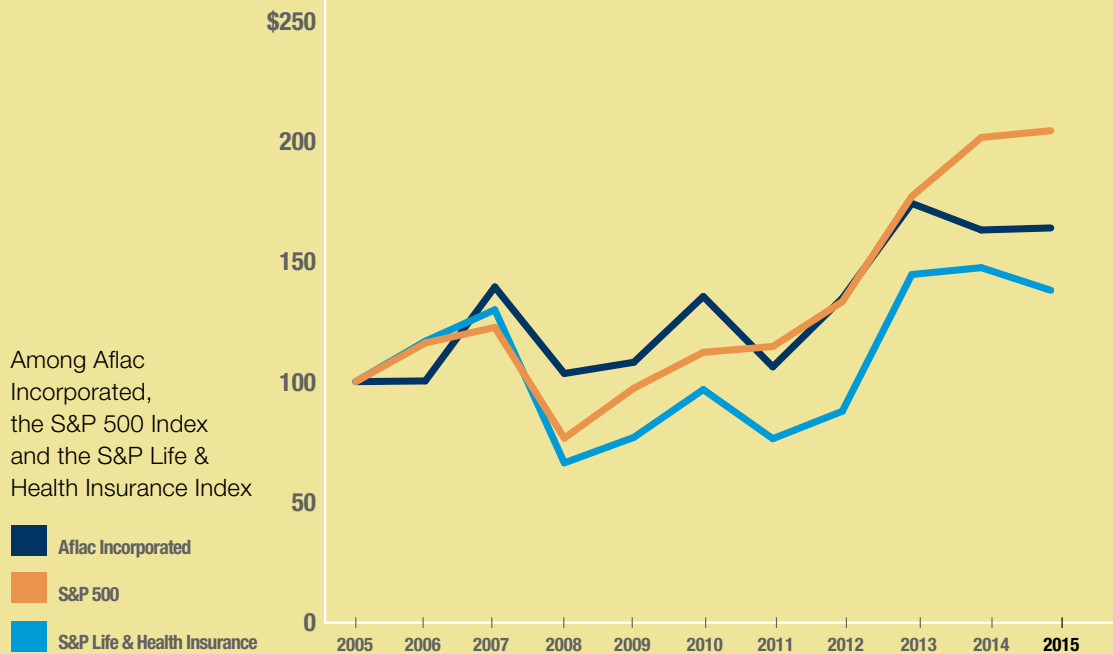
Aflac has increased its annual dividend for 33 consecutive years. Total cash dividends paid in 2015 were 5.3% higher than in 2014.

Comparison of Five-Year Cumulative Total Return*



*\$100 invested on December 31, 2010, in stock or index, including reinvestment of dividends. Fiscal year ending December 31. Copyright © 2016 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All rights reserved.

Comparison of Ten-Year Cumulative Total Return*



*\$100 invested on December 31, 2005, in stock or index, including reinvestment of dividends. Fiscal year ending December 31. Copyright © 2016 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All rights reserved.

BOARD OF DIRECTORS



Daniel P. Amos, 64, chairman and chief executive officer of Aflac and Aflac Incorporated, has been with the company full time since 1973. He was named president of Aflac in 1983 and chief operating officer in 1987. He became chief executive officer of Aflac Incorporated in 1990 and was named chairman in 2001. He has been a member of Aflac Incorporated's board since 1983.



Paul S. Amos II, 40, president of Aflac, joined Aflac in 2002 as a state sales coordinator. He was promoted to executive vice president in 2005 leading Aflac U.S. operations and a year later he was named chief operating officer. In 2007, he was promoted to president of Aflac. In 2013, Paul began oversight of Aflac Japan. He joined the board of Aflac Incorporated in 2007.



W. Paul Bowers, 59, is chairman, president and chief executive officer of Georgia Power. Prior to being named to his current position, he was chief financial officer of Southern Company. He has held executive leadership positions across Southern Company in Southern Company Generation, Southern Power and the company's former U.K. subsidiary. He was the 2015 chairman of the Georgia Chamber of Commerce and a member of the Nuclear Electric Insurance Limited board of directors. He received the American Jewish Committee's 2015 National Human Relations Award and was inducted into the Junior Achievement's Hall of Fame. He was elected to Aflac Incorporated's board in 2013.



