Aflac
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Aflac's Financial Analysts Briefing 2013

About This Book

This book primarily contains information about Aflac, most of which was given at the company's 2013 Financial Analysts Briefing held on May 22, 2013, at the Mandarin Oriental Hotel in New York, New York. All information is intended to provide a comprehensive discussion and analysis of Aflac's operations. The information contained in this book was based on conditions that existed at the end of the first quarter 2013. Circumstances may have changed materially since those presentations were made. The company undertakes no obligation to update the presentations. This information was prepared as a supplement to the company's annual and quarterly releases, 10-Ks and 10-Qs. This book does not include footnotes to the financial statements or certain items that appear in reports or registration statements filed with the Securities and Exchange Commission. We believe the information presented in this book was accurate at the time of the presentations, but its accuracy cannot be guaranteed.

Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. We desire 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" 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. We caution 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; governmental actions for the purpose of stabilizing the financial markets; defaults and credit downgrades of securities in our investment portfolio; impairment of financial institutions; credit and other risks associated with Aflac's investment in perpetual securities; differing judgments applied to investment valuations; significant valuation judgments in determination of amount of impairments taken on our investments; limited availability of acceptable yen-denominated investments; concentration of our investments in any particular single-issuer or sector; concentration of business in Japan; increased derivative activities; ongoing changes in our industry; exposure to significant financial and capital markets risk; fluctuations in foreign currency exchange rates; significant changes in investment yield rates; deviations in actual experience from pricing and reserving assumptions; subsidiaries' ability to pay dividends to Aflac Incorporated; changes in law or regulation by governmental authorities; ability to attract and retain qualified sales associates and employees; decreases in our financial strength or debt ratings; ability to continue to develop and implement improvements in information technology systems; interruption in telecommunications, information technology, and other operational systems, or a failure to maintain the security, confidentiality or privacy of sensitive data residing on such systems; changes in U.S. and/or Japanese accounting standards; failure to comply with restrictions on patient privacy and information security; level and outcome of litigation; ability to effectively manage key executive succession; catastrophic events including, but not necessarily limited to, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, acts of terrorism and damage incidental to such events; and failure of internal controls or corporate governance policies and procedures.

Table of Contents

Section I
Aflac Incorporated

Strategic Overview of Aflac

Daniel P. Amos
Chairman and Chief Executive Officer

It is amazing to me that this year marks my 24th analysts briefing as CEO. I believe our company that started nearly sixty years ago remains well-positioned in the two best insurance markets in the world. More importantly, given the opportunities that lay before us, I believe the best is yet to come for Aflac.

Let me start off the presentations by sharing my longer-term vision for Aflac as well as my priorities for our company going forward. But before I do that, let me bring you back for just a moment through a brief journey of Aflac's history.

In the 1950s, Aflac pioneered the cancer insurance market in the U.S. Even back then, Aflac's founders identified the need for a product to lift the financial burden of cancer victims and their families. With this simple concept, Aflac started out in one country with one product, 16 employees, and 60 sales agents selling through one distribution channel. Today with name recognition of 94% in the United States, Aflac is the number one provider of guaranteed-renewable insurance, offering eight lines of business that include more than 20 different products. We sell these through three distribution channels, including medium and large brokers as well as career sales agents where 41,000 sell Aflac products on a monthly basis. Taking note of Aflac's success, many other companies have entered the supplemental insurance market, but none has been able to duplicate the kind of success Aflac has.

In the mid-1970s, we exported our cancer insurance product to Japan, where we started out with one product, seven employees, and one distribution channel. Today in Japan, Aflac is the number one life insurance company in terms of individual policies in force, offering six lines of business that include 13 products sold through several distribution channels with more than 100,000 sales agents selling our products.

You have probably heard the story about the student who submitted a term paper about the possibility of a "hub and spokes" delivery model for his undergrad economics class at Yale and got a "C" – or some type of mediocre grade – on it. That student was Fred Smith, who later founded and became CEO of FedEx. No one, not even a Yale professor, could have imagined that a company in Columbus, Georgia, would establish the third sector of life insurance in Japan and become the number one life insurer in terms of policies in force. But that's exactly what happened.

I want to reiterate a point I've said last year at this time, and that is: Don't underestimate Aflac or its management, as we have always found a way to be successful.

It is true that Japan is half a world away, but one huge common denominator prompted Japanese consumers to embrace our products in the same way U.S. consumers did. That was the need for broader insurance coverage related to medical events. Ultimately, with a little bit of knowledge and a lot of good people – and some good fortune – we established the cancer insurance market in Japan. It's hard not to look at the past once in a while and marvel at how far we've come. But my mind is always focused on the future and the many opportunities I see out there.

Today, Aflac has the privilege of providing protection to more than 50 million people worldwide who count on us to protect their financial well-being in the event of a medical health situation. My long-term vision is for Aflac to retain the distinction of being the market leader in both Japan and the United States. I continue to believe the market opportunities in both countries are vast, and in some instances, are even growing.

We have proven that we have the ability to adapt to changes. In fact, through the years, I believe strength, resilience and adaptability are fitting words to describe both Aflac U.S. and Aflac Japan operations. That's because we've faced many challenges – in fact, some multiple times over.

Using Aflac Japan as an example, we've shown repeatedly the strength of our brand, product and, distribution. I believe there is no better demonstration of our drive and determination to grow our business than in Japan, where we successfully expanded our distribution from one basic model to several distribution channels, including a bank distribution system that now includes more banks than any other company operating in Japan.

I think back to the eve of 2001 when Japan's insurance market was poised to become fully deregulated. Market liberalization meant that large Japanese domestic insurance companies would be able to sell third sector products for the first time. There were those who thought deregulation would be devastating to Aflac. Not only did we maintain our number one position in cancer sales, but we emerged a year later as the number one seller of medical insurance too!

The last two years for Aflac Japan have been the "years of the bank channel." We sold a tremendous amount of first sector products, including "WAYS." Moving forward, we are focusing more on our third sector products, particularly now that the first sector rerating has been completed. We mentioned that we are currently underpenetrated with consumers in their 20s to 40s, and we expect to write a lot of business in that area. You may also recall we are working on getting approval for a new medical product with the FSA. As such, we anticipate very strong second-half sales of third sector products.

Looking ahead for Aflac U.S., we are facing changing market conditions in the United States due to implementation of the Affordable Care Act. In the same way that we utilized a consultant to ensure our analysis didn't miss anything in preparation for 2001 deregulation in Japan, we've opted to do the same here in the U.S. As the market leader, it's our plan to work with our U.S. segment to ensure we're flexible and proactive enough to address those changes and maintain our market-leading position. Just as we came out ahead in Japan, I believe here in the United States we have the opportunity to emerge from the evolving health care market even stronger than when we went in. That is because just like national health care did in Japan, clarity will instill a better understanding and appreciation for the types of products Aflac sells.

We expect that more consumers will be covered by major medical insurance purchased either at the worksite or through exchanges. We believe this will mean that insurance coverage and benefits will be more consistent across the board. However, it will also probably mean that those insurance benefits will be less rich. As an example, if you think of coverage in terms of platinum, gold, silver, and bronze, I believe that due to costs, many employers are going to be offering the minimum benefits package, or bronze tier. There's just not going to be a huge incentive for employers to offer better insurance. We believe this will further highlight the need for the types of products we sell here in the U.S.

Some have said that this means the U.S. market will be coming to us, and I certainly agree there are vast opportunities heading our way. But at the same time, success breeds competition. In that regard, we will see many new entrants in our market, just as we have seen in Japan over the last decade. We will be competing for customer accounts, consumers, product, distributors, and shelf space. We are, and need to continue to maintain our position as, the low-cost producer. Make no mistake – we will have to be on our game, ready, willing and able to execute by leveraging our strengths. And I know we have the talent, ability, and experience to make it happen.

I shared earlier the growth of our products and our distribution in Japan and the United States. But no matter how many distribution channels we have or how many products we sell, it's really all about the people: those we serve and those who manage our company. I am 61 years old and have been in the business for 40 years now. It's my intention to remain CEO until at least age 70. I don't think I would make a good retiree, because I love to work. Kriss, who turns 66 this year, is also committed to working until he is at least 70. The common thread that keeps Kriss and me at Aflac and fully engaged in our roles is our belief in the future of Aflac and our desire to grow our business for the benefit of our shareholders.

One lesson of the financial crisis is that you never stop learning. Challenges can come from unexpected areas of the company, and you have to plan for the unexpected. That makes it very important to Kriss and me that we continue to build and enhance our management bench.

As has been the case since the day Aflac was founded, Aflac leaders consider fulfilling the promises we've made to our policyholders to be our highest priority. We strive each day to do it in a way that provides attractive returns for the benefit of our shareholders.

As we have communicated, given our capital structure, our ability to repurchase shares is largely tied to profit repatriation. You'll recall from our first quarter release that we expected 2013 profit repatriation to be a bit higher than the ¥50 billion we last communicated. For 2013, we now estimate profit repatriation will be in the range of ¥70 to ¥75 billion, which is a 40% increase over what we had anticipated. As always, this estimate assumes we have no additional material investment losses between now and mid-June when we file Aflac Japan's FSA-based financial statements.

As we have said for many years, when it comes to deploying excess capital, we still believe that growing the cash dividend and repurchasing our shares are the most attractive means and those are avenues we will continue to pursue. We have a lot of flexibility at the parent company in terms of liquidity. Given the flexibility and the strength of our capital ratios, we've stated our plan to purchase $400 to $600 million of our shares in 2013. Following a great start in the first quarter, share repurchases totaled $150 million. We now expect to be at the high end of the range by repurchasing $600 million of our shares this year. Additionally, we anticipate accelerating our share repurchase in 2014. We estimate share repurchase for 2014 could be in the range of $600 to $900 million. Those repurchases will help support our earnings growth targets.

I want to reaffirm our 2013 guidance of a 4% to 7% increase in operating earnings per share, excluding the impact of currency. This range reflects the impact of investing significant cash flows at historically low interest rates. I would also remind you that our 2012 earnings were better than we expected. Although the yen is significantly weaker to the dollar, the fundamentals of our business strategy and operations are strong.

Overall, I am pleased with Aflac's position in Japan and the United States – the two largest insurance markets in the world. We remain focused on our vision to be the leading provider of voluntary insurance in the United States and the number one provider of supplemental insurance in Japan. It is an honor to be CEO of this company. You've heard me say it before, and you'll hear me say it again: I wouldn't trade places with any other CEO in the world.

Aflac Incorporated Financial Results

Kriss Cloninger III
President; Chief Financial Officer

I will begin with a discussion of Aflac's financial results. Let me start with an overview of each of our segments. Then I will go more in-depth into the development of our operating ratios, returns and modeling assumptions.

Segment Contributions to Operating Earnings

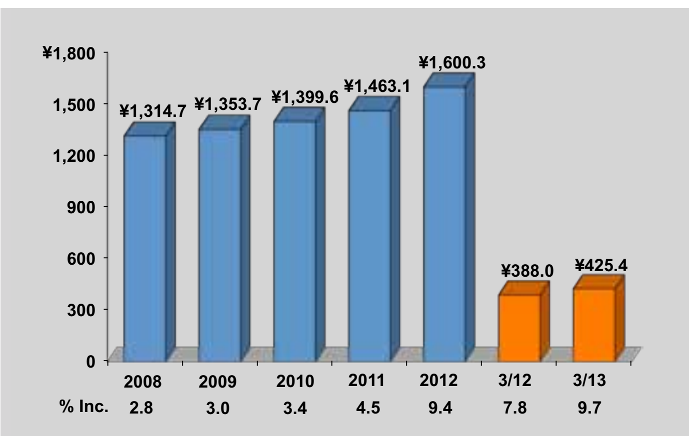
(Pretax, In Millions, GAAP Basis)

	2011	2012	3/12	3/13
Aflac Japan	$3,829	$3,904	$1,040	$ 989

Aflac Japan remains the primary contributor to our overall operations. In the first quarter of 2013, Aflac Japan represented approximately 78% of pretax insurance earnings.

Aflac Japan Total Revenues

(In Billions, GAAP Basis)



As you know, the main components of total revenues are premium income and investment income. The largest component, premium income, has benefited from a predictable and stable source of renewal revenues. In fact, we estimate that 88% of Aflac Japan's premium income will be derived from renewal premiums this year, with the balance coming from new sales.

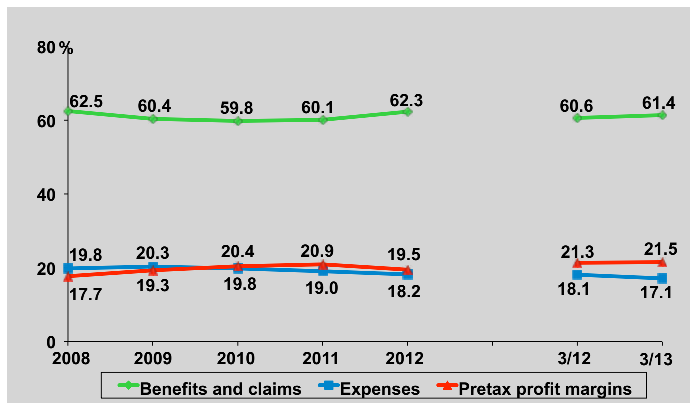
Aflac Japan continues to produce increasing revenues in yen terms. Despite slower investment income growth primarily due to low new money yields, revenue growth rates have increased since 2008 and continued to improve through first quarter 2013, reflecting strong new premium sales growth, particularly in the ordinary life line in Japan. We expect the revenue growth rate to decline as we experience a drop in the sales of our ordinary life products following price increases that began April 2nd of this year.

In addition, revenue growth in future years will be somewhat suppressed because a significant amount of limited pay products we have sold in recent years will reach paid-up status and therefore will no longer contribute premium to our income statement. I will cover this in more detail later in the presentation.

It's worth noting that the yen/dollar exchange rate can influence the rate of investment income growth as reported in yen. You'll recall that beginning in the second half of 2012, dollar-denominated investment income accounted for about one-third of Aflac Japan's total investment income. With our hedged corporate bond program, that percentage increased to approximately 40% at the end of the first quarter, and we expect it to remain around that level going forward. As such, when the yen weakens to the dollar, the growth rates of investment income, revenues and earnings are magnified in yen terms. However, on a consolidated basis, there is no impact since the reporting basis from those instruments is in dollars.

Aflac Japan Operating Ratios*

(To Total Revenues, GAAP Basis)

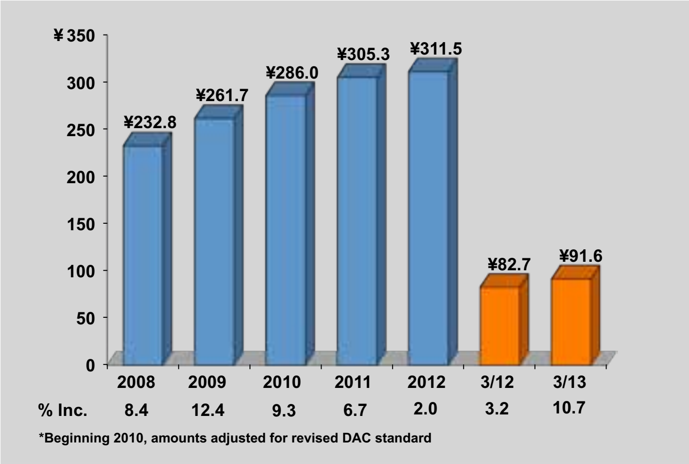


*Beginning 2010, amounts adjusted for revised DAC standard

Japan's benefit ratios steadily declined from 2008 through 2010 due primarily to improvement in our cancer and medical insurance claims experience. With the significant increase in production of our child endowment and WAYS products, our benefit ratios flattened out and started to increase slightly in 2011. They increased further in 2012 as WAYS production continued to increase significantly.

Total annual operating expenses as a percentage of revenues have trended downward in the past few years, in part reflecting lower commission expenses for child endowment and WAYS. In addition, Aflac Japan's low expense ratio reflects efficient operations and a strong persistency rate that has improved modestly over the past several years. While it isn't apparent in this slide, it is worth mentioning that our pretax profit margin steadily increased since 1998, going from 8.9% in 1998 to 20.9% in 2011. However, in 2012, the profit margin declined slightly to 19.5%. In the near term, we expect revenues to grow at a slower pace and the profit margin to stabilize as we return to a more normal mix of first and third sector sales. I will also give you more detail on the major product segments and their profitability characteristics.

Aflac Japan Pretax Operating Earnings*
(In Billions, GAAP Basis)



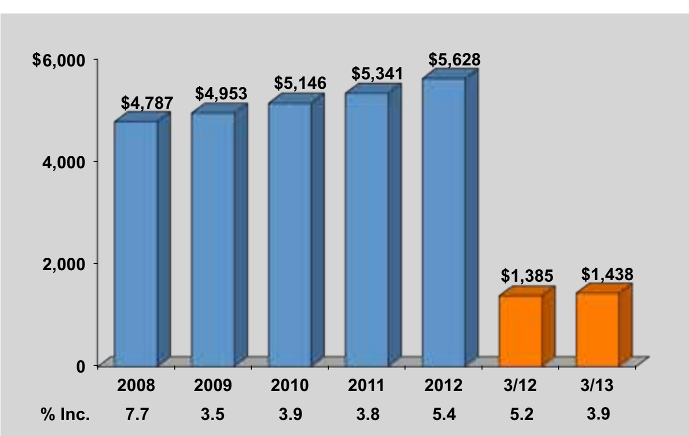
Our pretax operating earnings as measured in yen were suppressed beginning in 2010, primarily due to the effects of the financial crisis and yen weakening on investment income growth, which was essentially flat from 2009 through 2011. While the large sales volume in 2010 to 2012 contributed positively to revenue growth, the impact of non-deferrable acquisition costs from these sales suppressed our profits. We estimate profits were dampened by about ¥1 billion for every ¥10 billion of incremental first sector sales.

Segment Contributions to Operating Earnings
(Pretax, In Millions, GAAP Basis)

	2011	2012	3/12	3/13
Aflac Japan	$3,829	$3,904	$1,040	$ 989
Aflac U.S.	904	997	271	281

Our other reportable segment, Aflac U.S., accounted for the remaining 22% of pretax insurance earnings in the first quarter of this year.

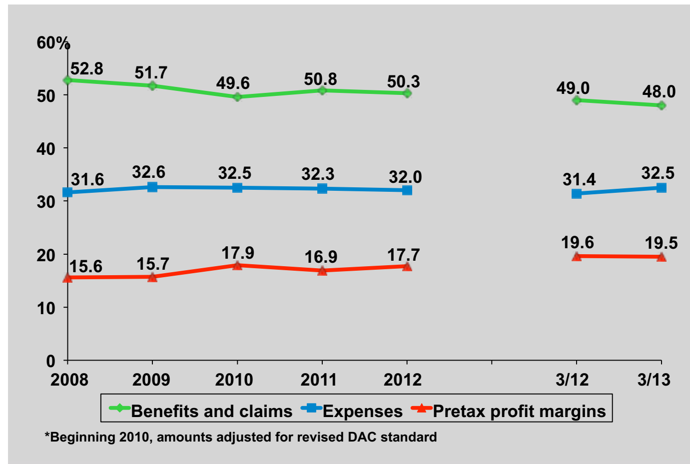
Aflac U.S. Total Revenues
(In Millions, GAAP Basis)



Aflac U.S. revenue growth is largely driven by the rate of premium income growth.

Premium income has grown at single-digit rates for the last five years, reflecting somewhat weak sales associated with a challenging economic environment, offset somewhat by improving persistency. In fact, the persistency of our U.S. business improved by 140 basis points in 2010 and 260 basis points in 2011. In 2012, persistency reached its highest level in more than 10 years with an improvement of 90 basis points. Starting in 2010, revenue growth also benefited from our acquisition of Aflac Group.

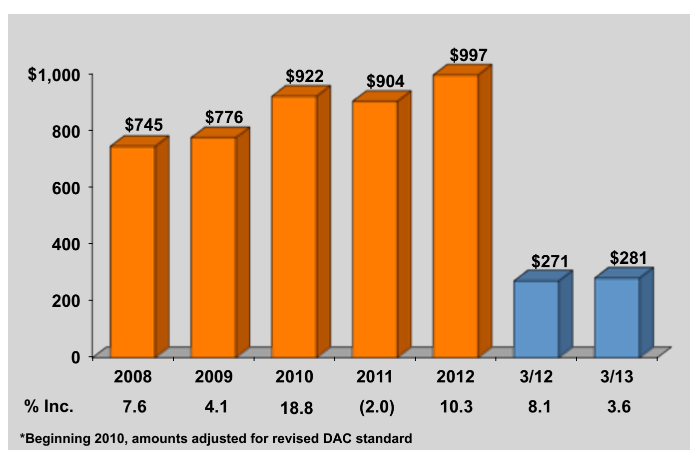
Aflac U.S. Operating Ratios*
(To Total Revenues, GAAP Basis)



Over an extended period of time, the operating ratios of Aflac U.S. have been very stable. However, 2010 benefit and expense ratios were influenced by lapses associated with the loss of a large payroll account at the end of 2009. The benefit ratio declined due to the release of benefit reserves while the expense ratio increased due to the amortization of deferred acquisition costs, or DAC, on those lapsed policies. The net impact of the reserve release and DAC amortization was a sizeable benefit to the bottom line in 2010. In 2011, the benefit ratio returned to a more normalized level and improved slightly in 2012.