Kriss Cloninger III, 68, president of Aflac Incorporated, joined Aflac in 1992 as senior vice president and chief financial officer after working with Aflac as a consulting actuary since 1977. In addition to serving as chief financial officer from 1992 to 2015, Kriss was named president of Aflac Incorporated and elected to its board in 2001. He also serves on the boards of TSYS and Tupperware Brands.



Elizabeth J. Hudson, 66, retired from her position as chief communications officer for the National Geographic Society in 2015, having previously held similar positions with iVillage, the Reader's Digest Association and NBC. She was also previously a director in Spencer Stuart's Media & Communication Practice. She joined Aflac Incorporated's board in 1990.



Douglas W. Johnson, 72, certified public accountant and retired Ernst & Young LLP audit partner, has spent the majority of his career auditing companies in the life, health and property/casualty segments of the insurance industry. He joined Aflac Incorporated's board in 2003.



Robert B. Johnson, 71, retired from his position at Porter Novelli in 2014, at which he had been senior advisor since 2003. He was formerly chairman and CEO of the One America Foundation (an organization that promotes dialogue and solidarity among Americans of all races). He also previously served in President Clinton's White House as an assistant to the president and director of the president's initiative for One America. He has been on Aflac Incorporated's board since 2002.



Thomas J. Kenny, 52, has served as a TIAA-CREF trustee since December 2011. He currently serves as the chair of the TIAA-CREF Funds Investment Committee and also serves on the TIAA-CREF Funds Operations Committee. Prior to his role at TIAA-CREF, he held a variety of leadership positions at Goldman Sachs. He was appointed to Aflac Incorporated's board in 2015.



Charles B. Knapp, 69, is president emeritus of the University of Georgia. Earlier in his career, he served as U.S. deputy assistant secretary of labor in the Carter Administration. He also served as executive vice president and chief financial officer of Tulane University. He joined Aflac Incorporated's board in 1990.



Joseph L. Moskowitz, 62, retired as executive vice president of Primerica, Inc. after more than 25 years of service. He led the Product Economics and Financial Analysis Group after previously serving as chief actuary, among various other positions of increasing responsibility. Prior to joining Primerica, he was vice president of Sun Life Insurance Company of America and also worked for KPMG. He is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries and joined the board of Aflac Incorporated in 2015.



Barbara K. Rimer, DrPH, 67, has been dean and alumni distinguished professor of the University of North Carolina at Chapel Hill Gillings School of Global Public Health for more than 10 years, and was previously director of the Division of Cancer Control and Population Sciences at the National Cancer Institute. She was elected to the Institute of Medicine in 2008 and was appointed chair of the President's Cancer Panel in 2011. She joined Aflac Incorporated's board in 1995.



Melvin T. Stith, 69, dean emeritus of the Martin J. Whitman School of Management at Syracuse University, was also previously dean and Jim Moran Professor of Business Administration at Florida State University. Before retiring in 2015, Dr. Stith maintained his role as professor of marketing and business for more than 35 years, after previously serving in the U.S. Military Intelligence Command and achieving the rank of captain. He was elected to Aflac Incorporated's board in 2012.



Takuro Yoshida, 63, chairman of Nippon Tochi-Tatemono Co., Ltd., previously served as president of Nippon Tochi-Tatemono Co., Ltd. Prior to this, he served as executive vice president and operating officer. From 2005 through early 2009, he served in various positions, including executive director, senior operating officer, central branch manager and operating officer of Mizuho Bank, Ltd., part of Mizuho Financial Group, Inc., which was formed in a merger between his former employer, Daiichi Kangyo Bank, Ltd., and two other banks. He held various positions at Dai-ichi Kangyo Bank, Ltd., which he joined in 1976. He was first elected to Aflac Incorporated's board in 2010.