Expenses as a percentage of total revenues have been relatively stable to slightly improving over the last five years. Because both the expense and benefit ratios improved slightly in 2012, the profit margin also improved. We expect the operating ratios in the U.S. to remain fairly stable in the near future.

Aflac U.S. Pretax Operating Earnings*
(In Millions, GAAP Basis)



Although Aflac Japan is the dominant segment of our total company results, Aflac U.S. remains a significant and important contributor to our growth. During the period from 2008 through 2012, the profit margin increased on our U.S. business due primarily to a modest decline in the benefit ratio. Assuming stable benefit and expense ratios in the near future, we expect that growth in Aflac U.S. profits will primarily reflect the growth rate in future revenues.

Segment Contributions to Operating Earnings

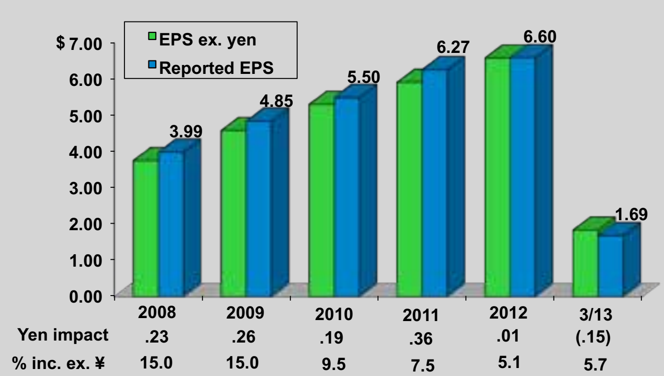
(Pretax, In Millions, GAAP Basis)

	2011	2012	3/12	3/13
Aflac Japan	$3,829	$3,904	$1,040	$ 989
Aflac U.S.	904	997	271	281
Interest expense	(168)	(184)	(44)	(48)
Corp. & other exp.	(63)	(59)	(20)	(17)
Pretax oper. earnings	$4,502	$4,658	$1,247	$1,205
Income taxes	1,556	1,561	433	415
Operating earnings	$2,946	$3,097	$ 814	$ 790

Interest expense in 2012 was slightly higher than 2011, reflecting higher debt balances. Parent company and other unallocated expenses in 2012 were fairly consistent with 2011. While our consolidated tax rate has been very stable over the last several years, I would remind you that in the third quarter of 2012, we revised our annual effective tax rate downward somewhat for the year, and we expect the 2013 annual effective tax rate to be in the range of 34% to 34.5%, which we experienced in the latter part of 2012.

Operating Earnings Per Share*

(Diluted Basis, GAAP Basis)



*Beginning 2010, amounts adjusted for revised DAC standard

This chart illustrates growth in operating earnings per diluted share both on an as-reported basis and excluding the impact of currency translation. At the bottom, you'll note the per-share impact from the changes in average yen/dollar exchange rates for the last several years. The impact from currency fluctuations has tended to be smoothed over the long run. However, in recent years, our results on a per-share basis benefited significantly from the strengthening of the yen.

In 2012, there was minimal yen impact as we had a fairly stable currency. We expect the current weaker yen environment to suppress our 2013 operating earnings per share. Our sensitivity to currency changes has increased in the last few years, primarily due to a greater proportion of our consolidated earnings being derived from yen-denominated sources.

Reconciliation of Operating to Net Earnings Per Diluted Share

(GAAP Basis)

	2011	2012	3/12	3/13
Operating earnings	$6.27	$6.60	$1.74	$1.69
Reconciling items net of tax:				
Realized gains (losses):				
Sales & impairments	(1.81)	(.69)	(.17)	.08
Hedge costs related to foreign currency investments	—	(.01)	—	(.01)
Other non-operating income	—	(.01)	—	—
Derivatives & hedging	(.34)	.22	.11	.14
Net earnings	$4.12	$6.11	$1.68	$1.90

We believe that an analysis of operating earnings, a non-GAAP financial measure, is vitally important to an understanding of Aflac's underlying profitability drivers. We define operating earnings as the profits we derive from our operations before realized investment gains and losses, the impact of derivatives and hedging, and nonrecurring items.

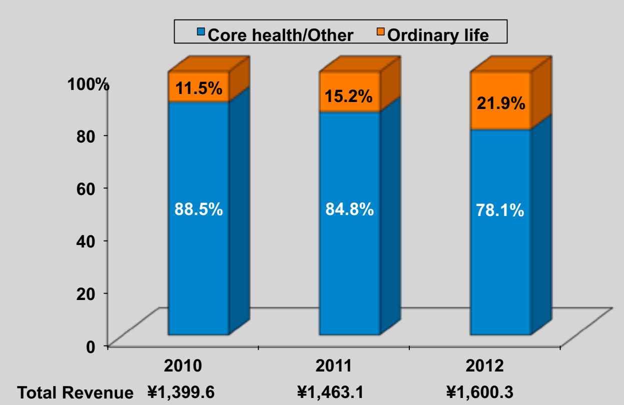
We use operating earnings to evaluate our financial performance because realized gains and losses, the impact of derivatives and hedging, and nonrecurring items tend to be driven by general economic conditions and events, and therefore may obscure the underlying fundamentals and trends in Aflac's insurance operations.

Our realized investment losses were sizeable in 2011 due to portfolio derisking. Investment losses in 2012 were less than half the level of the prior year, but were still significant. The impact from derivatives and hedging on net earnings is primarily associated with changes in the fair value of currency swaps on certain investments. This line item also reflects the change in the fair value of the yen-dollar swaps associated with our recent bond issuances.

Now I'd like to turn to a more in-depth look at our operations in Japan to give you a better understanding of the benefit, expense and profit characteristics of our various product categories.

Aflac Japan Revenue by Product Category*

(GAAP Basis)



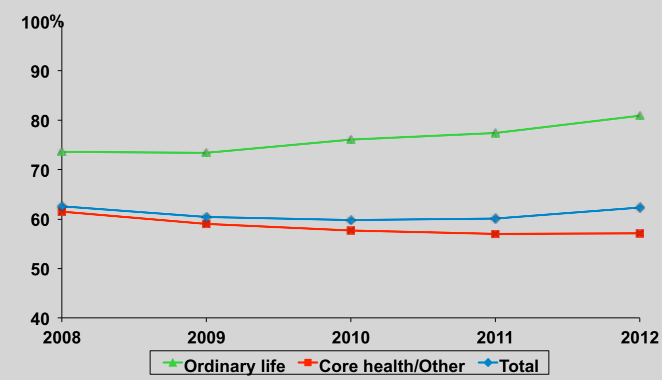
*Reflects investment income allocated by product category
Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

As you can see, Aflac Japan's revenue composition has changed over the last several years. In this chart and many that follow, the core health category includes our cancer and medical products, while the "other" category includes several products that are not actively marketed, such as care and annuity. It is important to note that the other component of this category represents less than 10% of total revenues for all years presented.

The ordinary life category includes WAYS, child endowment, and other life products. As a result of our success in selling these products, especially through the bank channel, the contribution of the ordinary life line has grown significantly. In 2010, ordinary life insurance was 11.5% of total revenues. By 2012, our ordinary life revenues almost doubled to 21.9% of total revenues.

Aflac Japan Benefit Ratios by Product Category*

(To Total Revenues, GAAP Basis)



*Beginning 2010, amounts adjusted for revised DAC standard
Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

For a number of years, the benefit ratio has been declining for our largest product category, core health. This decline has been driven by improving claims experience, primarily in our cancer line, and a shift within this product category toward products with lower benefit ratios.

You'll recall that Japan's national health care system has been under severe pressure to reduce costs. The government has modified their reimbursement practice to pay a higher amount per day for shorter hospital stays, which has had the effect of significantly shortening hospital stays in general. The reduction in days per stay has particularly impacted our cancer insurance business, causing the ratio of actual to historical claims experience for Aflac to fall from 81% in 2006 to 73% in 2011. This decline occurred at a much faster rate than we originally expected. That does mean, of course, that there is probably less room for further reductions in average hospital days, although we do expect to see some additional improvement in the years to come.

Claims for our medical products have also been lower than our original expectation. Just as we've seen with our cancer insurance, we expect this favorable experience to continue. Yet there is also limited room for significant levels of claims improvement in our medical products as average hospital stays for non-cancer medical events are much shorter than they are for cancer treatments.

The other major factor influencing Aflac Japan's total benefit ratio has been the change in business mix over time. Our efforts at broadening our product line have significantly changed our in-force business. For many years, the product mix trended toward products with lower benefit ratios, including medical products and health insurance riders. More recently, the total benefit ratio has been affected by the sale of our higher benefit products, including child endowment and WAYS.

Aflac Japan Benefit Ratios by Product Category – Detail*

(To Total Revenues, GAAP Basis)

	2010	2011	2012
Core health/Other	57.7%	57.0%	57.1%
Ordinary life	76.1	77.4	80.9
Total	59.8%	60.1%	62.3%

*Beginning 2010, amounts adjusted for revised DAC standard
Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

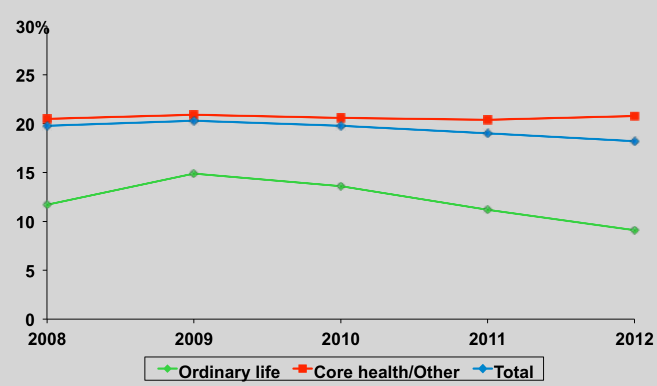
Reflecting the trend of favorable claims experience, the benefit ratio for our core health products, cancer and medical, declined in 2010 and 2011. In 2012, the benefit ratio stabilized for the core health and other product lines as a result of offsetting factors, including some reserve strengthening in response to the low-interest-rate environment and continuing favorable persistency experience.

The benefit ratio for our ordinary life products has increased recently, rising from 76.1% of revenues in 2010 to 80.9% in 2012 due primarily to higher production of child endowment and WAYS. In addition, the ratio in 2012 was impacted by the low-interest-rate environment as we established reserves for new issues assuming lower yields reflective of the decline in new money interest rates.

Taking all these factors into account, the higher benefit ratios of WAYS and child endowment have offset the downward trend in the health benefit ratio over this period.

Aflac Japan Expense Ratios by Product Category*

(To Total Revenues, GAAP Basis)



*Beginning 2010, amounts adjusted for revised DAC standard
Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

Although the benefit ratios of our ordinary life products are higher than our health products, the commission expense is lower for these products in relation to the revenues. In general, products with higher benefit ratios have lower expense ratios, which can be seen in our ordinary life business over the last two years.

Aflac Japan Expense Ratios by Product Category – Detail*

(To Total Revenues, GAAP Basis)

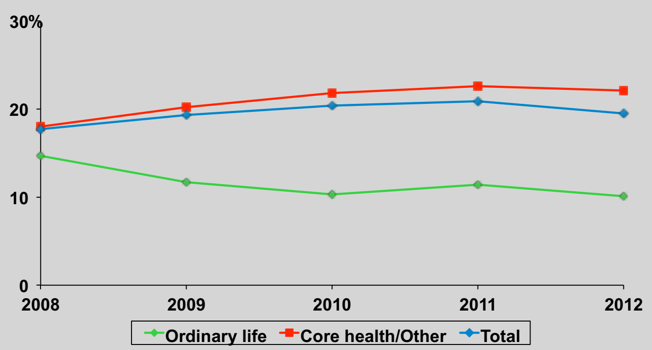
	2010	2011	2012
Core health/Other	20.6%	20.4%	20.8%
Ordinary life	13.6	11.2	9.1
Total	19.8%	19.0%	18.2%

*Beginning 2010, amounts adjusted for revised DAC standard
Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

The expense ratios for our core health block have been relatively stable over the last several years, as there has been very little change in our product mix within that block. Meanwhile, the expense ratio for the ordinary life category has declined significantly, dropping from 13.6% in 2010 to 9.1% in 2012. That is primarily due to lower commission rates on child endowment and WAYS.

Aflac Japan Pretax Profit Margins by Product Category*

(To Total Revenues, GAAP Basis)



*Beginning 2010, amounts adjusted for revised DAC standard
Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

In light of the low interest rate environment, we repriced our ordinary life portfolio effective April 2nd of this year. We have also implemented various investment strategies, such as the hedged corporate dollar bond program, to improve our portfolio yield. We will continue to monitor market conditions and adjust our offerings to ensure we are selling products that meet our core profit objectives.

Aflac Japan Pretax Profit Margins by Product Category – Detail*

(To Total Revenues, GAAP Basis)

	2010	2011	2012
Core health/Other	21.8%	22.6%	22.1%
Ordinary life	10.3	11.4	10.1
Total	20.4%	20.9%	19.5%

*Beginning 2010, amounts adjusted for revised DAC standard
Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

After improving in 2011, the pretax profit margin for our core health and other product lines declined slightly in 2012, primarily reflecting reserve strengthening for our closed blocks of business that includes care and dementia products. The reserve additions were somewhat prompted by the persistent low-interest-rate environment.

The profit margin of the ordinary life business declined from 11.4% in 2011 to 10.1% in 2012 primarily due to the large sales production and the impact of non-deferrable acquisition costs. In total, the overall profit margin went from 20.9% in 2011 to 19.5% in 2012.

WAYS Overview

(Aflac Japan)

- **Traditional ordinary life product**
  - » **Fixed premiums, fixed benefits**
- **30% surrender charge during premium paying period**
- **Includes option to convert some/all life insurance to medical, nursing care and/or annuity, at a predetermined date or age, such as 60 or 65**
  - » **Guaranteed-issue basis at premium rates in effect at the time of election**

At last year's analyst meeting, we provided a detailed review of the WAYS product to further demonstrate the effect of the product on our operating ratios and financial results. I thought it would be valuable to refresh that analysis and discuss the recent actions we have taken to manage that product line and its anticipated profitability.

In 2012, the new annualized premium sales of WAYS in Japan were ¥94.5 billion, accounting for almost 45% of our total new sales. This product is a traditional ordinary life product at its core, with fixed premiums and benefits. The average premium size for WAYS is about 10 times that of one of our core health products. The average in-force face amount is less than ¥5 million per policy, or roughly $50,000.

As you may recall, what makes this life insurance product unique is that it includes a feature allowing the policyholder the option to convert some or all of the life insurance coverage to medical, care or annuity coverage at a predetermined age on a guaranteed-issue basis at premium rates in effect at the time of election. If WAYS policies are surrendered prior to reaching paid-up status, they are subject to a 30% surrender charge.

The issue age has been primarily around 50 and older for policies that are paid up at a specified age, such as 60 or 65, and younger than 50 for our 5-pay and 10-pay WAYS products. We have offered various WAYS premium options, including 5-pay, 10-pay, and paid up at a specified age. In the past, however, in 2012, we discontinued new sales of the 5-pay option to reduce our exposure to disintermediation in case of rising interest rates.

As we have discussed, a customer may elect to pay premiums upfront in return for a discount. We refer to this payment method as discounted advanced premiums, or DAP, and it has been particularly popular in the bank channel. Prior to our lowering our DAP credit interest rate in October 2012, more than 90% of bank customers elected to use DAP for WAYS policies.

Japan Product Profitability

(Statutory Basis, Reflects 4/2/13 Repricing, 1.0% DAP Rate)

	Lifetime Net Investment Yield		
	1.5%	2.0%	2.5%
Core Health Products:			
Profit* (as a % of premium)	18-20%	20-22%	22-24%
Internal rate of return	20%	22%	23%
WAYS:			
Profit* (as a % of premium)	7-9%	15-20%	22-30%
Internal rate of return	7%	16%	22%

*Profit calculation is the same on a GAAP and Stat basis

As we discussed last year, WAYS' profitability is more sensitive to investment yields than our core health products. The Internal Rate of Return, or IRR, for this product is also sensitive to the lifetime net investment yield. When WAYS first became a larger portion of our new sales, new money rates in Japan were higher than the rates we are seeing today. As we saw the interest rates fall, we took several steps to mitigate the impact of lower interest rates on the profitability of this business. We lowered the DAP interest rate from 1.0% to 0.5% in October 2012. Additionally, we placed caps on production of child endowment and cut the commission rate in August 2012.

Finally, in April of this year, we repriced our ordinary life portfolio to reflect the change in the standard valuation interest rate in Japan and to improve the profitability of our products in the low-interest-rate environment. At the same time, we raised the DAP rate from 0.5% back to 1.0%. In this way, we hope to balance the profitability and competitiveness of the product.

While the repricing improved the profitability of ordinary products, the current low-interest-rate environment remains challenging. As we move forward, we will carefully monitor economic market conditions and the competitive situation to ensure that we are firmly focused on selling profitable business that is also competitive. We will use tools, such as sales incentives and the DAP interest rate, to continue to balance profitability and sales volume. I would add that we expect to be conservative in our product positioning during 2013. As our investment strategies are enhanced and we increase our ability to modify the product characteristics more quickly, we may put more focus on WAYS. But following three years of record sales, we do expect a significant decline in sales of WAYS this year.

Now, I would like to comment on our pricing philosophy. For years, most of you have heard me say that we primarily price to achieve a certain profit margin expressed as a percent of premium. Our definition of profit is the excess of the present value of revenues, including both premium and investment income, over the present value of policy benefits and expenses for the life of the contract. This is a cash viewpoint, which I believe best reflects the true economics of the products and is the most appropriate basis for decision making. This concept of profit does not rely on a specific accounting model or any capital allocation process.

As you can see, profit margins on our core health products are much less sensitive to the lifetime net investment yield than they are on WAYS, where margins increase from 7-9% of premium at a lifetime net investment yield rate of 1.5% to 22-30% of premium for a yield of 2.5%.

We also look at Internal Rates of Return, but we find that these rates of return are generally consistent with, and move in the same direction as our profit measures. By IRR, we mean the discount rate at which the present value of the initial investment in a block of business, represented by acquisition costs and capital requirements, is equivalent to the present value of profits on that block in subsequent years.

One difficulty with using IRR is that the results vary depending on the accounting basis or capital allocation method used. We have chosen U.S. statutory accounting for this presentation as it is the most common basis used by U.S. life companies. I would note that for IRR purposes, it is our practice to establish statutory reserves and provide for additional capital at levels that would support a 500% RBC ratio. In addition, we have chosen to provide a point estimate for the IRR rather than a range to illustrate what we believe is the most likely result. Obviously, the IRR will vary just as profit results vary within the illustrated range. Given all these points, we believe that the best estimate of the IRR for medical and cancer is 22%, assuming a 2.0% lifetime net investment yield. For WAYS, the corresponding IRR would be 16%. But at 2.5% lifetime net investment yield, the IRR for WAYS would improve significantly to 22% whereas the Core Health IRR would improve only slightly to 23%.

Limited Pay Policy Accounting (SFAS 97) – Similarities to SFAS 60

- **Premiums recognized as revenue over scheduled premium paying period**
- **Reserves include provision for adverse deviation**
- **Lock-in principle**
- **DAC amortized over premium paying period**

Now let me turn to the accounting practices for our ordinary life products. Most of our products, where premiums are paid over the life of the contract, are accounted for under GAAP using SFAS 60. For policies where the scheduled premium period is shorter than the benefit period, we are required to use SFAS 97. Let me review the most significant similarities and differences between these two accounting methods. First, premium income is recognized over the scheduled premium paying period under both methods. For example, for a 10-pay product, all premium income is recognized over 10 years.

For the more traditional whole-life product, premiums are recognized over the life of the contract. Second, under both methods, reserves are established based on similar interest and morbidity assumptions, including a provision for adverse deviation. These assumptions are locked in from the issuance of the contract and cannot be modified in future periods. Third, DAC is established at issue and amortized over the premium-paying period under both methods.

Limited Pay Policy Accounting (SFAS 97) – Differences with SFAS 60

- **Deferred Profit Liability (DPL)**
  - » **Established to recognize profits over life of policy**
- **Profits emerge as a level percentage of inforce**

In the case of limited pay policies, SFAS 97 requires that a deferred profit liability, or DPL, be established during the premium paying period. The DPL grows during the premium payment period and is released through benefits over the remaining life of the policy after the contract becomes paid up. The changes in the DPL flow through policy benefits along with changes in other benefit reserves. In that way, profits emerge fairly evenly over the life of the limited pay contract.

Limited Pay Policy Accounting (SFAS 97) – 5-Pay Example*

						Profits	
Policy Year	Earned Premium	Claims & Expenses	Net Cashflow	Net Liab (NBR-DAC)	DPL	With DPL	Without DPL
1	2000	3500	-1500	-1780	140	140	280
2	2000	400	1600	- 460	280	140	280
3	2000	400	1600	860	420	140	280
4	2000	500	1500	2080	560	140	280
5	2000	500	1500	3300	700	140	280
6		600	-600	2700	560	140	0
7		600	-600	2100	420	140	0
8		700	-700	1400	280	140	0
9		700	-700	700	140	140	0
10		700	-700	0	0	140	0

*Assumes 10-year policy with a 5-pay option in yen

The next chart is a simplified numerical example demonstrating a single policy accounted for under SFAS 97. This shows how profits would be recognized with and without the changes in the DPL for a policy with 10 years of benefit coverage paying premiums for five years. For simplicity, we are assuming annual premium of ¥2,000, a discount rate of zero, no terminations due to mortality or voluntary lapses, and that all acquisition expenses are deferrable.

You can see in the last column that without the DPL, profits would emerge during the premium period as a level amount equal to 14% of earned premiums. But with the DPL, profits are reduced during the premium period and recognized over the remainder of the contract's life as the DPL is released. This accounting treatment is important to understand, as you will see a significant impact from limited pay products in our future financials over the next several years. Premium income will decline as policies reach paid-up status. The benefit ratio will also decline as the DPL is released, allowing profits to be recognized over the remaining life of the limited-pay contracts even though no premium revenue is being recognized. The net result is that profit recognition for both the lifetime pay and the limited pay policies will be similar in relation to policies in force. That is, profits aren't going to go away on limited pay; they'll still be there. They'll just emerge based on policies in force instead of as premium is recognized.

Schedule of Limited Pay Annualized Premium by Paid Up Year

(Yen, In Millions)

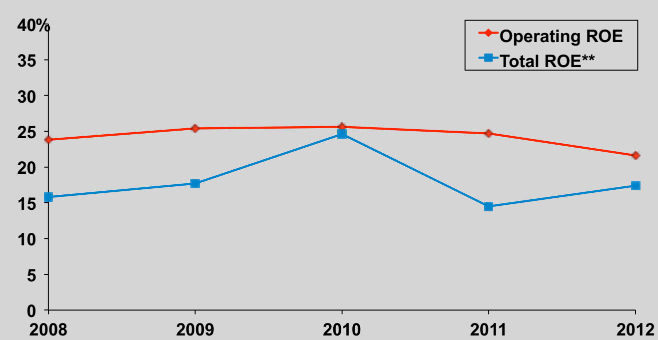
Paid-up Year	Annualized Premium*
2013	2,020
2014	4,844
2015	11,861
2016	39,391
2017	67,280
2018	25,693
2019	20,815
2020	19,637

*In force as of March 31, 2013; does not include future sales

This table shows the annualized premium of our in force block of limited pay business for policies reaching paid up status from 2013 through 2020. You can see that in 2017, just over ¥67 billion of annualized premium will become paid up. This is mainly a result of the high volume of 5-pay WAYS we sold in 2012. When these policies reach paid up status, no more premium revenue will be recognized in the income statement. But the profits will be there, and key operating ratios such as the benefit, expense and profit to revenues will be affected.

Aflac Japan Return on Equity*

(In Dollars, GAAP Basis)



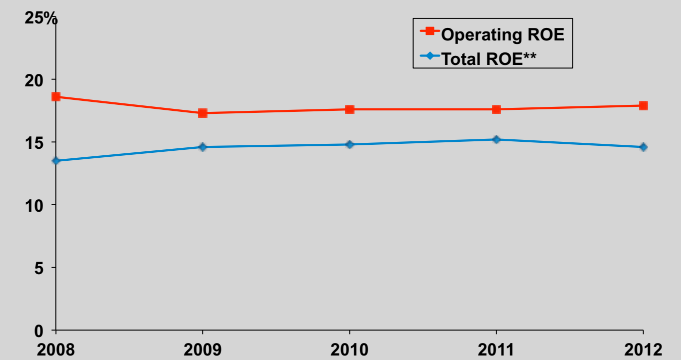
*Beginning 2010, amounts adjusted for revised DAC standard. Assumes tax rate of 35%.
**Japan segment equity only. Includes realized capital gains and losses, net of tax.

Next, let me comment on our return on equity results. For this illustration, we have used the segment profits and segment equity computed on a GAAP basis. In addition, when calculating operating ROE by segment, the shareholders' equity component excludes the impact of unrealized gains and losses.

Aflac Japan's ROE is influenced by business mix, investment yields, exchange rates, portfolio derisking, and capital considerations. ROE on an operating basis has remained within a narrow range from 2008 to 2012. For the Japan segment total ROE, the impacts of derisking and capital preservation are apparent in 2011 and 2012. We anticipate that Aflac Japan's operating ROE will remain relatively stable over the next several years.

Aflac U.S. Return on Equity*

(GAAP Basis)

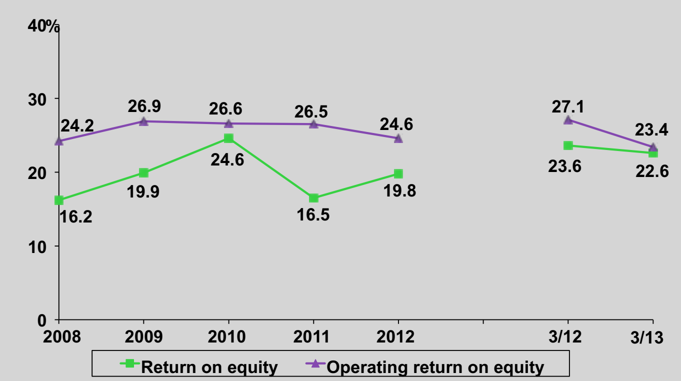


*Beginning 2010, amounts adjusted for revised DAC standard. Assumes tax rate 35%.
**U.S. segment equity only. Includes realized capital gains and losses, net of tax.

Aflac U.S.'s ROE is also influenced by market conditions, portfolio derisking, and capital considerations. Both on an operating and total basis, ROE in the U.S. has remained within a relatively tight range from 2009 to 2012. I would note that in 2008, operating ROE increased as dividends to the parent company significantly exceeded profit repatriation from Japan in order to support increased levels of share repurchase at that time. For total ROE, this impact was mostly offset by realized investment losses. We anticipate U.S. ROEs will remain relatively stable over the next several years.

Return on Average Shareholders' Equity*

(GAAP Basis)



*Beginning 2010, amounts adjusted for revised DAC standard

On a consolidated basis, Aflac's business model has generated industry-leading returns on equity for many years. From 2008 through 2012, Aflac's consolidated ROE averaged 19.4%.

Excluding realized investment gains and losses in earnings and unrealized gains and losses in equity, our operating ROE averaged 25.8% over the same period.

While the effect of lower investment yields has been reflected in our financial statements, our returns remain consistently strong, reflecting the high profitability of our insurance operations.

I would like to point out that our corporate returns on equity are generally higher than our segment results due to our capital structure and capital management practices, primarily share repurchase. We believe generating an industry-leading return on equity, excluding the yen impact, is extremely important to us and to our owners.

Therefore, as you heard Dan say during the first quarter call, the Compensation Committee of Aflac Incorporated's Board of Directors made a decision to include operating ROE, excluding the currency impact, as a component of the bonus structure for Aflac's senior management, effective this year.

2013 Financial Objectives

- **Increase operating earnings per diluted share 4% to 7%, excluding the impact of foreign currency**
- **Produce operating returns on equity of 20% to 25%, excluding the impact of foreign currency**

For 2013, our goal is to increase operating earnings per diluted share by 4% to 7%, excluding currency effect. It is also our objective to produce operating returns on average shareholders' equity of 20% to 25% for 2013. We believe these objectives are achievable and are based on reasonable assumptions. As noted on our first quarter conference call, we have elected to modify our timeline for providing earnings guidance for the following year. We anticipate providing our official 2014 EPS objective when we announce our third quarter results.

Aflac Japan Outlook by Product Category – Results

(As % of Revenue)

	Core Health/Other	Ordinary Life	Total
Projected 2-year average ratios for 2012 and 2013			
Benefit ratio	56.5 - 57.5%	80 - 81%	61.5 - 62.5%
Expense ratio	20.5 - 21.5	9 - 10	18 - 19
Profit margin	21 - 23	9 - 11	18.5 - 20.5
Actual results for 2012			
Benefit ratio	57.1%	80.9%	62.3%
Expense ratio	20.8	9.1	18.2
Profit margin	22.1	10.1	19.5

Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

Last year, we provided information regarding the expected ratios for benefits, expenses and profit margins to total revenues for our product categories and in total. As I mentioned then, the ratios represented the two-year average ratios for 2012 and 2013. For Aflac Japan in 2012, actual results were in the estimated ranges for all categories.

For our ordinary life and total product categories, we were toward the high end of the range for the benefit ratio but toward the low end of the range on expenses. This was primarily due to the higher-than-expected sales growth of the WAYS product. Overall, however, we were in the middle of the estimated profit margin range for each of the three categories.

Aflac Japan Outlook Assumptions

	2013	2014/2015
Sales growth		
3rd sector	**0% to +5%**	**0% to +5%**
1st sector	**-25% to -50%**	**0% to +5%**
New money yield	**2.0% to 2.5%**	**2.0% to 2.5%**
Persistency	**Stable**	**Stable**

For 2013, we are focused on third sector sales. Our sales assumption is for third sector sales to be flat to up 5% for 2013. For projection purposes only, but not official sales guidance, we are modeling flat to up 5% sales growth for 2014 and beyond.

For first sector business, we are modeling a sales decline of 25% to 50% for 2013, which will bring us back to a more normal level of first sector sales. That is, more normal compared with what we had in 2009 and 2010 as opposed to the big increases we had in 2011 and 2012. For 2014 and beyond, we are modeling first sector sales to be flat to slightly positive. Our projections assume new money yields will be in the range of 2.0% to 2.5% from 2013 through 2015.

Aflac Japan Outlook by Product Category

(As % of Revenue)

	Projected 3-year average ratios for 2013 - 2015		
	Core Health/Other	Ordinary Life	Total
Benefit ratio	**55 - 57 %**	**82 - 84 %**	**63 - 65 %**
Expense ratio	**20.5 - 21.5**	**7 - 9**	**16 - 18**
Profit margin	**22 - 24**	**8 - 10**	**18 - 21**

Note: Other includes Dementia, Super Care, Rider Wide, Annuity and Injury

This year, we are increasing our outlook period to three years to give you a sense for what we believe to be the stability of our business. These ratios represent the projected three-year averages for 2013 through 2015. As I mentioned last year, there will be some variations, including seasonality trends, reflected in our actual quarterly results. But we expect the actual results for these ratios to be within these ranges, on average, for 2013 through 2015.

Note that in total, we anticipate the benefit ratio will increase slightly while the expense ratio will decline from the level we saw in 2012. The average profit margin is projected to be fairly stable.

Actual results will vary based on differences between our assumed volume mix by product category and will also be impacted by the growth in revenue, which is influenced by our investment results. So you can use your own judgment in estimating our aggregate results. Again, my intention is to provide you with additional insight into our business and how we develop our guidance and outlook.

Aflac U.S. Outlook – Results

(As % of Revenue)

Projected 2-year average ratios for 2012 and 2013	
	Total
Benefit ratio	**51 - 52%**
Expense ratio	**31 - 32**
Profit margin	**16 - 18**

Actual results for 2012	
Benefit ratio	**50.3%**
Expense ratio	**32.0**
Profit margin	**17.7**

Last year, we showed the anticipated two-year average ratios over the period 2012 to 2013 for Aflac U.S. We did not break out product categories for the U.S. segment because most products, including those sold through Aflac Group, have similar characteristics from a financial perspective.

As you can see, for 2012, the benefit ratio fell below our anticipated range due to better-than-expected claims experience, and the profit margin came in at the upper end of the range.

Aflac U.S. Outlook Assumptions

	2013	2014/2015
Sales growth	**0% to +5%**	**0% to +5%**
New money yield	**3.0% to 4.0%**	**3.0% to 4.0%**
Persistency	**Stable**	**Stable**

For the years 2013 through 2015, we are assuming sales of flat to up 5%. Again, I would emphasize that these are simply modeling and sensitivity testing assumptions rather than official sales guidance. In terms of new money yields, we have assumed we will invest in the 3.0% to 4.0% range for the three years. Our new money yield assumptions reflect shorter durations and higher quality purchases in sectors other than financials. We anticipate persistency will remain fairly stable throughout the outlook period.

Aflac U.S. Outlook

(As % of Revenue)

Projected 3-year average ratios for 2013 - 2015	
	Total
Benefit ratio	**50 - 52%**
Expense ratio	**31.5 - 32.5**
Profit margin	**16 - 18**

This slide shows the anticipated three-year average ratios over the period 2013 to 2015 for Aflac U.S. We anticipate stable margins with earnings growth being driven by growth in total revenues.

2013 Aflac Management Goals

- **Achieve target for operating earnings-per-share growth**
- **Maintain industry-leading operating returns on equity**
- **Enhance returns to shareholders through share repurchase and increasing cash dividends**
- **Produce RBC and SMR ratios in line with management objectives**

As we approach mid-year 2013, there are several priorities we are managing toward. As is always the case, we are committed to achieving our targets for operating earnings-per-share growth. We believe our publicly stated targets for 2013 are reasonable even with the negative impact of the low-interest-rate environment, and we will continue to look for opportunities to enhance our future rates of earnings-per-share growth. We are also focused on maintaining our industry-leading returns on shareholders' equity by growing our cash dividend and increasing share repurchase.

Our top priority remains to ensure that we meet the financial obligations we have to the tens of millions of individuals who are covered by our policies in Japan and the United States.

As such, we want to produce risk-based capital and solvency margin ratios that are consistent with the management objectives that we have set.

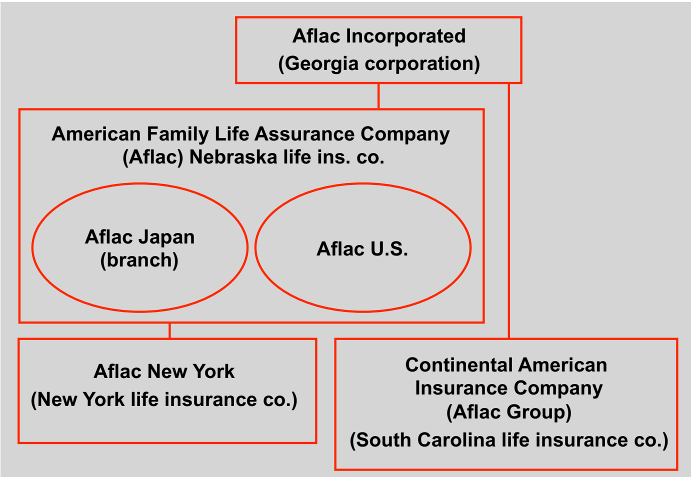
I hope that my presentation of Aflac's operations in Japan and the United States gives you an increased understanding about the opportunities we see, and how we approach our business. I also hope you have a strong sense of our commitment to thorough and transparent disclosure.

We believe it's important to present information to investors in the same manner in which we actually manage our operations. And I want to assure you that as we always have, we will maintain the highest degree of integrity in the way we manage Aflac and report its financial results.

Capital Position and Capital Management

Kenneth S. Janke Jr.
President, Aflac U.S.; Executive Vice President; Deputy Chief Financial Officer, Aflac Incorporated

Aflac's Principal Operating Units



Let me begin this presentation on our capital position and capital management with a description of Aflac's organizational structure.

Aflac Incorporated's principal subsidiary is American Family Life Assurance Company of Columbus, or Aflac, which is domiciled in Nebraska. On a U.S. GAAP basis, we report two operating segments – Aflac U.S. and Aflac Japan. For financial reporting purposes, the Aflac U.S. segment includes Aflac New York, which is a subsidiary of Aflac. Aflac New York is domiciled in New York and subject to the insurance laws of that state. The Aflac U.S. segment also includes Continental American Insurance Company (CAIC), domiciled in South Carolina. CAIC, branded Aflac Group Insurance, was acquired in 2009 as a subsidiary of Aflac Incorporated.

Aflac Japan, which operates as a branch of Aflac, is regulated by Japan's Financial Services Agency, or FSA, on a stand-alone basis. However, as a branch operation, the insurance laws and regulations of Nebraska also apply to Aflac Japan. The regulatory rules relate to operations, marketing, investments and capital levels. It's important to remember that Aflac Japan's branch status influences the manner in which we manage our business, especially as it relates to capital and cash flows. Although we assess capital levels between the two segments, our principal focus is how the state of Nebraska views our capital level for the entire Aflac insurance subsidiary and how the FSA views Aflac Japan's capital on a stand-alone basis.

Capital Adequacy Ratios

(December 31)

	2010	2011	2012
RBC ratios:			
Aflac	555%	493%	630%
Aflac New York	418	512	692
Aflac Group Insurance	401	333	1,263

The capital levels of our operating units are influenced by our desire to maintain appropriately strong risk-based capital, or RBC, ratios for each regulated entity on a statutory accounting basis. Aflac's RBC ratio comprises our Columbus-based U.S. operations and our branch operation in Japan. Aflac New York and Aflac Group each have to meet their own risk-based capital requirements on a stand-alone basis. Aflac New York's RBC ratio improved significantly last year due to increased capital resulting from strong statutory net earnings. Following our purchase of Aflac Group, its RBC ratio declined due to very strong sales growth and subsequent capital strain. However, Aflac Group's RBC ratio improved dramatically in 2012, reflecting the benefit of a surplus note as well as a quota share agreement with Aflac.

Aflac RBC Components and Ratios

(In Millions)

	Company Action Level	Total Adjusted Capital	RBC Ratio
2008	$ 970	$4,623	476%
2009	1,208	5,785	479
2010	1,215	6,748	555
2011	1,296	6,387	493
2012	1,417	8,930	630

Aflac's RBC ratio has been strong for many years. However, downward ratings migration on certain investments and fairly sizeable capital losses restrained improvement of our RBC ratios since the start of the financial crisis. This was especially true in 2011 when we undertook extensive portfolio derisking.

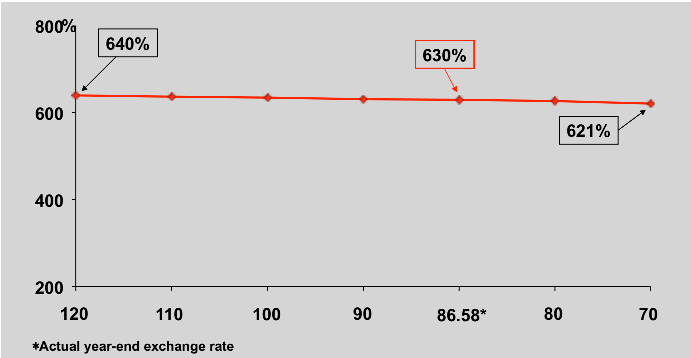
Aflac RBC Ratio Reconciliation

RBC Ratio – December 31, 2011	493%
Change Factors:	
Surplus growth and other	118
SSAP 101	30
Foreign exchange	(3)
Number of issuers	6
NAIC ratings changes	(11)
Concentration risk	(3)
RBC Ratio – December 31, 2012	630%

Aflac's RBC ratio improved significantly in 2012, primarily driven by a substantial increase in surplus. In addition to strong operating performance, surplus benefited from a change in statutory accounting last year. SSAP 101 decreased the portion of deferred tax assets that are treated as non-admitted assets, which increased our ratio by 30 points at year-end 2012. The exchange rate, which I cover in more detail, did not have a significant impact on the RBC ratio for 2012. The impact of downward ratings migration and slightly higher concentration risk served to modestly offset the benefits of strong capital growth. However, at 630%, our RBC ratio significantly exceeded our 2012 corporate target.

RBC Ratio Sensitivity to Yen/Dollar Exchange Rates

(December 31, 2012)



For many years we have discussed the relationship of foreign currency translation to our RBC ratio. Aflac's RBC ratio is exposed to currency changes because of the inclusion of Aflac Japan's results as a branch. In prior presentations, we pointed out that a significant portion of our statutory capital was dollar-denominated. As such, total adjusted capital did not change significantly with currency fluctuations. The company action level on the other hand was proportionately more sensitive to changes in the exchange rate. For example, when the yen strengthened, we applied risk factors to yen-denominated assets that were translated into more dollars. And as a result, as the yen strengthened, our RBC ratio would be negatively impacted. The expectation was that the opposite effect would occur when the yen weakened.

However, as illustrated in this slide, the effect of foreign currency on the RBC ratio has changed fairly significantly. This has occurred because of the hedged dollar investment program that we initiated for Aflac Japan last year. The dollar assets we have purchased and hedged into yen are treated as yen-denominated instruments from a Japanese regulatory perspective. By comparison, they are treated as dollars for RBC purposes. That means required capital is not as sensitive to currency changes as it was in prior periods because we are applying risk factors to dollar assets rather than yen assets that are being translated into dollars. Total adjusted capital is also impacted by the hedged dollar program because it includes the unrealized gain or loss on the derivative contracts we used to hedge the dollar principal of the investments. At year-end 2012, those contracts were in an unrealized loss position because the yen had weakened. If we continue to purchase and hedge dollar assets for Aflac Japan's portfolio, and if the yen continues to weaken, surplus growth will be restrained somewhat. However, if the yen strengthens and all other factors remain constant, capital and surplus will benefit.