EXECUTIVE MANAGEMENT

Daniel P. Amos (see facing page) | **Kriss Cloninger III** (see facing page) | **Paul S. Amos II** (see facing page)



Frederick J. Crawford, 52, joined Aflac in June 2015 as executive vice president and chief financial officer of Aflac Incorporated, responsible for overseeing the financial management of company operations. Before joining Aflac, he served as executive vice president and chief financial officer of CNO Financial Group, after spending more than a decade at the Lincoln Financial Group in roles of increasing responsibility, including as executive vice president and chief financial officer. Prior to that, he held leadership positions at Bank One Corporation. Fred received a bachelor of arts from Indiana State University and a master of business administration from the University of Iowa.



Kenneth S. Janke, 57, executive vice president; treasurer; head of Corporate Finance and Development, Aflac Incorporated, joined Aflac as manager of Investor Relations in 1985. He was promoted to senior vice president in 1993 and to executive vice president; deputy chief financial officer of Aflac Incorporated in 2010. In July 2013, he assumed the additional role of president, Aflac U.S., before returning full-time to the deputy CFO role in September 2014. In his current role, Ken is responsible for the management of Aflac's corporate finance activities, treasury operations, as well as strategic partnerships and acquisitions.



Charles D. Lake II, 54, president, Aflac International; chairman, Aflac Japan, joined Aflac International in February 1999 and Aflac Japan in June 1999. Prior to his current position, he served as vice chairman and president of Aflac Japan. Before joining Aflac, he was director of Japan Affairs at the office of the U.S. Trade Representative in the executive office of the president, and he practiced law in Washington, D.C.



Teresa L. White, 49, president, Aflac U.S., joined Aflac in 1998. She has served in various leadership roles within Administration and Sales Support leading to her current position in September 2014, where she is responsible for driving seamless strategy and execution across Aflac's U.S. operations, including oversight and support of the company's extensive insurance distribution network of individual agents and brokers. She is an alumna of Leadership Columbus; a fellow of the Life Management Institute; and a member of Delta Sigma Theta.



Eric M. Kirsch, 55, executive vice president and global chief investment officer, joined Aflac in 2011 and is responsible for overseeing the company's investment efforts, including Aflac's investment portfolio and its investment team. He is a chartered financial analyst and former chairman of the Stable Value Investment Association. Eric is also a trustee of the Jersey Shore University Medical Center Foundation.



Daniel J. Lebish, 61, executive vice president and chief operating officer of Aflac Group Insurance, joined Aflac in 2013 and oversees the day-to-day operating activities, performance goals and strategic initiatives of Aflac Group Insurance. His role expanded in 2014 to include individual operations in Columbus and management of the U.S. broker channel. Prior to Aflac, he was executive vice president at Highmark Blue Cross Blue Shield, serving as CEO of two of their national subsidiaries, HM Insurance Group and United Concordia Dental. He spent the first 15 years of his career in executive positions in the health care delivery market.



Audrey Boone Tillman, 51, executive vice president and general counsel, Aflac Incorporated joined Aflac in 1996 in the company's Legal department. She was promoted to vice president; senior associate counsel, Legal, in 2000; to senior vice president; director, Human Resources in 2008; and to executive vice president, Corporate Services in 2011. She was promoted to her current role in May 2014 where she oversees Compliance, Legal, General Counsel of Aflac International, Corporate Communications, Federal Relations, Government Relations and the Office of the Corporate Secretary.



Hiroshi Yamauchi, 64, president and chief operating officer, Aflac Japan, joined Aflac in 1976 and served in the Actuarial Department as section manager and assistant general manager. He was promoted to general manager in the Policy Maintenance Department in 1998, to vice president in 1999 and to first senior vice president in 2002. In January 2012, he was promoted to executive vice president and assumed his current position as president and chief operating officer of Aflac Japan in January 2015.



Koji Ariyoshi, 62, executive vice president; director of Sales and Marketing, Aflac Japan, joined Aflac as senior vice president responsible for sales planning in 2008. Since then, he has managed various departments, including Retail Marketing, Alliance Management and Hojinkai Promotion. He was promoted to his current position in January 2012. Before joining Aflac, he worked for Alico Japan as vice president and for AXA Life Insurance as senior vice president.