Capital Adequacy Ratios

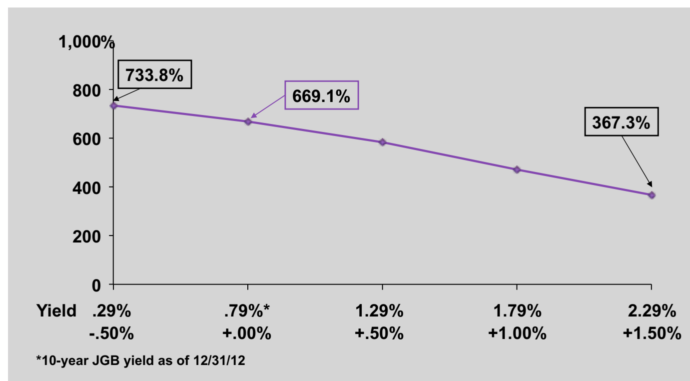
(December 31)

	2010	2011	2012
RBC ratios:			
Aflac	555%	493%	630%
Aflac New York	418	512	692
Aflac Group Insurance	401	333	1,263
Solvency margin ratio:			
Aflac Japan	N/A	547	669

In addition to U.S. regulatory requirements, we must also meet capital requirements of Japan's FSA. Japan's solvency margin ratio, or SMR, is similar to the risk-based capital concept, but on an FSA accounting basis. Like the RBC ratio, a minimum SMR of 200% is required. As you'll recall, the FSA implemented changes to the SMR calculation that took effect for the fiscal year ended March 2012. While the formula was basically unchanged, the numerator of the calculation had limitations imposed on recognition of policy reserves in excess of cash surrender values. Additionally, significantly higher capital charges for the assumed volatility associated with asset and interest rate risks are reflected in the denominator. Unlike the RBC ratio, the capital component of Japan's SMR includes unrealized gains and losses on investments that are classified as available for sale. Because our invested assets tend to be long duration in nature, this is the most volatile component of Aflac Japan's regulatory capital. With interest rates remaining low and the yen weakening to the dollar, we experienced significant improvement in Aflac Japan's SMR in 2012.

Interest Rate Sensitivity of FSA Solvency Margin Ratio

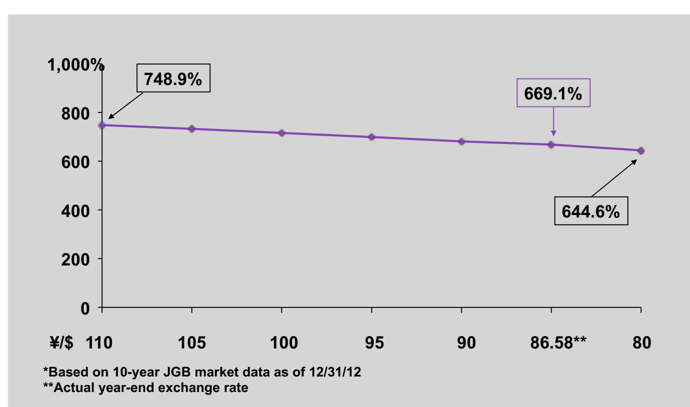
(December 31, 2012)



Because investments classified as available for sale are marked to market for FSA reporting purposes, Aflac Japan's regulatory capital is sensitive to changes in interest rates. This graph shows the relationship of our SMR at December 31, 2012 to changes in yields of 10-year JGBs. Using this data, our 2012 SMR of 669% would change by approximately 200 percentage points for every 100 basis point change in 10-year JGB yields.

Exchange Rate Sensitivity of FSA Solvency Margin Ratio*

(December 31, 2012)



Aflac Japan's SMR is also exposed to foreign currency risk. With respect to the SMR, foreign exchange risk impacts us in two ways. First, assets denominated in any currency other than yen have a greater capital requirement than those that are denominated in yen. Second, the current weakening of the yen to the dollar results in more yen being reported when we translate un-hedged, dollar-denominated assets. Therefore, the weaker yen produces a greater contribution to capital than if the yen were to strengthen to the dollar as it had in recent years. Based on the data in this slide, every five yen change in the yen/dollar exchange rate would have impacted the December 31st SMR by an average of about 17 points. This sensitivity to currency changes is lower than what I reported a year ago. The principal reason is that Aflac Japan's available-for-sale portfolio was in an unrealized gain position at the end of 2012, compared with an unrealized loss position at the end of 2011. In short, the additional capital resulting from the unrealized gains muted the currency impact on the un-hedged dollar portfolio.

As these sensitivity graphs suggest, we routinely stress-test our SMR by exposing it to various changes in interest rates and exchange rates. We have also applied serious and severe stress scenarios, including a replication of the Lehman shock accompanied by significant defaults in Europe, and a scenario of a substantial spike in interest rates. Although we do not view these scenarios as probable, they do provide us a better understanding of the SMR's sensitivity to those risks.

As we've discussed, we have tools at our disposal to enhance the SMR if it comes under significant stress. Those tools include potential reinsurance agreements, like the one we executed last year. We are also analyzing hedging strategies to mitigate both interest rate and foreign currency risks to Aflac Japan's SMR. In addition, we have updated the multi-currency line of credit that we established last year. This five-year, ¥50 billion line of credit can be used by either Aflac or Aflac Incorporated. If we need to increase our regulatory capital level quickly, a line of credit would be an effective short-term tool to employ while we sought a longer term solution.

Before I move on to a discussion of cash flows and capital deployment, let me comment on our GAAP-based capitalization.

Aflac Incorporated Capitalization

(In Millions)

	2011	2012	3/13
Total long-term debt	$ 3,285	$ 4,352	$ 4,283
Shareholders' equity*	11,794	13,413	13,563
Total capitalization	$15,079	$17,765	$17,846
Debt to total capitalization	21.8%	24.5%	24.0%
Interest coverage	24.0x	18.8x	18.0x

*Excludes unrealized gains/losses on investment securities and derivatives
Reflects adoption of new DAC standard

In thinking about Aflac Incorporated's debt capacity, we focus on cash flows, ratings and our debt-to-total-capital ratio. As we have stated in the past, our overall preference is to issue debt in yen. Significantly lower interest rates, combined with yen cash flows to service yen-denominated obligations, make that market particularly attractive to us. At March 31, 2013, almost half of our outstanding debt was yen-denominated. In February of last year, we issued $750 million of five- and ten-year senior notes, which we swapped into yen-denominated obligations at very attractive interest rates. In July of last year, we had a follow-on offering of $250 million of the five-year notes, which we did not swap. In September, we issued $500 million of 40-year subordinated debentures, which we subsequently swapped into yen. The proceeds of these offerings were used for debt refinancing and general corporate purposes. I would note that we have no debt obligations maturing in 2013.

Our computation of total capitalization includes long-term debt, but excludes unrealized investment gains and losses in shareholders' equity. Because a portion of our outstanding debt is yen-denominated, while all of our equity is dollar-denominated, a weakening yen decreases our reported debt balance in dollar terms. As a result, our debt-to-total-capital ratio decreases when the yen weakens, as was the case at March 31, 2013. Our interest coverage ratio remains strong, although it has declined somewhat recently reflecting higher debt balances.

Let me now turn to a discussion of the cash flows that support our operations and those that are available for shareholder-related activities. I'll begin that discussion by briefly commenting on the three accounting bases on which we must report.

Accounting Disciplines

GAAP	Going concern
Stat	Conservative
FSA	Ultra-conservative

The results of Aflac Incorporated and subsidiaries are reported on a GAAP basis, and we report our insurance subsidiaries on a U.S. statutory accounting basis. For Aflac Japan, we also report on an FSA basis. As you know, GAAP accounting is accrual based and reflects the concept of a going concern. By comparison, statutory accounting is a combination of accrual and cash accounting, while FSA accounting is more cash based. Statutory and FSA methods are more conservative than GAAP accounting, especially in the areas of reserving and expense recognition. Due to changes in reserving requirements, FSA reporting has become the most conservative accounting method in recent years.

Aflac Japan Accounting Basis Comparison

(In Millions, December 31, 2012)

	GAAP*	Stat	FSA
Premiums	$17,151	$18,563	$25,365
Net investment income	2,845	2,837	2,911
Other income	55	53	3
Total revenues	$20,051	$21,453	$28,279
Benefits	(12,496)	(13,719)	(21,887)
Expenses	(3,647)	(4,138)	(4,159)
Pretax operating earnings	$ 3,908	$ 3,596	$ 2,233

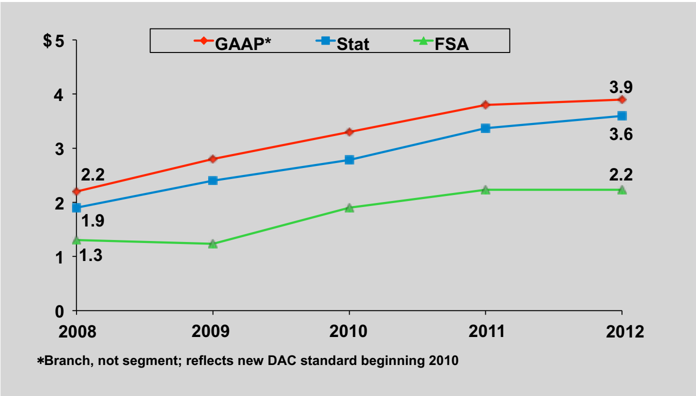
*Branch, not segment

To give you a sense of how these accounting methods differ, let me show you a comparison of Aflac Japan's results for 2012 on all three accounting bases. I'd like to draw your attention to two facts about this data. First, these numbers are on an operating basis and therefore exclude realized investment losses attributable to Aflac Japan. And second, there is no statutory accounting entity for Aflac Japan. However, for the purpose of this presentation, we have provided a condensed statutory income statement for the branch to illustrate how results differ among the various accounting methods.

This chart shows that revenues emerge more quickly on an FSA basis due to the cash nature of that accounting method. In particular, Aflac Japan's FSA-based revenues have been significantly influenced by the strong sale of our WAYS product in recent years, especially those sold with discounted advance premium. At the same time, the reserve requirements under FSA reporting are much more stringent than other accounting methods. This is true not only for first sector products like WAYS, but also for our third sector products. The result of greater reserve requirements is lower FSA-based profits in early policy years. Eventually the FSA profits become larger than the GAAP-based profits, but this does not usually occur until later in the life of these long-duration contracts.

Aflac Japan Pretax Operating Earnings by Accounting Method

(In Billions)



Although Aflac Japan experienced solid pretax operating earnings growth on an FSA basis from 2008 through 2012, the absolute amount was noticeably lower than our statutory and GAAP-based earnings. You'll note that last year's FSA earnings were essentially flat, compared with 2011, which resulted from the extraordinary sales growth we experienced in 2012.

FSA Profit Emergence

(FSA Pretax Operating Earnings as % of GAAP)

	5-Year Average
1993 – 1997	74.2%
1998 – 2002	82.5
2003 – 2007	52.8
2008 – 2012	55.1
2013 – 2017 Est.	56.2

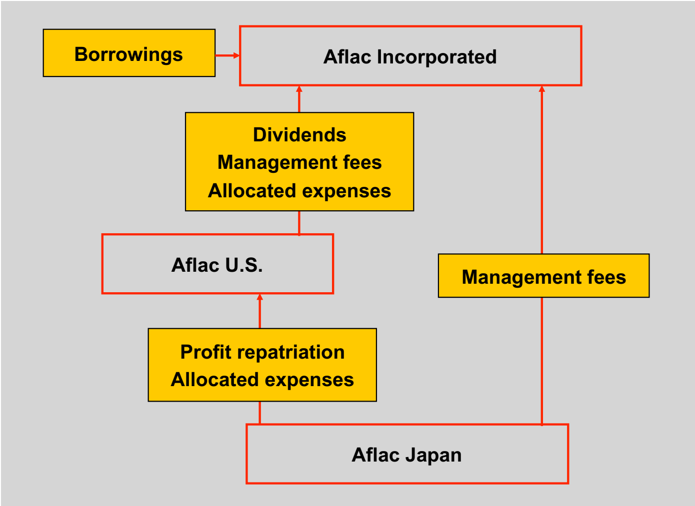
This chart shows the relationship of FSA-based earnings to U.S. GAAP. From 1993 through 1997, FSA operating earnings averaged about 74% of U.S. GAAP earnings. That number increased to about 83% for the next five-year period. However, due to changes in reserve requirements in Japan, the ratio was noticeably lower for the years that followed. For the last five years, FSA operating earnings were 55% of GAAP earnings. For the next five years, we anticipate that ratio will increase somewhat to about 56%.

In 2001 we were required to begin using the standard reserving interest rate for third sector products on an FSA basis. That change is largely responsible for the significant drop in the ratio of FSA operating earnings to U.S. GAAP. In addition, there are other assumptions, such as mortality and lapsation, that contribute somewhat to FSA strain.

FSA reserves are based on a net level reserve method under which a significant amount of benefit reserve must be accrued starting in the first policy year. In addition, FSA accounting does not allow for deferral of acquisition costs. As such, periods of strong sales, cause strain on FSA-based profits. However, when sales decline, as we expect to see this year, FSA earnings will benefit in the short run. Although we expect FSA earnings to grow faster than U.S. GAAP, the rate of overall earnings growth will be influenced in part by Aflac Japan's sales volumes. Of course the earnings are eventually equal on all accounting methods as any differences will reverse at policy termination. In Japan, however, with strong policy persistency and a long life expectancy, it takes a long time for these accounting differences to reverse.

Let me turn to a discussion of Aflac Incorporated cash flows, which can be influenced significantly by Aflac Japan's profitability and capital position.

Aflac Incorporated Cash Inflows Overview



Although Aflac Incorporated can receive cash from borrowings, the principal source of liquidity for the parent company is from the operating units. Aflac Japan annually remits a portion of its FSA-based after-tax net earnings as well as allocated expenses to Aflac U.S. Aflac Japan also pays a management fee directly to the parent company. Aflac U.S. remits allocated expenses and management fees to the parent, and may pay dividends to the parent within the limitations of our domicile state. The Nebraska statute references the restriction on dividends without prior approval as the greater of 10% of prior year's statutory surplus, or the prior year's statutory net income from operations, which excludes net realized investment gains. Based on our 2012 statutory financial results, the maximum dividend allowable in 2013 without regulatory approval is $2.3 billion.

Cash Flows from Aflac Japan to Aflac U.S.

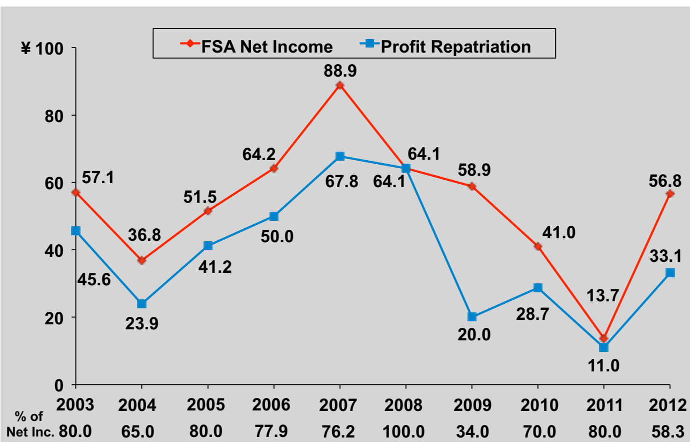
(In Millions)

	2010	2011	2012
Profit repatriation	$317	$143	$422
Allocated expenses	37	43	58
Total	$354	$186	$480

The largest capital flow from Aflac Japan to Aflac U.S. is profit repatriation, so let me comment on that in greater detail.

FSA Net Income and Profit Repatriation

(March 31, In Billions)



We operate on the principle of self-regulation when determining the appropriate level of repatriation. We are not required to seek prior approval from the FSA before we repatriate, but we do indicate the planned level of repatriation in the financial statements we file with the FSA for the fiscal year-ending March 31. We have typically discussed profit repatriation in relation to Aflac Japan's net income on an FSA reporting basis. However, our primary consideration when determining the portion of Aflac Japan's profits we will remit to the U.S. is the protection of our policyholders as measured by the level of our solvency margin ratio. Assuming we view our ratio as appropriately strong, we have generally remitted up to 80% of our FSA-based net income, although it has varied somewhat from year to year.

Prior to the emergence of the financial crisis in 2008, we repatriated 100% of our FSA net income for Japan to fund our share repurchase activities largely in the second half of that year. In the height of the crisis in 2009, we elected to retain more capital in Japan. Although we took out a higher percentage of net income in 2010 and 2011, our FSA net income was suppressed in both years by significant investment losses from derisking. In 2012, FSA earnings increased sharply, and we remitted ¥33.1 billion to the United States, which represented approximately 58% of FSA net income.

As I discussed last year, it's important to remember that there are differences between the U.S. and Japan regarding the deductibility of investment losses. Realized investment losses are deductible from ordinary income in Japan, but not in the United States. Portfolio derisking resulted in lower tax payments in Japan. Since Aflac Japan is a branch of the U.S. subsidiary, taxes paid in Japan generate foreign tax credits for the consolidated U.S. tax return. Investment losses in Japan have resulted in fewer foreign tax credits in the past. In turn, the U.S. segment has been responsible for a greater portion of the cash payment of U.S. taxes during the derisking period. This increased cash burden on the U.S. segment has impacted how we have managed our cash flows in recent years. However, we believe the most significant realized investment losses are behind us. As a result, we are optimistic that Aflac Japan's SMR should remain strong and present the opportunity for increased capital repatriation in coming years.

Estimated FSA Earnings and Profit Repatriation*

(March 31, In Billions)

	2013	2014
Net income	¥88 - ¥94	¥120 - ¥123
Profit repatriation	¥70 - ¥75	¥96 - ¥98
Solvency margin ratio	680% - 685%	690% - 704%
Exchange rate (¥/$)	94	95 - 100

*Assumes no change in interest rates from 2013 through 2014 and no investment losses in 2014

As you heard from Dan this morning, we currently estimate that this year's profit repatriation will be significantly higher than our latest projection. We now expect to transfer ¥70 to ¥75 billion from Aflac Japan to Aflac U.S. in 2013. These amounts represent 80% of FSA estimated net income. Please note that these numbers assume that we have no material investment losses between now and mid-June when we file our statements with the FSA. We expect the actual capital transfer to occur in late July. We have entered into a series of transactions to hedge a significant portion of this year's anticipated repatriation against the risk of further yen weakening. We have also started to hedge a portion of our expected 2014 profit repatriation. As we have discussed for the last 20 years, it is not our policy to hedge foreign currency translation for financial reporting purposes. However, we do give serious consideration to hedging economic transactions such as profit repatriation.

We currently estimate that Aflac Japan's net income for the fiscal year ended March 31, 2014 will approximate ¥120 to ¥123 billion, assuming no realized losses. Assuming we will again remit 80% of Aflac Japan's net income, repatriation could be about ¥96 to ¥98 billion next year. As this chart shows, we expect the SMR to remain strong and fairly stable under these scenarios. You'll recall that the ratio is influenced by foreign currency, interest rates and credit spreads in addition to the impact of realized investment gains and losses. As such, it's possible the capital we ultimately pull out of Japan in 2014 could be significantly different than the estimates shown here.

Aflac Incorporated Cash Inflows

(In Millions)

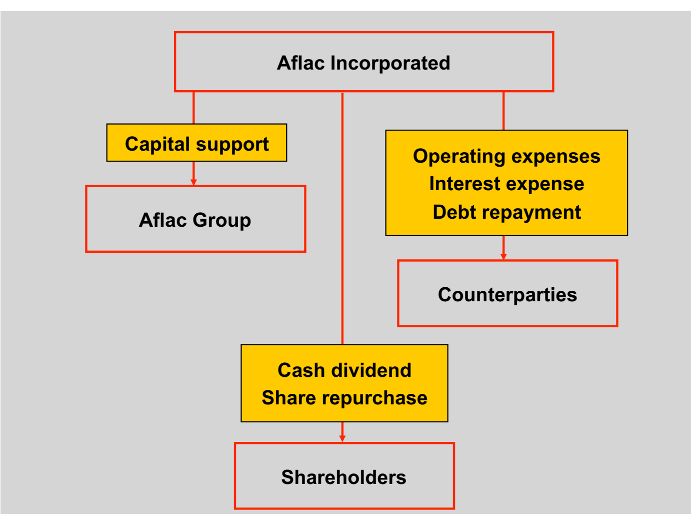
	2010	2011	2012
Dividends from Aflac	$ 370	$ 282	$ —
Allocated expenses	35	34	33
Management fees	212	230	249
Proceeds from borrowings	748	620	1,507
Other	122	138	141
Total cash inflows	$1,487	$1,304	$1,930

Excluding net proceeds from financing activities, the largest cash flows to the parent company are dividends from our principal insurance subsidiary. Typically, we declare a dividend from Aflac to Aflac Incorporated each quarter to fund the shareholder dividend. However, because of available cash at the parent company and our desire to maintain a strong RBC ratio, we dividended less to Aflac Incorporated in 2010 and 2011. In 2012, we did not send any dividends to the parent company. For 2013, we are returning to our normalized historical dividend policy to the parent company.

Allocated expenses have been little-changed over the last three years. Management fees charged by Aflac Incorporated to its subsidiaries represent the revenue stream to pay for services performed by executive officers, corporate level functions and debt management. Management fees have risen steadily over the last three years due largely to the increase in interest expense on our corporate level debt. The expenses paid by Aflac Japan represent costs incurred at the holding company for the benefit of Japan's insurance operation. In general, all eligible expenses are billed to the insurance company's branch and other legal entities based upon a percentage of revenue contribution. Any expenses that are disallowed in Japan, such as interest expense, are then borne entirely by the Aflac U.S. segment.

In 2010, we issued senior notes in the dollar market and Samurai notes in Japan in 2011. As I noted earlier, last year we issued $1.5 billion of senior notes and subordinated debentures. Aflac Incorporated has additional sources of cash, which are reflected in the "other" line. These sources include investment income from the small parent company portfolio as well as cash from the exercise of stock options.

Aflac Incorporated Cash Outflows Overview



Aflac Incorporated's cash outflows are primarily to counterparties for operating expenses, interest expense and debt repayments. In addition, Aflac Incorporated may supply capital support to Aflac Group if needed to fund its growth. Ultimately, the parent company uses capital that is not needed to support the insurance operations to provide for a cash dividend to our shareholders and for the repurchase of our shares.

Aflac Incorporated Cash Outflows

(In Millions)

	2010	2011	2012
Operating expenses	$ (63)	$ (63)	$ (61)
Interest expense	(124)	(162)	(173)
Capital contributions	—	(40)	(45)
Debt repayment	(447)	(459)	(380)
Shareholder dividend	(535)	(552)	(603)
Share repurchase	(111)	(298)	(100)
Other	(12)	(38)	(123)
Total cash outflows	$(1,292)	$(1,612)	$(1,485)

Aflac Incorporated's cash outflows can vary quite a bit year by year, although operating expenses have remained relatively stable since 2010. As I mentioned, interest expense has increased largely reflecting our increased borrowings. We made $45 million of capital contributions to operations last year, the vast majority of which went to Aflac Group.

Aflac Incorporated's cash outflows also include capital that we have deployed for the benefit of our shareholders. During the financial crisis, we were cautious about deploying capital and we suspended our share repurchase activities until the fourth quarter of 2010. In 2011, we increased the quarterly cash dividend payment by 10%, and we purchased approximately $300 million of our shares in the second half of the year. Last year we raised the dividend payment by 6.1% on a quarterly basis and repurchased $100 million of our shares in the fourth quarter.

Projected 2013 Cash Flows

(In Millions)

	2013 Est.*
Dividend from Aflac	$ 959
Allocated expenses	36
Management fees	317
Proceeds from borrowings	—
Other	101
Total cash inflows	$ 1,413
Operating expenses	$ (62)
Interest expense	(197)
Capital contributions	(20)
Shareholder dividend	(658)
Share repurchase	(600)
Total cash outflows	$(1,537)

*Assumes 12/31/12 yen/dollar exchange rate

We anticipate sending dividends of $959 million to Aflac Incorporated in 2013. Those dividends are largely funded by profit repatriation as well as capital from the insurance subsidiary. We are not assuming any proceeds from debt borrowings at this point in 2013. However, we will closely monitor capital markets for opportunities to refinance the notes that mature in mid-2014. We expect allocated expenses in 2013 to be little changed from 2012, although we are anticipating a fairly large increase in management fees, again reflecting primarily increased interest expense.

Operating expenses at the parent company are expected to be little changed from a year ago. Interest expense will increase, largely reflecting the greater amount of debt on our balance sheet. We again expect to increase the cash dividend in line with this year's growth in operating earnings per diluted share before the effect of the yen. As has been the case for the last two years, we anticipate the board of directors will contemplate any increase in the dividend to be effective with the fourth quarter payment. You'll note that these cash flow estimates assume we repurchase $600 million shares in 2013.

Aflac Incorporated Cash Position

(In Millions)

	2010	2011	2012	2013 Est.*
Beginning cash	$ 498	$ 693	$ 385	$ 830
Cash inflows	1,487	1,304	1,930	1,413
Cash outflows	(1,292)	(1,612)	(1,485)	(1,537)
Ending cash	$ 693	$ 385	$ 830	$ 706

*Assumes 12/31/12 yen/dollar exchange rate

This chart shows the cash position of Aflac Incorporated over the last several years and an estimate for the end of 2013. Although we expect cash outflows to exceed inflows to the parent this year due to increased share repurchase, we still anticipate having a significant amount of cash at the parent company at the end of this year.

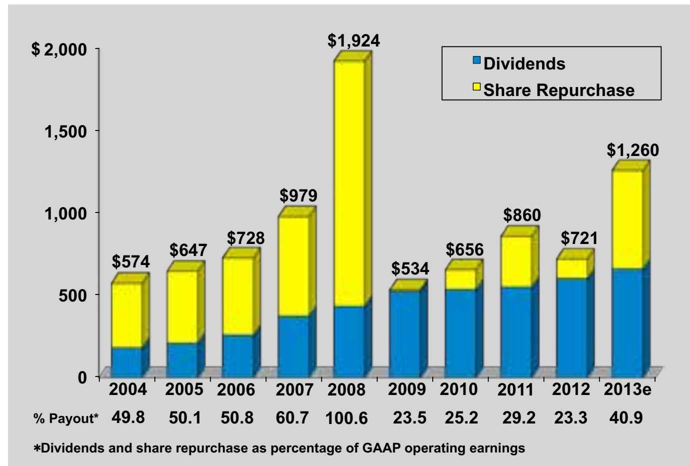
Capital Management Objectives

- **Produce strong financial profile for policyholder benefit by:**
  - » **Maintaining RBC ratio of 450% to 600%**
  - » **Maintaining SMR in Japan of 500% to 600%**
- **Maintain debt-to-total-capitalization ratio up to 25%**
- **Support financial strength and debt ratings**
- **Return excess capital to shareholders through cash dividends and share repurchase**

Our capital management objectives remain fairly straightforward. We want to demonstrate a strong financial profile for the benefit of all our stakeholders, especially our policyholders. To that end, we have raised the objective for our RBC ratio to be in the 450% to 600% range, which largely reflects in part the potential for additional yen weakening. We would also like to keep our SMR in a range of 500% to 600%. I'd note we may elect to maintain ratios above those stated ranges depending on how we assess external risks to our capital levels. As we have said in the past, we are comfortable with a debt-to-total-capital ratio up to 25%. We also want to support and maintain our current financial strength and debt ratings. And for our shareholders, we want to return excess capital through steadily increasing dividends and the repurchase of our shares.

Returning Capital to Shareholders

(In Millions)



This slide graphically illustrates our capital flows to shareholders both before and after the onset of the financial crisis. As you can see, we had steady increases in cash dividends and share repurchases from 2004 through 2007. During that time, we paid out an average of about 53% of GAAP operating earnings to our shareholders. In 2008, we committed to deploying what we considered to be a significant amount of excess capital at the time. In the first quarter of that year, we entered into an accelerated share repurchase agreement and bought $798 million of our shares. In the summer of 2008, only about one month before the Lehman failure, we entered into another agreement for the purchase of our shares in the fourth quarter, which amounted to another $683 million.

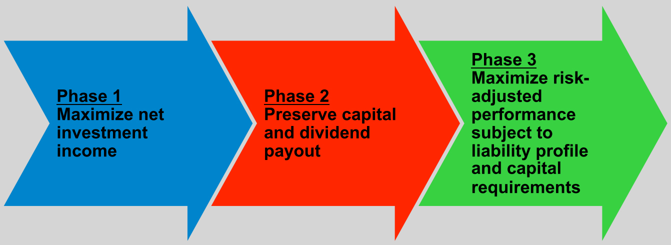
The four years following the crisis reflected our conservative posture on capital deployment, with our payout averaging about 25% of operating earnings. However, as investment losses have diminished, our cash flows available to shareholders have been enhanced. As a result, we expect a return to normalcy for capital deployment for the benefit of our shareholders. This chart assumes that we again increase the cash dividend in line with earnings growth before the yen, and it also assumes we repurchase $600 million of our shares this year. At present, we believe those are realistic assumptions and we also expect to be in a position to increase capital deployment in 2014.

I hope this presentation has given you a better understanding of our capital position, cash flows and how we are approaching capital management. Although we are another year removed from the depths of the financial crisis, we remain aware of potential risks to our capital position and capital adequacy ratios. We will continue to manage our capital in a way that demonstrates strong support for our policyholders and enhances shareholder value.

Aflac Investments

Eric M. Kirsch
Executive Vice President; Global Chief Investment Officer

Investment Management Mission



Long-term benefits:
- **Higher risk-adjusted return**
- **Lower capital volatility through diversification and ALM**
- **Better controls and risk management**

As you will recall, last year I presented at my first Aflac Financial Analysts Briefing meeting. It was an incredibly challenging time for our investment portfolio given the heightened volatility of European financial markets, limited new investment opportunities, and the responsibility given to me to build a world-class investment organization. This presentation will share with you the success we have had in meeting all of these challenges.

During the past year, we did a great job of further derisking our portfolio and improving its quality, while also reducing risk levels to European and financial securities. We launched new investment strategies that allowed us to improve our new money yields and the overall diversification of the portfolio. Finally, we made significant progress transforming our global investment organization. I'm extremely proud of how our staff has dedicated themselves to accomplishing our goals that benefit our policyholders and shareholders.

This presentation will cover our investment goals and objectives and provide a brief overview of the markets' performance during the past year related to existing assets and new investments. I will conclude with a progress report on our transformation program.

Historically, we have been focused on net investment income, with appropriate objectives for diversification and risk control. Our mission today is to enhance our risk-adjusted performance, with a focus on maximizing economic returns against our liabilities and minimizing risk to our capital. Our transformation is allowing us to evolve in step with financial markets and regulations. Of course, this will be a multiyear process. We will continue to focus on net investment income, blended with economic returns designed to achieve superior long-term results. This approach will better prepare the organization for future regulatory and accounting changes.

Investment Considerations

- **Aflac Global Investment Policy**
- **Asset/Liability management**
- **Credit and interest rate risk**
- **Currency/FX management risk**
- **Capital management**

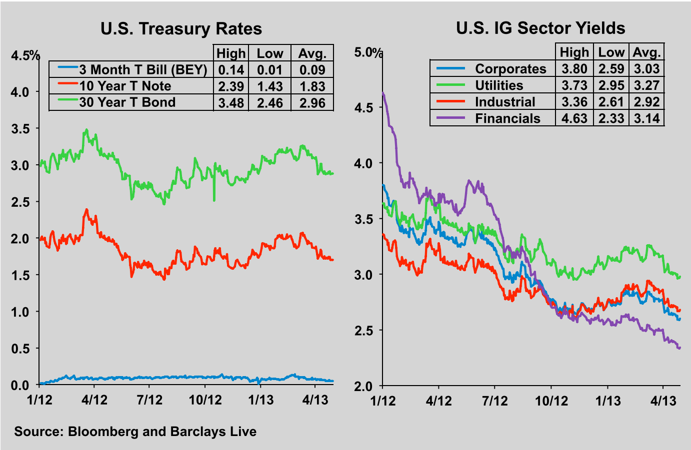
Our investment objectives are primarily driven by careful consideration of our liabilities and capital requirements. As you recall, during 2012 we conducted a comprehensive asset liability management and asset allocation study, which redefined our investment strategy.

In Japan, our liabilities are yen-denominated, have long durations, and are generally not very interest sensitive. Our investments are primarily focused on longer-duration, yen-denominated, fixed-income securities. These include both government securities such as JGBs as well as credit investments, which are now a combination of privately issued securities and, more recently, publicly issued corporate debt hedged back to yen. While our first sector products such as WAYS are more interest-rate sensitive than our traditional products, they still have long durations. In the U.S., our liabilities tend to be shorter than in Japan, and our investment strategy is primarily focused on U.S. corporate publicly traded fixed-income securities.

Our investment strategies are also focused on prudent management of our credit, interest rate and currency risk. We seek out attractive risk-adjusted returns beyond risk-free investments primarily through credit markets and have built a global credit research team to support these objectives. We carefully manage our interest rate risk, which may be a function of ALM, but also protect our asset values in times of rising interest rates. And finally, we have added currency management to our investment program. We have designed our investment process to take into account proactive management around the amount of currency exposure, hedging strategies, and impact on returns and capital.

Our investment strategies are carefully integrated with a robust risk management process. This ensures appropriate risk controls, along with consideration to the appropriate risk level given the expected returns we seek to achieve. Our investment risk process involves calibrating our strategies to our capital and, performing multiple stress-testing scenarios to ensure the safety of our assets through various market cycles.

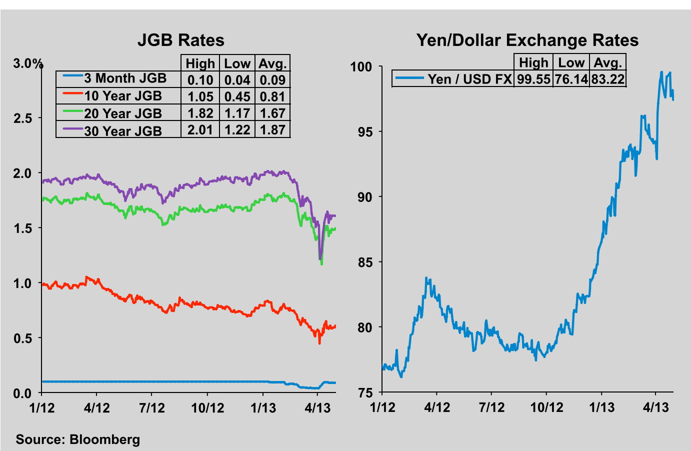
Market Review – UST and U.S. IG Sector Yields



We spend significant amount of time focused on analyzing market conditions from three very important regions of the world: the United States, Japan and Europe. As a global investor with a base of operations in Japan and the U.S. and a legacy portfolio of exposure to European investments, we have a vested interest in these three markets.

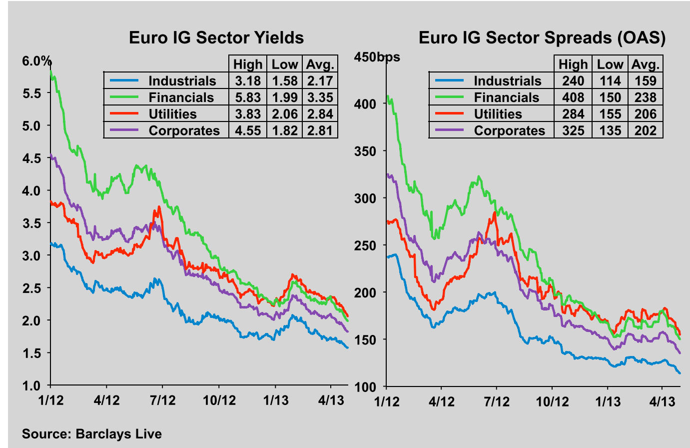
Despite fiscal challenges in the United States, we see accommodative monetary policy driving the markets. Overall during the last year, we saw declining interest rates. Over the next year, we believe we'll see growth and as a result, will be more likely to see modest interest rate increases.

Market Review – JGB Yields and Yen FX Rates



My colleagues from Japan have already covered "Abenomics," so this presentation will focus on its impact on the investment environment. The most immediate impact was the extreme weakening of the yen. Most recently, the Bank of Japan instituted significant changes to Japan's monetary policies, with announcements of their programs designed to keep interest rates low, and targeted 2% inflation rates while buying back significant amounts of JGBs. JGB yields substantially declined and were at historically low levels immediately after the BOJ announcements. We will continue to closely monitor this story as it has a significant impact on Japan's financial markets. If these policies are successful, we would expect higher interest rates and potential inflation in the future.

European Spreads and Yields by Sector



We faced a different set of issues in Europe, where the fiscal situation continues to be challenging. On the monetary side, we saw the ECB commit to providing ample liquidity and lending to the European Union countries and their financial institutions with the goal of ensuring markets operated normally and avoiding a collapse of the financial system. We saw significant declines in yields and spreads on European investment grade debt. While we ceased making new investments in European markets, our portfolio benefited through higher valuations of our existing holdings in the region. These higher valuations also provided a better investment environment for derisking. As you can see on this chart, spreads on corporate debt and yields declined dramatically during this period. Looking ahead, the ECB will continue to be accommodative. However, we anticipate that fiscal policy will be an issue. While we may experience some volatility, we do not believe it will reach the levels we saw in 2011.

Aflac's Investment Portfolios

(In Billions)

March 31, 2012	Book Value	% of Total Book Value
Aflac Japan	$89.4	90.6%
Aflac U.S.*	9.0	9.3
Aflac Incorporated	.1	.1
Total Portfolio	$98.5	100.0%

March 31, 2013	Book Value	% of Total Book Value
Aflac Japan	$ 91.3	89.8%
Aflac U.S.*	10.2	10.1
Aflac Incorporated	.1	.1
Total Portfolio	$101.6	100.0%

*Includes Aflac New York and Aflac Group Insurance

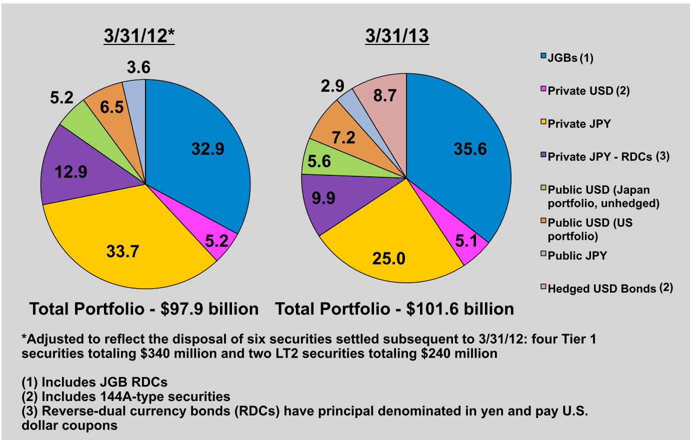
Keeping the economic backdrop in mind, I will now review our investment portfolios. We have two main entities, Japan and the U.S., that comprise the majority of our assets. On a consolidated book value basis, our invested assets total more than $100 billion dollars.

Approximately 90% of our invested assets are associated with liabilities from the Japan business segment. The U.S. segment includes portfolios backing the respective books of business for Aflac New York and Aflac Group.

We also maintain a small portfolio at the holding company level. The primary purpose of this portfolio is to temporarily hold capital until it is deployed for corporate purposes.

Composition of Portfolio – Asset Class and Currency

(Percentage of Total Portfolio)



I would now like to cover the composition of our portfolios below the segment level. As you know, our investment strategies have evolved, and we manage each portfolio with specific objectives. This provides diversification, liquidity and sources of excess return.

JGBs play an important role in our portfolio, specifically to back our long-dated liabilities. We typically expect JGBs to be in the 30% to 40% range. At March 31, 2013, we had 35.6% in JGBs.

We have about 6% in unhedged dollar investments. For more than 20 years, Aflac Japan has maintained a portfolio of dollar-denominated investments. The rationale behind this portfolio is two-fold. First, we are able to take advantage of diversification that comes from having investments in U.S. markets and to seek more attractive yields. Second, by investing a portion of Aflac Japan's equity in dollars, we have helped mitigate the currency impact on Aflac's consolidated GAAP equity. The remaining allocation to U.S. dollar bonds backs Aflac U.S. business.

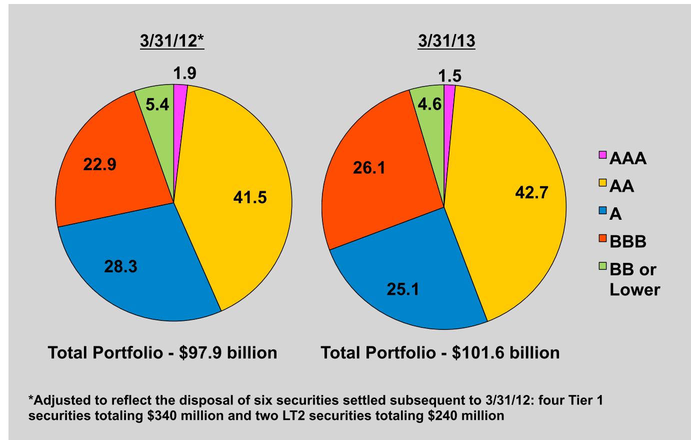
Historically, Aflac has primarily placed its credit investments for the Japan balance sheet in privately placed securities. At March 31, 2013, yen-denominated privates, including reverse dual-currency bonds, represented 34.9% of the portfolio, which is a significant reduction from 46.6% since March 2012. In November 2011, we ceased making new investments in European private placements. We will continue to let the asset class decline over time. It's important to note that we have solid credits, many with financial covenants or below investment grade puts, making them strong holdings for the long term. Despite the inherent liquidity challenges, we are proactively managing this allocation to obtain the optimal balance between risk and return.

Hedged corporate bonds, a new asset class we launched in July of 2012, represent 8.7% of our portfolio. Investing in this asset class matches the currency of our liabilities in Japan. It also allows us to achieve significant diversification while improving the quality and liquidity of our investments. Through this conservative investment strategy, we were able to outperform our targeted new money yields for 2012.

Our investment strategies continue to evolve. Overall, I'm pleased that the balance sheet is improving in its quality, liquidity, return profile and diversification.