Masatoshi Koide, 55, executive vice president, planning and research, risk management, compliance, Aflac Japan, originally joined Aflac in November 1998 and stayed with Aflac until March 2006. He worked for Nikko Asset Management before he joined Aflac again in December 2008 as vice president. He was promoted to senior vice president in January 2012 and to first senior vice president in July 2013. He was promoted to his current position in January 2015. He is a member of the New York State Bar.



Jun Isonaka, 58, first senior vice president, sales, Aflac Japan, joined Aflac in 1980 and served as general manager in various marketing and sales departments from 1999 through 2001. He was promoted to vice president in 2002 and to senior vice president in January 2007. He became chief administrative officer in January 2010 and was promoted to his current position in January 2012.



John A. Moorefield, 54, first senior vice president; chief transformation officer, Aflac Japan, joined Aflac in 2005 and has held several key positions, including senior vice president, Strategic Management for Aflac International, and chief information officer of Aflac Japan. Prior to joining Aflac, he served as a principal in ApproxCom, LLC and held executive leadership positions at Cap Gemini Ernst & Young LLP, Fidelity Investments and NationsBank, where he was responsible for technology strategy and delivery of information architecture and systems. He assumed his current position in January 2015.

GLOSSARY OF SELECTED TERMS

Affiliated Corporate Agency – Agency in Japan directly affiliated with a specific corporation that sells insurance policies primarily to its employees

Earnings Per Basic Share – Net earnings divided by the weighted-average number of shares outstanding for the period

Earnings Per Diluted Share – Net earnings divided by the weighted-average number of shares outstanding for the period plus the weighted-average shares for the dilutive effect of sharebased awards outstanding

Group Insurance – Insurance issued to a group, such as an employer or trade association, that covers employees or association members and their dependents through certificates of coverage

Individual Insurance – Insurance issued to an individual with the policy designed to cover that person and his or her dependents

In-force Policies – A count of policies that are active contracts at the end of a period

Net Investment Income – The income derived from interest and dividends on investment securities, after deducting investment expenses

New Annualized Premium Sales – Annual premiums, on policies sold and incremental increases from policy conversions, collected over a 12-month period, assuming the policies remain in force

Operating Earnings Per Share – Profits per share derived from operations before realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities, as well as nonrecurring items

Persistency – Percentage of premiums remaining in force at the end of a period, usually one year. For example, 95% persistency would mean that 95% of the premiums in force at the beginning of the period were still in force at the end of the period

Premium Income – Revenues that an insurer receives as premiums paid by its customers for insurance products

Risk-based Capital (RBC) Ratio – Statutory adjusted capital divided by statutory required capital. This insurance ratio is based on rules prescribed by the National Association of Insurance Commissioners (NAIC) and provides an indication of the amount of statutory capital the insurance company maintains, relative to the inherent risks in the insurer's operations

Solvency Margin Ratio (SMR) – Solvency margin total divided by one half of the risk total. This insurance ratio is prescribed by the Japan Financial Services Agency (FSA) and is used for all life insurance companies in Japan to measure the adequacy of the company's ability to pay policyholder claims in the event actual risks exceed expected levels

Total Return to Shareholders – Appreciation of a shareholder's investment over a period of time, including reinvested cash dividends paid during that time

Voluntary Supplemental Insurance – Benefits purchased by a consumer at the consumer's own expense in addition to a (typically employer-provided) major medical plan that covers out-of-pocket expenses not typically covered under the primary insurance policy

CONTACT INFORMATION

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This 2015 Year in Review contains forward-looking statements based on expectations, estimates and projections as of the date of this report. These cautionary statements by their nature are subject to risks, uncertainties and assumptions, and are influenced by various factors. As a consequence, actual results may differ materially from those expressed in the forward-looking statements. Aflac undertakes no obligation to update such forward-looking statements. For more information, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Information" in Aflac's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission.



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