Composition of Portfolio – Credit Quality

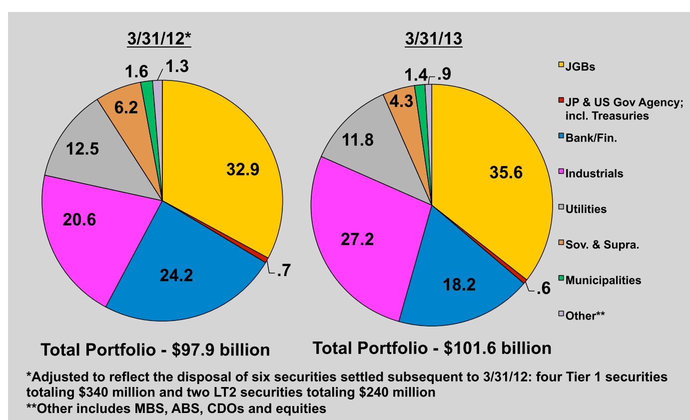
(Percentage of Total Portfolio)



As seen on this chart, the credit quality of our portfolio remains very high, with an average portfolio rating of A. Some shifts occurred over the past year. Specifically worth noting is the A category declining from 28.3% to 25.1% and our BBBs increasing from 22.9% to 26.1%. That shift primarily reflects some downgrades that occurred during this past year, as well as some of our purchases of the public bond program. Our focus will continue to be on maintaining a single A average rating.

Composition of Portfolio – Sector

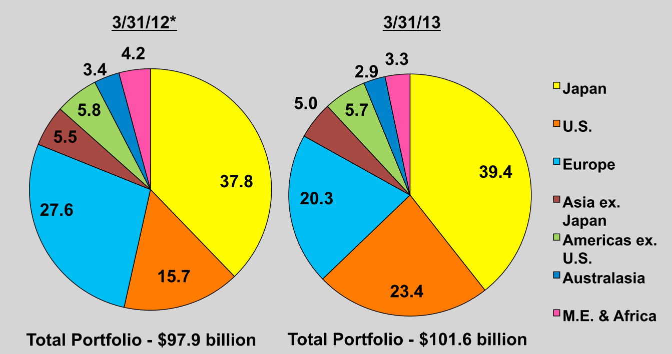
(Percentage of Total Portfolio)



Our sector allocations saw significant change and improvement as well, reflecting our investment priorities. Our JGB allocation increased to 35.6%. This primarily reflects the majority of our cash flows going to JGBs in the first half of 2012. Of significant note is the decline of our financial exposure to 18.2%. Also note that our industrial exposure increased to 27.2%. This reflects the new investments related to our hedged corporate bond program where we have ample capacity to add high-quality industrial companies to our portfolio.

Composition of Portfolio – Geographic Region

(Percentage of Total Portfolio)

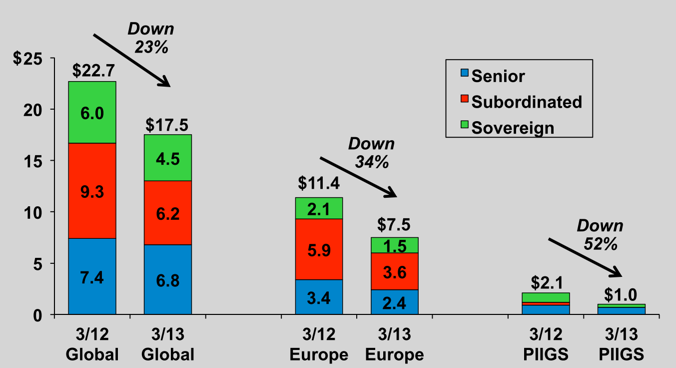


*Adjusted to reflect the disposal of six securities settled subsequent to 3/31/12: four Tier 1 securities totaling $340 million and two LT2 securities totaling $240 million

Given the size of our balance sheet, we invest on a global basis. This includes diversifying risk by country as well as seeking out attractive investment growth opportunities in world markets. Given that almost 90% of our liabilities are in Japan, we expect the country to remain a key part of our investment activities. I believe we have done a very effective job of reducing our European exposure through this volatile environment. Our European exposure has decreased from 27.6% to 20.3%, reflecting our derisking activities and desire to reduce our exposure to the region. Our investments in the United States increased from 15.7% to 23.4%. This reflects the allocation to our hedged corporate bond program, which is primarily focused on investing in U.S. companies today. We believe this allocation to one of the strongest credit markets in the world is a strategic priority to enhance the quality of our balance sheet.

Banks and Sovereign Distribution

(Book Value, In Billions)



From a global risk perspective, we have been carefully managing our bank and sovereign exposures. This chart excludes JGBs and U.S. Treasuries. One of our highest priorities over the past year has been to reduce our risk to these sectors, and in particular perpetual securities, especially those based in Europe. I am pleased to report that we made excellent progress.

We reduced our exposure on a global basis by 23%, with the majority of that impact in our sovereign and subordinated positions. In Europe, our total exposure was reduced by 34%, down to $7.5 billion. Our PIIGS exposure was reduced by 52% and stands at $1.0 billion. Our subordinated exposure across Europe was reduced by 39% and now stands at $3.6 billion. In addition, when you review institutions where we have subordinated debt, you will find that the parent companies have, on average, a single A stand-alone basis credit rating. We believe our subordinated exposures are to higher-quality banks that are less likely to run into financial distress.

Italy and Spain Exposures*

(Book Value, In Millions)

Spain Exposure	Average Rating 2012	3/31/12	% of Total	Average Rating 2013	3/31/13	% of Total
Infrastructure (Utility, Toll Road, Telecom)	BBB	$1,383	56%	BBB	$794	83%
Financial	A	484	20	BB	93	10
Regional Government	A	602	24	BB	70	7
Total		$2,469	100%		$957	100%

Italy Exposure	Average Rating 2012	3/31/12	% of Total	Average Rating 2013	3/31/13	% of Total
Infrastructure (Utility, Toll Road, Telecom)	BBB	$1,828	75%	BBB	$1,599	75%
Sovereign	A	304	12	BBB	266	12
Financial	A	183	7	BBB	160	7
Industrial	BBB	135	6	BBB	119	6
Total		$2,450	100%		$2,144	100%

*Spain exposure includes $213 million of BIG put option; Italy exposure includes $893 million of BIG put options

I would now like to cover our investment exposure to Italy and Spain. This chart shows a summary of our exposure year over year. As of March 31, 2013, our Spain exposure was significantly reduced by 61% to $957 million compared with the prior year. In addition, 83% of this exposure is invested in infrastructure, such as utilities, toll roads and telecoms, all of which should perform well even under a stressed environment. Although it's not reflected in the numbers on the slides, I'm also pleased to report that in early May, we liquidated our position in Bankia for about $58 million, realizing a slight gain. We feel good that even as Spain goes through a tough economic cycle, our credits are better positioned.

In Italy, we reduced our exposure by about 12.5%, and it now stands at $2.1 billion. Importantly, 75% is in infrastructure names that are likely to hold up very well during a tough environment. We feel our exposure is manageable, and we will continue to proactively manage the risk as situations develop in Europe.

Unrealized Gains and Losses

(In Billions)

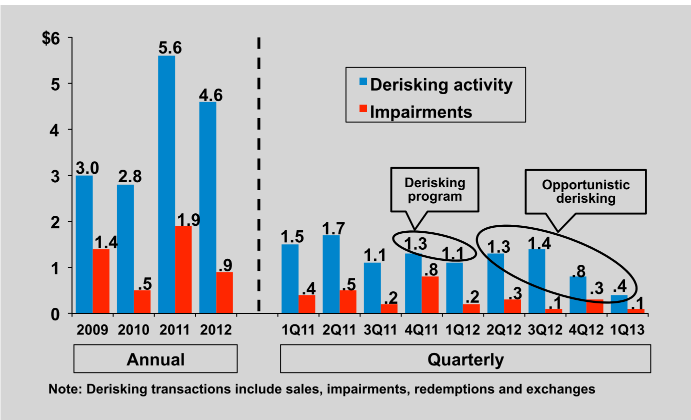
	3/31/12*	3/31/13	Difference
Available for sale:			
Gains	$3.6	$4.5	$0.9
Losses	(1.4)	(1.5)	(0.1)
Total AFS	$2.2	$3.0	$0.8
Held to maturity:			
Gains	$1.0	$3.0	$2.0
Losses	(1.4)	(1.2)	0.2
Total HTM	$ (.4)	$1.8	$2.2
Total Unrealized G/L	$1.8	$4.8	$3.0

*Adjusted to reflect the disposal of six securities settled subsequent to 3/31/12: four Tier 1 securities totaling $340 million and two LT2 securities totaling $240 million

The market value of our assets has improved throughout the past year. Our unrealized gains and losses went from a gain of $1.8 billion last year to $4.8 billion as of March 31, 2013. This reflects both the decline of interest rates, which boosted our market values, and improved credit spreads, in particular for our European holdings and financial holdings. Although most of our financial metrics are measured by book value, the market value of our assets provides us with a good gauge of our performance. In addition, the unrealized gains and losses in AFS impact our solvency margin ratio, or SMR. Therefore, this positive trend has contributed to our improving SMR.

Derisking Transactions and Impairments

(Book Value, In Billions)

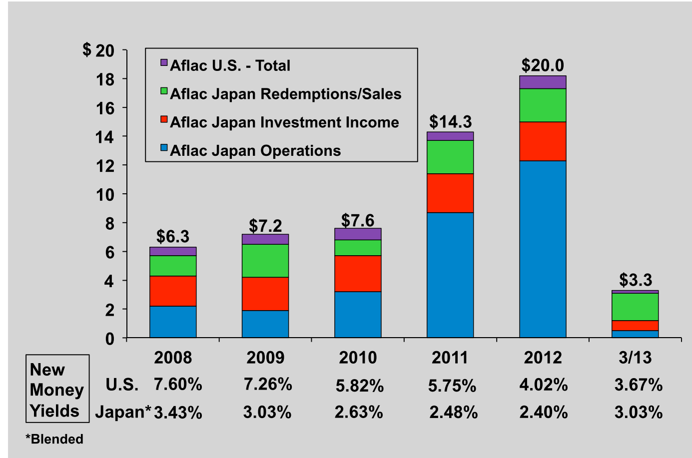


I would like to conclude the risk portion of my presentation by reviewing our derisking activities. You can see on the left side of this chart the year-by-year derisking activity in terms of book value reductions and impairments taken in that period. You'll recall that in the fourth quarter of 2011, we declared a change of intent strategy on a number of our risk positions and executed the actual derisking transactions in the first quarter of 2012. Between those two quarters, we reduced $2.4 billion of exposure with about $1 billion in impairments. At that time, I also announced that we did not plan any further specific derisking programs. However, I set out an objective to be opportunistic in managing our credit exposure to further reduce risk when the economics were favorable to us.

Since the second quarter of 2012 through the first quarter of 2013, we were able to derisk $3.9 billion of various positions, the majority across Europe and financials. Over these five quarters, we took about $800 million of impairments, of which roughly $259 million was associated with Tunisia. The main message is that our trends are improving. The amount of our impairments is declining as we continue to reduce our risky positions. Certainly, there could be further impacts from ratings migration, weaker credit conditions, or European volatility, but we expect any impairments or losses to continue to trend downward. My global team will proactively manage these risk positions, and when required, find the best opportunity to derisk in a manner that drives value for our policyholders and shareholders alike.

Investment Cash Flows

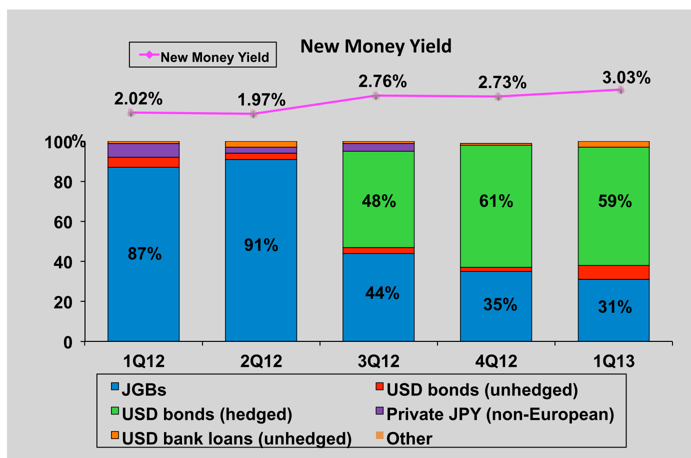
(In Billions)



I would like to discuss our new investment activities. As you know, Aflac generates large amounts of cash flow. The Global Investments team is charged with finding the best relative value among the asset classes available consistent with our risk and return objectives. We had nearly $20 billion to invest in 2012. On the bottom of the chart, you can see our new money yield for 2012 was 4.02% for Aflac U.S. and 2.4% for Aflac Japan. Our new money yield declined from 2011 given the global low-yield environment. In the first quarter of this year, our new money yield in the U.S. was 3.67%, and for Aflac Japan it increased to 3.03%. Our utilization of new investment strategies produced this increase in yield.

New Money Asset Allocations and Yields

(Japan Portfolio)



Let me review our asset allocation and investment strategies. In the first half of last year, the majority of our cash flow went into JGBs. This was a conservative choice, conditioned on the fact that we ceased investing in European private placements. In the second half of 2012, we implemented the hedged U.S. corporate bond program, which I will review in more detail shortly. This program made a substantial positive impact on our investment yields, resulting in an increase of about 75 basis points in the third and fourth quarter of 2012.

The hedged corporate U.S. bond program represents approximately two-thirds of Aflac Japan's new money cash flow. Our allocation to JGBs is about 30%. However, given the low yields resulting from the Bank of Japan's easing monetary policy, we are considering reducing the current allocation. Those options are still under review, and we will report our investment decisions as the year progresses.

Hedged U.S. Corporate Bond Program

(As of March 31, 2013)

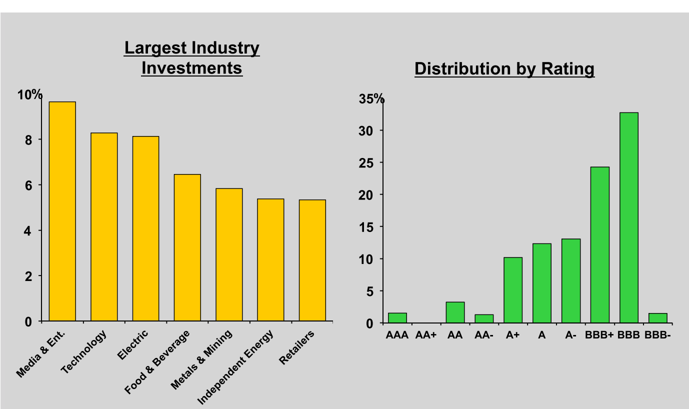
Investment Objectives	• Investment mandate for Aflac Japan new money investments • Publicly traded USD IG corporate bonds, hedged back to yen • Enhanced portfolio liquidity, held as AFS • Attractive investment yields vs. JGBs • Asset/liability matching - yen	
Key Metrics	• Market value	USD 8.6bn
	• Book value	USD 8.8bn
	• Average quality	BBB+
	• Portfolio book yield	3.41%
	• Portfolio modified duration to worst	11.45
	• Number of issuers	154
	• Avg. size by issuer (% of program)	0.6%
	• Avg. size by issuer (% of global Aflac portfolio)	0.06%

The hedged U.S. corporate bond program allows Aflac to gain exposure to publicly traded corporate bonds, which is the core allocation for most U.S. life insurance companies. It is also one of the deepest investment markets in the world. This strategy provides enhanced portfolio flexibility, higher average quality, attractive investment yields, and the ability to proactively manage our credit positions. Importantly, this strategy provides security level liquidity, which is a key differentiator to our legacy portfolio of private placements. These assets are designated as Available for Sale. This strategy also incorporates a hedging program to convert the fair market value exposure to yen, as these assets are backing yen liabilities.

Since July 2012 when we launched the program, we have invested about $8.8 billion and plan to continue to invest about two-thirds of Aflac Japan's new money cash flow to this asset class, based on market conditions.

Hedged U.S. Corporate Bond Program – Portfolio Distribution

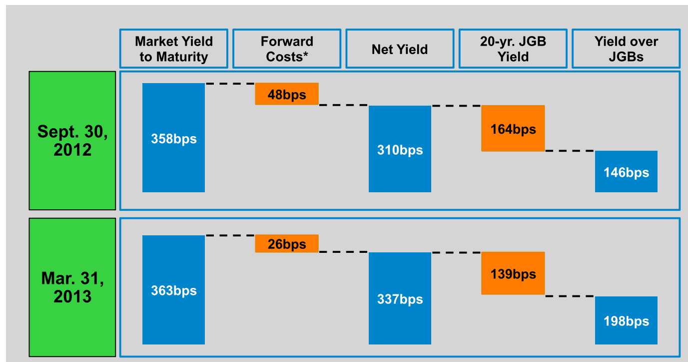
(Book Value, March 31, 2013)



You can see on this chart that the portfolio is well diversified by industry. Our focus has been on highly rated names in the single A and BBB ratings categories. Our purpose for the program has been modest. Given that our alternative was to invest in lower-yielding JGBs, we took a very conservative approach to portfolio construction. Our goal was to buy benchmark names that were right down the fairway of investment grade credit risk.

At the end of the first quarter, the program represented about 8.7% of our total assets. We currently project it will grow to about 12% by the end of this year. Relative to our total assets, this is still a modest exposure, but a growing one. Because of our substantial cash flows, we are able to dollar cost average in terms of our purchase yields and spreads.

Hedged U.S. Corporate Bond Program – Yield Over JGBs



*Three-month forward exchange contracts; costs accounted for below the line

When we evaluate the investment merits of this core program, we compare it to JGBs. Looking at this table, we can see that the economics, represented by the net yield advantage over 20-year JGBs, have improved even further since the program's inception. Using the market yield at the end of September 2012, we experienced a 146 basis point yield advantage over JGBs after hedging costs. At March 31st, that yield advantage grew to 198 basis points. This occurred primarily because JGB yields decreased significantly, as did hedge costs, while U.S. corporate yields stayed about the same. This yield differential represents an attractive relative value opportunity for our investment program. This is subject to change over time. Additionally, I should note that this ignores the opportunity cost of settlements with respect to the counterparties on our forward contracts. However, as capital markets theory suggests, over the long term those settlement costs should be neutral as the currency appreciates and depreciates. But over the last few quarters, given the large yen depreciation, we estimate that opportunity cost to between 25 and 30 basis points. Even accounting for that, our net yield advantage is highly attractive.

To achieve this excess return, we assume additional risks. These risks include credit risk, foreign exchange risk on our unhedged coupons, interest rate risk differential between the U.S. and Japanese markets, and opportunity cost with respect to settlements. We believe the spread we earn is adequate compensation when considering the liquidity and diversification benefits of the bonds. Given the large exposure to yen interest rate movements, our asset allocation study demonstrates that the modest exposure to U.S. interest rates diversifies our interest rate risk for Aflac Japan business.

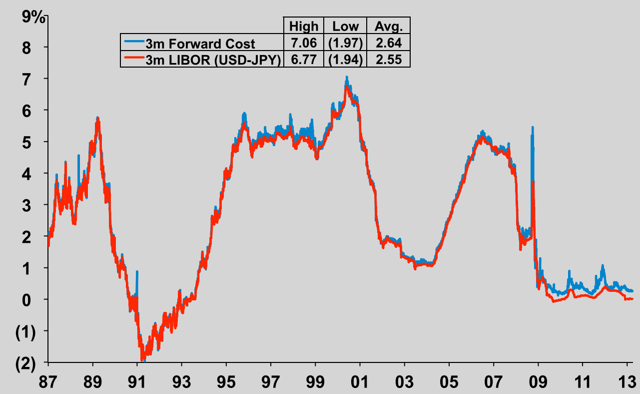
Hedging: Forwards vs. Cross-Currency Swaps

	Rolling FX Forwards	Cross-Currency Swaps
Hedge Costs	• Annualized cost currently ~30bps • Costs may change (total may be larger than xccy swap)	• Annualized cost currently ~150-175bps • Total cost known at inception, all cash flows converted to yen
Interest Rate Risks	• Foreign interest rate risk exposure • Can use interest rate swaps	• Interest rate exposure to yen curve only
Liquidity	• FX forwards market deep and liquid	• Market liquidity varies greatly • Difficult to unwind hedge (and hence manage credit) in crisis
SMR	• FX hedged assets benefit from reduced price fluctuation risk charge compared to yen denominated assets	• Xccy swapped assets not considered effective yen-denominated asset for SMR purposes; uneconomical due to additional FX charge

Let me now discuss a more complex topic: the hedging portion of the hedged U.S. corporate bond program. When we launched this program, we evaluated different hedging instruments to accomplish our goals of hedging U.S. dollar exposure back to yen. These included the use of currency forward contracts, cross-currency swaps, interest rate swaps and other alternatives. Each of these has benefits, risks, and cost considerations. We chose to focus on forward contracts as our main tool given their ample liquidity and low costs. Forward contracts are one of the most liquid hedging instruments for yen/dollar purposes and the market for forwards has been robust, even during the financial crisis. When we initiated our program, costs were around 45 basis points. They have since fallen, and today we pay about 30 basis points. Forwards are short in tenor, typically three to six months, so we roll our forwards often, adjust exposure, monitor counterparties, and ensure we maintain hedge accounting. One of the risks that we monitor closely is the cost of the forwards, and how it relates to the return we are achieving as compared to JGB yields. And as I previously covered, the net yield differential varies over time. I am pleased to say the strategy has worked efficiently for us and has performed exactly as we expected.

Cross-currency swaps, on the other hand, are not instruments we have utilized for the hedged U.S. corporate bond program, and we anticipate just a small amount of usage over time. One key benefit is the ability to hedge the currency exposure for the life of the bond, as well as convert dollar interest rate risk to yen interest rate risk. The drawbacks as you can see from the chart include small supply and low liquidity. As a result, we expose ourselves to default risk on the bonds as we face high transaction costs to liquidate the swap in the event we need to unwind the transaction. Additionally, the costs are high almost negating any spread advantage and yield pickup.

Forward Costs at Historical Lows



Source: Goldman Sachs

As this chart shows, forward costs are highly correlated to short term rate differentials between the U.S. and Japan. Because both central banks continue to maintain accommodative monetary policies, costs have trended downward. We see these monetary policies being in place for the remainder of this year and part of 2014 in the U.S., and perhaps even longer for Japan. At some point, the U.S. Federal Reserve may pull back on easing, but our view is it is highly unlikely to change to a tightening policy during 2014. Therefore, while there is some risk that short-term rates in the U.S. will increase, it is unlikely to be by much. Forward costs may increase, but not in any material amount to cause concern. In fact, we view 100 basis points in cost relative to our existing portfolio as quite reasonable. Over the long term, these costs could be higher, but we would make relative value decisions based on current yields and other investment opportunities at that time.

Comparison of Hedging Strategies

Hedging Instruments	• FX forwards • JPY calls • Collars • Cross-currency swaps
Considerations	• Hedge costs • Interest rate risk • Settlement/collateral requirements • Counterparty risk • Liquidity • Flexibility • Accounting and tax impact • Regulatory capital impact

As I've alluded to on our earnings calls, we are exploring new hedging strategies that will minimize our risk through different market cycles. We have a global project team analyzing these strategies now, and I am encouraged by our findings to date. We expect to conclude our research work in the next few months and employ these tools as market conditions warrant.

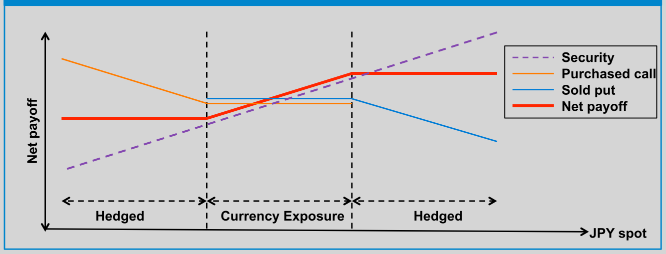
Let me give you an outline of preliminary thoughts and findings. As this chart shows, there are four overall hedging strategies we could pursue, as well as a strategy of being unhedged. Each strategy has its pros and cons. Among the hedging strategies, a collar strategy would work very well, along with forwards.

Hedging Strategy Example – Collar

Description

- Collar: combination of two FX options
- Purchase of JPY call and sale of JPY put
- Premium paid upfront
- Zero-cost collar: strikes chosen so that premium spent on call matches premium collected on put

Gain and Loss Profile



A collar would allow us to structure a band around the exchange rate range upon which we are willing to accept the currency risk. However, once the currency moves beyond the bands, or the collar, we become hedged and neutralize any further impacts from FX movements. Due to the nature of options markets, we can structure the strike prices such that the net cost to us is virtually zero. Our objective is to minimize currency risk, not to actively bet on the currency markets. In this example, should the yen strengthen significantly, our hedges activate and our capital ratios are preserved.

We are developing a robust investment process around hedging to allow us to integrate it into our financial objectives, including income and capital. But it's important to note that our strategies will be dynamic based on market conditions. In particular, we will focus on the exchange rate, our views on interest rate markets, the costs of hedging vehicles, the composition of our existing portfolios, and importantly, our risk limits and tolerances. By having a variety of tools at our disposal, we feel confident we can manage and effectively minimize currency risk over market cycles. Importantly, we have risk limits with respect to target allocations. Based on our strategic asset allocation work through 2014, we would expect this program to be approximately 15% to 20% of our total portfolio, further placing limits on this exposure.

Global Investments Transformation Program

Key Accomplishments

- Completed strategic business review
- Conducted asset allocation study
- Designed global organizational structure
- Hired 40 new employees
- Established New York and Tokyo as front office centers of excellence
- Established hedged U.S. corporate bond program
- Defined technology roadmap

Key Goals Through 2014

- Continue building out investment platform:
  - Investment process
  - Policies and procedures
  - Governance
  - Risk management
  - Infrastructure support
  - Investment technology
- Continue hiring efforts, with a focus on building out:
  - Investment risk team
  - New York and Tokyo operations teams

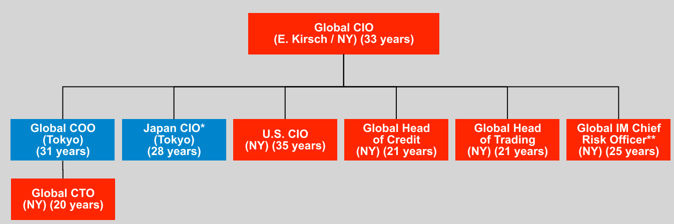
I would like to shift gears now and update you on our transformation program. You recall from last year that our mission is to create a world-class global investment organization. With the support of management, our board, and the terrific staff I have been able to assemble so far, I am pleased to tell you we are well on our way.

Since embarking on the mission, there have been a number of key accomplishments. These include the strategic business review, asset allocation program, designing a global investment organization, hiring 40 new professionals, reorganizing the geography of our investment offices to New York and Tokyo, launching the U.S. corporate bond program and finally designing our future technology roadmap.

We are about halfway through the two-year project. Looking ahead, we have much work to do. A large focus for us this year is the buildout of our investment risk team. In addition, we are embarking on a global technology solution that will give us systems that provide the ability to globally manage our trading, portfolios and risk. We will finalize our vendor selection and initiate implementation this year. Additionally, we are focused on building out our operations teams in Japan and New York to support our organization.

Our transformation goes hand in hand with our investment aspirations. So as we gain confidence that we can support new strategies, we will move forward with additional investments, outsourcing, and hedging techniques while ensuring that we manage our operational risk to support investment risk.

Global Investments Organization



- Hired 40 new professionals in New York and Tokyo since Nov. 2011, including:
  - All key Global CIO direct reports
  - Other key functions such as: CTO, Legal, HR
  - Other experienced hires for front, middle and back offices

* Local reporting to President, Aflac Japan
** Functional reporting line to Aflac Incorporated CRO

This chart represents Aflac's global investment organization. It is designed around key investment functions such as credit and trading, with regional CIO oversight. In addition the risk management area and chief operating officer support the entire group on a global basis. Each member of the senior management investment team has twenty-plus years of experience in the insurance and asset management fields, bringing to Aflac a wealth of experience to support our efforts. Their experience and leadership will help transform the organization, while allowing us to implement new investment strategies.

Expanding the Investable Universe

	Asset Class	In-house	Outsourced
Existing	Investment grade corporate credit – public	✓	✓
	Investment grade corporate credit – private	✓	
	Government bonds	✓	
	Bank loans		✓
Potential	Emerging markets credit		✓
	Equities		✓
	High-yield investments		✓
	Structured products and mortgages		✓
	Commercial mortgages		✓
	Hedge funds		✓
	Private equity		✓
	Real estate, mezzanine, infrastructure, etc.		✓

Finally, I would like to comment on the progress of investing in new asset classes identified in our asset allocation program. We intend to have allocations in asset classes such as high yield, emerging markets, equities and alternatives. These would start small, and over time would likely be in the range of 5% to 7% of our consolidated assets. In addition, the management of these assets would be outsourced to best-in-category external money managers that are a good fit for Aflac. Our ability to effectively utilize third-party money managers is highly dependent on in-house expertise with respect to manager selection, ongoing evaluation, and ability to integrate external information into our accounting and investment systems. As I have discussed, we will move forward when we believe we have the appropriate capability and controls, which are being developed as part of the transformation. I'm hopeful that we will be able to initiate some of these strategies late this year or early next year.

In closing, I would like to emphasize that our investment results have exceeded expectations across the board. We have effectively managed our risk positions and made strong choices on our new investment strategies. All of this has improved the overall profile of Aflac's global portfolio. Our transformation has created a dynamic and experienced global investment organization. I'm extremely pleased with the results, and excited about the future. Importantly, we're proud that our policyholders and shareholders are benefiting from these accomplishments.

Product Pricing and Reserving

Susan R. Blanck
Executive Vice President; Corporate Actuary

This presentation contains information regarding product pricing and reserving, as well as claim experience trends. It also includes information that illustrates profit emergence under GAAP and analysis of the profitability of our inforce block of business.

Pricing Assumptions for Aflac Japan and Aflac U.S.

- **Morbidity**
- **Mortality**
- **Persistency**
- **Expenses**
- **Investment returns**

Product pricing includes assumptions for morbidity, mortality, persistency, expenses and investment returns. In Japan, the product pricing assumptions are approved by the FSA. Premiums are calculated using assumptions that include provisions for adverse deviation, or PAD. These may be greater than those used for GAAP. No explicit margin for profit is added. Instead, profit margins arise from the pricing PAD.

The interest rate assumption for product pricing is established by each company and must be justified to the FSA. The rate may vary depending on the type of product. For example, we use a lower interest rate for pricing first sector products than for third sector products. Other pricing assumptions, such as morbidity and persistency, are also reviewed and approved by the FSA. These assumptions may be developed based on Aflac experience, industry experience, national statistics or a blend of this data.

The persistency assumptions are generally higher than our actual persistency. For products with cash values, we generally assume no voluntary lapses. When the cash values are not present in the product, we use a low level of voluntary lapse in each year.

The expense assumptions reflect our actual operational costs. Aflac Japan's cost structure per policy is favorable when compared to other life insurance companies in Japan. Reflecting the efficiency of our operations in our product pricing allows us to maintain a competitive edge in our premium rates.

For Aflac U.S., we tend to base pricing assumptions on our own experience, including some provisions for adverse deviation. In addition, it is our practice to target an explicit profit margin, expressed as a percentage of premium. Because most of our products do not consume significant amounts of statutory capital for a long period of time, we do not price on a return-on-invested-capital basis. We do, however, monitor invested capital patterns on a regulatory basis and may include an invested surplus charge if necessary.

FSA Reserve Assumptions

(Aflac Japan)

- **Net level method**
- **Interest Rate – 1.00%**
- **Lapse Rate – lower than or equal to pricing basis**
- **Mortality – standard mortality table**
- **Morbidity – pricing basis with stress testing**

In Japan, we are required to use specific reserving methods, as well as certain minimum assumptions for our FSA reporting. The net level premium reserving approach required by the FSA is similar to what we use for GAAP reporting. Benefit reserves begin building from the first policy year. However, unlike GAAP reporting, where we are allowed to defer certain costs of acquiring business, FSA reporting doesn't make any allowance for the first-year profit strain of issuing a policy. In addition, the interest rates, lapse assumptions, mortality tables and morbidity rates required for the reserve calculation generally result in reserves that are larger than those calculated using the pricing assumptions. The Japan standard interest rate is the rate required for determining FSA basis reserve. The standard interest rate is based on average 10-year JGB rates over a period ending in September of the prior year using the smaller of the three year average and ten year average.

FSA Standard Interest Rate

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

Note: From 1996 to 2001, changes only apply to 1st sector products. July 2001 and forward changes apply to 1st and 3rd sector products.

As Kriss mentioned, this year the standard interest rate was lowered to 1.0% for business issued from April 2013. Our re-pricing for first sector business in April took this into account. For third sector business, we have been lowering our assumed interest rate for pricing as part of our product development cycle.

Aflac U.S. Statutory Reserve Assumptions

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

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

GAAP Reserve Assumptions

- **Morbidity**
- **Mortality**
- **Persistency**
- **Expenses**
- **Investment returns**

Once the premium rates are established, we determine appropriate assumptions to use in calculating GAAP reserves. The calculation of GAAP reserves requires assumptions for morbidity, mortality, persistency, expenses and investment returns.

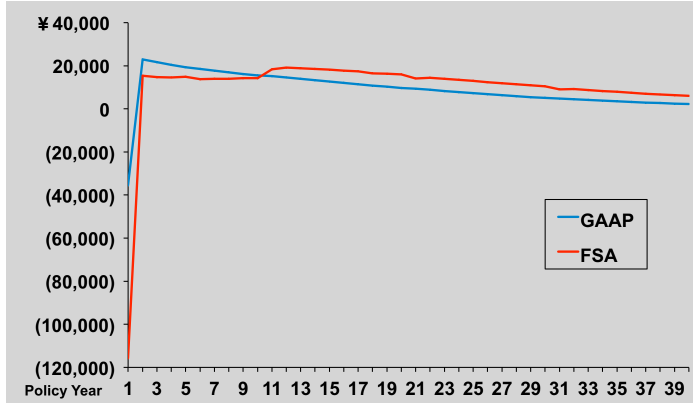
Aflac Japan Investment Return Assumptions

	GAAP	Pricing	FSA
Life/Health	**1.25% - 2.75%**	**1.25% - 2.35%**	**1.00%**
Annuity	**1.25%**	**1.15%**	**1.00%**

Our GAAP reserve assumptions generally use higher investment return rates than what is used for product pricing and FSA reserving. GAAP assumptions generally use claim and persistency assumptions that are derived from our actual experience, or from assumptions used in the product pricing when we don't have enough of our own credible experience. In April 2013, we implemented repricing of our ordinary product line to accommodate the low-interest-rate environment. In addition, we have adjusted the GAAP interest assumption applied for new issues down for most product lines to reflect the current low interest rate environment.

Third Sector – Model – 1 Year of Sales*

(Anticipated Earnings Pattern, In Millions)



*Assumes sales of ¥100 mm in year 1

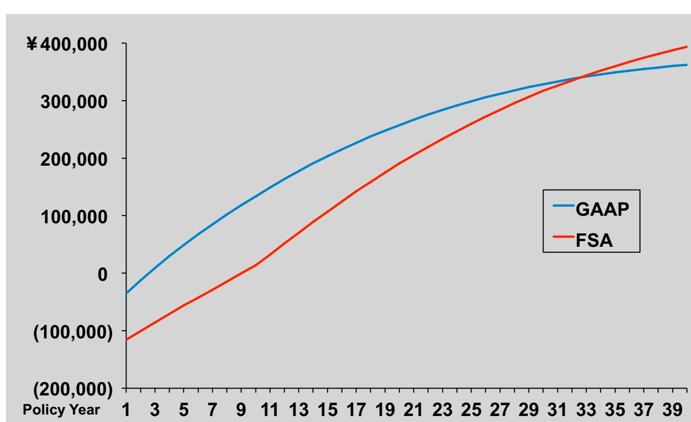
The differences in FSA and GAAP reserving drive differences in profit emergence. We will now show you several demonstrations illustrating profit emergence characteristics under GAAP and FSA reporting bases for some of our products. In these demonstrations, we will show details for one year's sales as well as layered sales. In these demonstrations, we assumed a 2.0% lifetime net investment yield.

Our demonstrations illustrate that we expect GAAP profits to exceed FSA profits in early years. There are two primary reasons for this. First, as we have mentioned, the assumptions we are required to use for FSA reserving typically result in higher reserves on an FSA basis versus a GAAP basis. Second, under GAAP reporting some of the acquisition costs are deferred whereas none are deferrable under FSA. This drives the very large difference in FSA and GAAP profits in the first policy year.

For our third sector products, we typically break even in year 3 on a GAAP basis and year 10 on an FSA basis. We typically see the crossover year, which is the year FSA profits for the year exceed GAAP profits, occur around year 10. A large driver of this is the fact that many of our policies are issued using commissions that are payable through year 10. Since FSA reporting doesn't allow deferral of commission expense, there is an increase in FSA profits when the commission paying period ends.

Third Sector – Model – Layered Sales*

(Anticipated Earnings Pattern, In Millions)

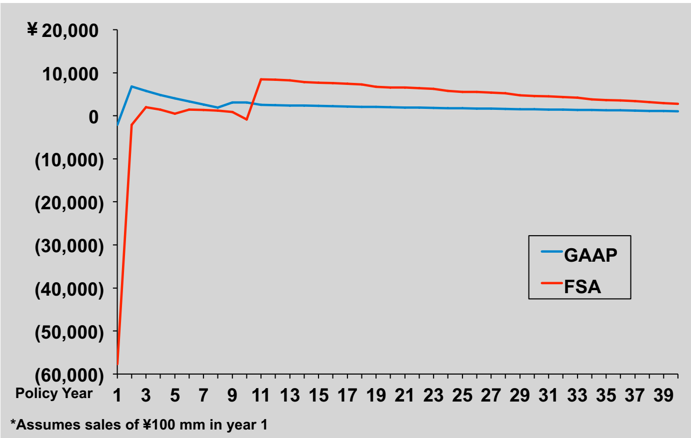


*Assumes sales of ¥100 mm in each model year

Next, we show layered sales and the resulting profit emergence. For the layered sales demonstrations, we assume new sales in each year holding the level of sales constant in each year. The graph shows that profits turn positive in year 3 for GAAP and year 9 for FSA. The crossover year, where FSA profits exceed GAAP profits, happens around year 30.

First Sector – Model – 1 Year of Sales*

(Anticipated Earnings Pattern, In Millions)

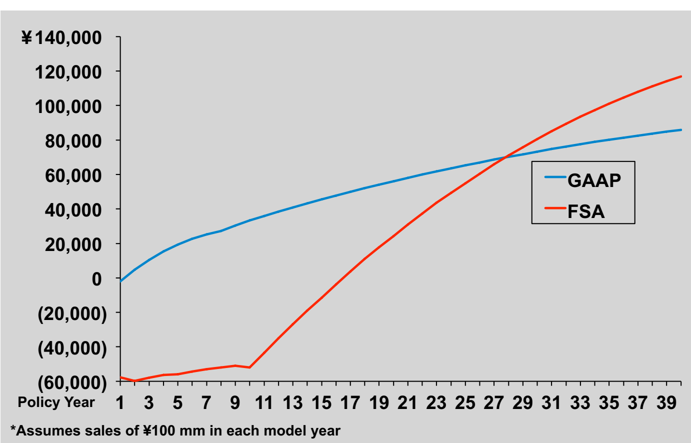


*Assumes sales of ¥100 mm in year 1

For our first sector products, we break even almost immediately on a GAAP basis and in year 15 to 20 on an FSA basis. The crossover year is around year 10 which is similar to what we see for third sector. Again, this is largely driven by the commission structures we use. We would like to point out that first sector results are more sensitive to our investment returns than third sector products. If we assume 25 basis points of additional lifetime net investment yield, the FSA breakeven year is reduced by around 3 years.

First Sector – Model – Layered Sales*

(Anticipated Earnings Pattern, In Millions)

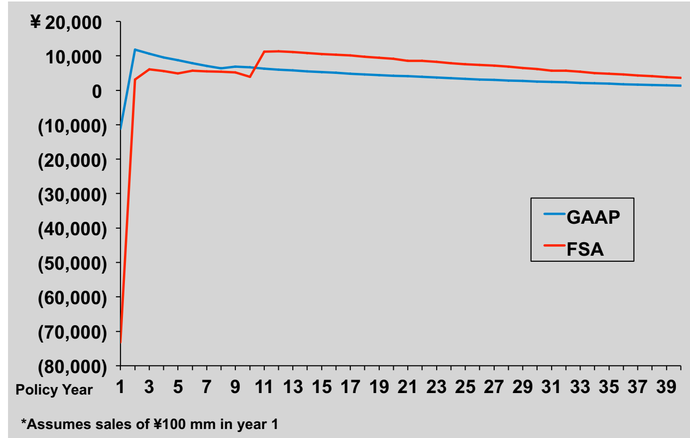


*Assumes sales of ¥100 mm in each model year

Next, we show layered sales for first sector products and the resulting profit emergence. The graph shows that profits turn positive almost immediately on a GAAP basis and between year 15 and 20 on an FSA basis. The crossover year happens just before year 30.

All Business – Model – 1 Year of Sales*

(Anticipated Earnings Pattern, In Millions)

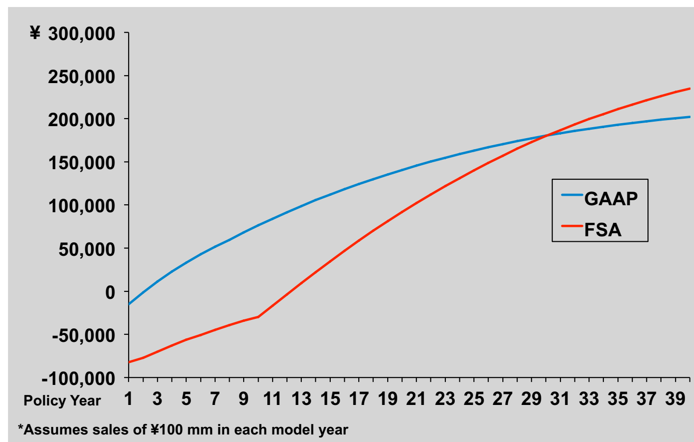


*Assumes sales of ¥100 mm in year 1

Now let's look at both types of products together. When we look at one cohort of combined first sector and third sector business, we expect to breakeven in year 2 on a GAAP basis and between years 10 and 15 on an FSA basis. The crossover year occurs around year 10.

All Business – Model – Layered Sales*

(Anticipated Earnings Pattern, In Millions)

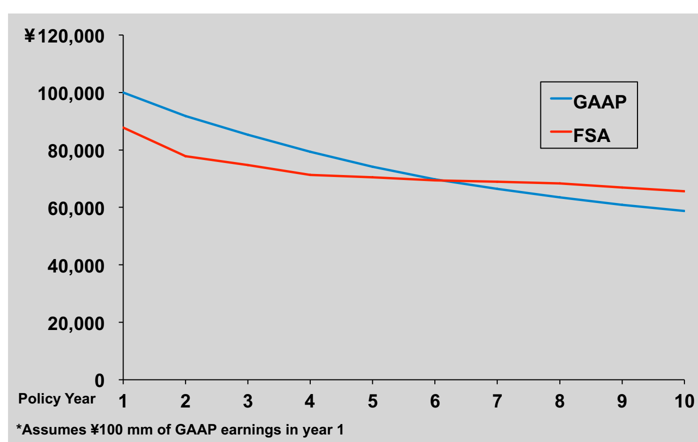


*Assumes sales of ¥100 mm in each model year

With layered sales for all products, profits turn positive almost immediately on a GAAP basis and between year 10 and 15 on an FSA basis. The crossover year happens right around year 30.

Inforce Distribution*

(Anticipated Earnings Pattern, In Millions)



*Assumes ¥100 mm of GAAP earnings in year 1

Finally, we illustrate how we anticipate profits to emerge under FSA and GAAP reporting bases for our inforce block of business as of March 31, 2013. For the inforce block, we expect FSA profits to exceed GAAP profits in 6 to 7 years.

We hope that these demonstrations help illustrate various characteristics of GAAP and FSA profit emergence.

Expected Benefit Ratios by Product

Traditional cancer life	**63% - 73%**
21st Century Cancer life	**50% - 60%**
Cancer Forte	**48% - 60%**
Cancer DAYS	**47% - 52%**
EVER and Gentle EVER	**50% - 65%**
Riders to cancer and medical	**40% - 53%**
Other ordinary life products	**60% - 75%**
WAYS	**65% - 82%**
Child endowment	**85% - 95%**

Now, I would like to review the expected benefit ratios for our major products. The traditional cancer life product that we were selling through the 1990s had a full cash surrender value, or CSV. To offset some of the effect of the 1999 premium rate increase on newly issued cancer life policies, which was caused by a lower assumed interest rate, we elected to reduce cash surrender values. Reducing CSVs kept the premium level attractive to consumers. It also lowered the benefit ratio. Our traditional cancer insurance policies had a benefit ratio range of 63% to 73%. Our current cancer insurance products have benefit ratios that range from 47% to 52%.

The benefit ratios of our medical products are 50% to 65%, including our substandard product, Gentle EVER. The riders to our cancer and medical products range from 40% to 53%. Ordinary life insurance products, including WAYS, have expected benefit ratios from 65% to 82%. Our child endowment product has a higher benefit ratio ranging from 85% to 95%. Please reference Kriss' speech for more detailed information regarding the characteristics of WAYS and child endowment.

Aflac U.S. Investment Return Assumptions

	GAAP	Pricing	Statutory
Life/Health	**3.75%**	**3.50% - 5.00%**	**3.50%**

In the United States, all of our currently issued products use a 3.75% investment return for GAAP reserves. That is generally in line with our pricing assumptions. As we discussed last year, we have been monitoring interest rates very closely and lowered the Aflac U.S. investment return assumption for products issued in 2012. It is likely that we will stay at the current level if rates stay at a low level. For statutory accounting purposes, we use a 3.5% interest assumption for all new business.

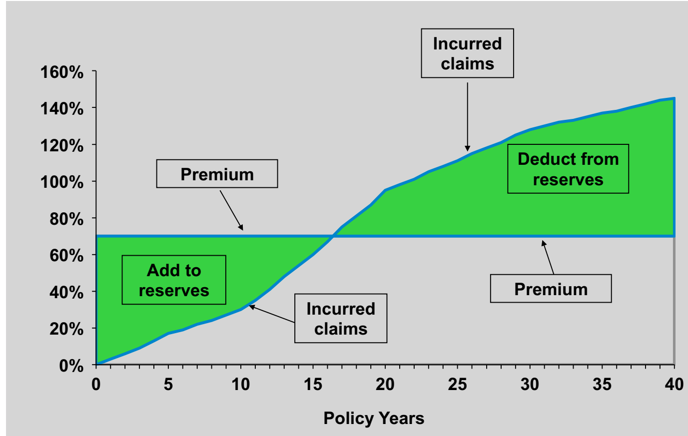
GAAP Reporting

- **Benefit reserve uses net level premium method**
- **Certain acquisition costs are capitalized and put into a deferred policy acquisition cost asset**
- **The deferred policy acquisition cost asset is amortized over the premium paying period of a policy**
- **Requires a provision for adverse deviation (PAD) in the benefit reserve calculation**

For several years now, we have walked you through GAAP reserving and illustrated how favorable claim experience emerges under GAAP accounting rules. Understanding this is an important element in understanding Aflac's current and future outlook as we have experienced favorable claim experience and claim trend on our core health lines.

GAAP reserves are computed using the net level premium method. Under this approach, benefit reserves begin to build in the first policy year. Certain expenses associated with the cost of acquiring new business are capitalized and amortized over the premium paying period of a policy. The combination of the net level premium reserve methodology and the capitalization of acquisition costs results in an expected profit emergence pattern that is fairly level over time. However, there are various acquisition costs we are not allowed to defer, so the expected profit in the first policy year is usually much lower than in other policy years.

Claims vs. Reserves



This simplified schematic shows why benefit reserves are provided and illustrates the relationship between incurred claims and benefit reserves. The policyholder pays a level premium each year. In early years, incurred claims are lower than the premium. The difference between the premium paid and claims incurred is added to the benefit reserve. In later years, incurred claims exceed the premium and the benefit reserves are released to accommodate the higher claims.

In theory, GAAP benefit reserves are derived in such a way that gross profits would emerge in a fairly level pattern over time. However, GAAP benefit reserves are required to include a provision for adverse deviation, or PAD, which suppresses the profit somewhat in the early years of a policy and magnifies the profit in later years.

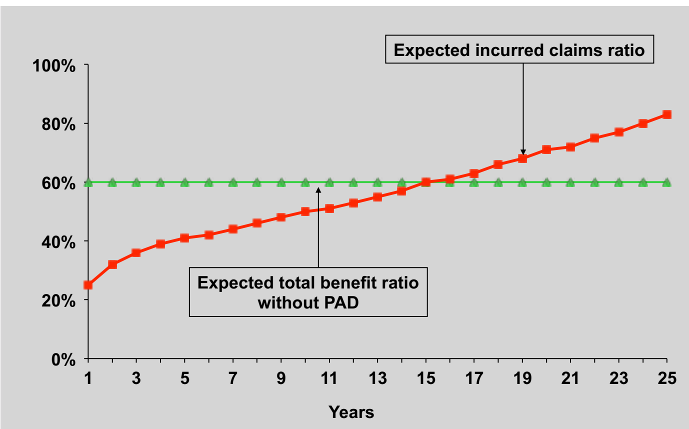
GAAP Experience Emergence Parameters

- **Assumes representative health plan where claim costs are expected to increase by policy year**
- **The expected lifetime loss ratio for the representative plan is 60%**
- **All ratios shown are to earned premium**
- **The margins shown are gross margins**
- **Demonstration excludes required interest**

To demonstrate this, we have developed some illustrations using a representative health product where claim costs are expected to increase by policy year. This representative product has an expected lifetime loss ratio of 60% as measured using the present values of future claims and future premiums. All ratios shown in these slides are tied to earned premium. And the margins that are illustrated are gross margins. The gross margin is the percentage of premium in each year that is available for expenses and profit. Required interest is excluded for this demonstration.

GAAP Experience Emergence without PAD

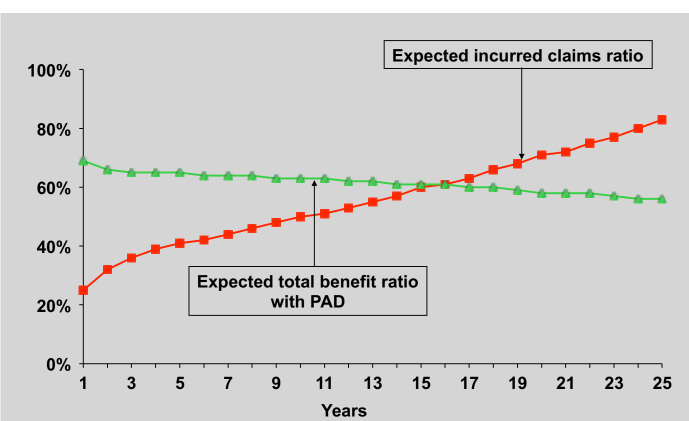
(Ratios to Earned Premium)



The first chart shows the expected incurred claims ratios and expected total benefit ratios assuming that the GAAP benefit reserves are calculated without the required provision for adverse deviation. This chart demonstrates that if actual experience exactly matches expected experience in all years, the total benefit ratio would generally be the same 60% in each year, which is the expected lifetime loss ratio for the product.

GAAP Experience Emergence with PAD

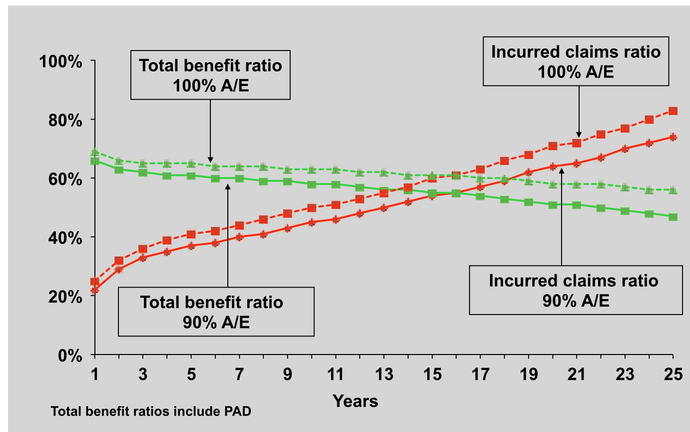
(Ratios to Earned Premium)



This next chart shows the same expected incurred claims ratios. But this time, the GAAP benefit reserves have been calculated with the required PAD. As this chart demonstrates, the expected total benefit ratio is no longer flat and is higher than the expected lifetime loss ratio of 60% in early policy years. The margins are captured in the GAAP benefit reserve in early policy years when the reserve is building and incurred claims ratios are low. They are released over time as reserves are used to fund the higher level of incurred claims anticipated in later policy years. Again, this chart assumes that the actual experience emerges exactly as expected.

GAAP Experience Emergence

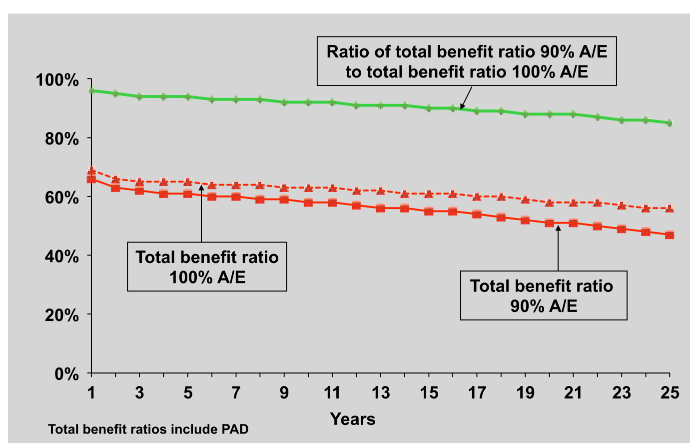
(Ratios to Earned Premium, 90% Actual-to-Expected Claims)



Now, we move on to a demonstration where the actual experience emergence differs from what was expected. This chart includes the original expected total benefit ratios with PAD and incurred claims ratios, but also illustrates the patterns if the actual claim costs emerge at 90% of expected. While the incurred claims ratios are 90% of the original expected incurred claims ratios in each policy year, the total benefit ratios decline slightly in the early policy years, and by an increasing amount in later years when provisions for adverse deviations are released and the incurred claims are a larger portion of the total benefit ratio.

GAAP Experience Emergence

(Ratios to Earned Premium, 90% Actual-to-Expected Claims)

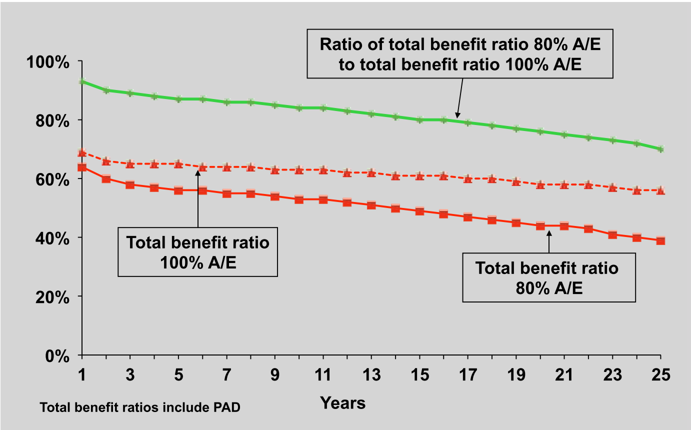


Here, I've added a line showing the ratio of the total benefit ratios under the 90% actual to expected claim emergence to the original expected total benefit ratios. In early policy years, the ratio is between 90% and 100%.

However, in later policy years, the ratio is less than 90%. As discussed previously, this demonstrates the build up of margins in early policy years followed by the release of those margins in later policy years.

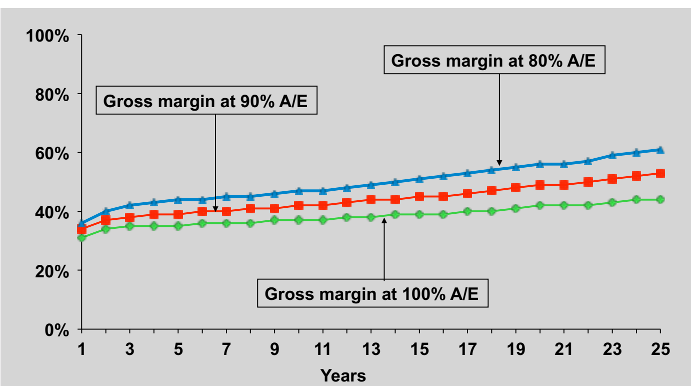
GAAP Experience Emergence

(Ratios to Earned Premium, 80% Actual-to-Expected Claims)



Next, I'll show the same presentation but with claims at 80% actual to expected. As the chart illustrates, the difference in profit emergence in early years versus later years is even more pronounced, with a ratio between 85% and 95% in early years, falling well below 75% in later years.

GAAP Gross Margin Scenarios

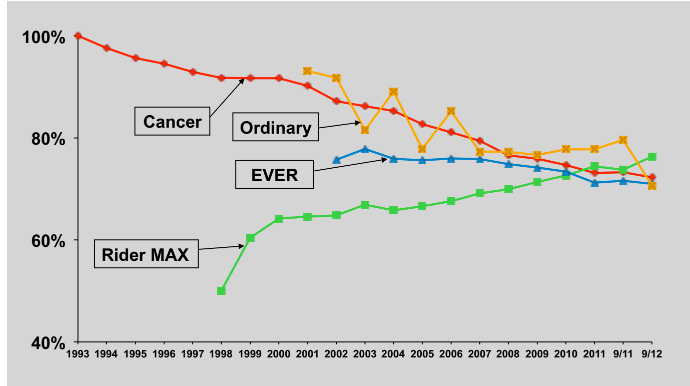


Finally, let's look at how gross margins emerge under each scenario. While the gross margins under each scenario have relatively small differences in early years, the difference expands with each policy year as provisions for adverse deviation are released and the difference between actual and expected total benefits grows larger.

Now, let me take that theoretical discussion and apply it to our operations in Japan.

Aflac Japan Actual vs. Tabular Claims

(Tabular = 100%)



The characteristics of GAAP reserving that I just described are reflected in the trend of our total benefit ratio in Japan. As Kriss mentioned in his speech, we have experienced favorable claim trends for our core health products in Japan. Actual cancer life claims as a percentage of tabular claims have declined since 1993 and were about 72% as of September 2011. EVER claims have also been lower than our original expectation since that product's introduction in 2002.

The ordinary product line also shows favorable ratios. However, favorable claim ratios for ordinary products have a smaller impact on profits than favorable claim ratios in third sector products. This is because cash values make up a large part of the benefit ratio.

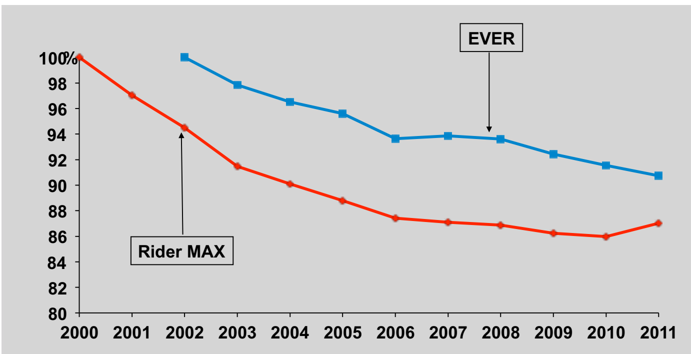
As we have shown you previously, our experience in Japan related to the average length of stay in the hospital for cancer treatment has declined steadily for some time now. As Japan's medicare finances are strapped, the Health, Labour and Welfare Ministry is taking various steps to reduce medical costs. Among those steps, shortening of hospitalization has been a key measure.

Specifically, since 2003, the ministry has adopted a DPC method for its public health insurance system, which is a medical fee payment system similar to the U.S. DRG/PPS, thereby aiming to shorten hospitalization days. The DPC method is a system to provide hospitals with incentives for shortening hospitalization by leveling the daily hospitalization medical fees, which is a fee paid to hospitals depending on disease name or medical act, at a fixed amount, so that a higher amount can be paid for short-term hospitalization. As a medical fee payment system for ordinary hospitals offering treatment during acute stage, performance-based payment system is also available, apart from the DPC methodology. But each hospital has to choose either one of the two. The number of hospitals adopting the DPC methodology is gradually increasing, and the total figure of beds owned by DPC-adopted hospitals reached 456,224 in 2010, which is more than 50% of the total 903,621 beds. Benefit claims filed with Aflac are mostly for cancer, myocardial infarction, or stroke and these diseases are cured at DPC-adopted hospitals in most cases. For this reason, Aflac's incidence rate is expected to improve due to the effect of shortened hospitalization.

Also, the numbers of Japan's hospitals and beds per population used to be both higher than those of Europe and the U.S., but the figure of hospitals is now dropping as the central government has implemented measures to diversify functions among hospitals, thereby reducing the number of such hospitals focused on long-term hospitalization mainly to offer nursing care to the elderly suffering chronic diseases. As a result, the total number of hospitals is down to 8,670 in 2010 from more than 10,000 in 1993. With either of the measures, Aflac's incidence rate is expected to improve.

Aflac Japan Trends in Sickness Hospitalization

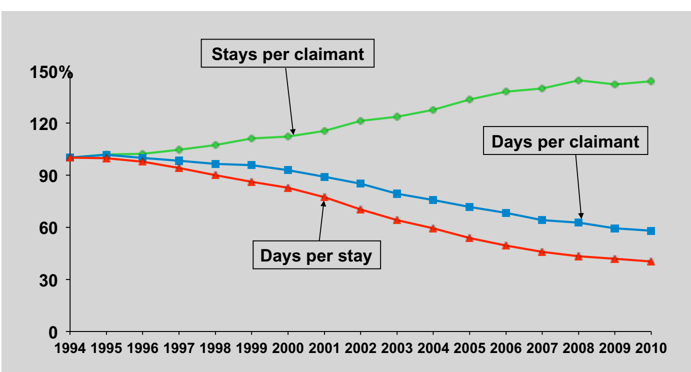
(Average Length of Stay)



We have seen the effect of these actions in our actual experience. For example, with the sickness hospitalization benefit, we have seen a generally downward trend in the average length of hospital stays for Rider MAX and EVER. However, we did see an uptick in the average length of stay for Rider MAX in the last year. The next slide shows the hospitalization trends for cancer.

Aflac Japan Trends in Cancer Hospitalization

(Cancer Only, 24-Month Runoff)

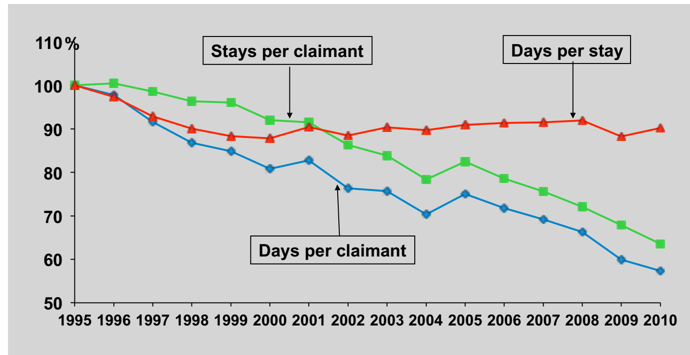


Cancer treatment patterns in Japan are being influenced by significant advances in early-detection techniques and by the increased use of pathological diagnosis rather than clinical exams. Follow-up radiation and chemotherapy treatments are occurring more often on an outpatient basis. Such changes in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

While the average length of stay per hospitalization has declined, the number of hospital stays per claimant has generally been increasing. However, in our analysis this year, we saw the stays per claimant decline slightly. Our analysis of claims data shows that the total number of days hospitalized per claimant is declining, but at a slower rate than the average length of stay per hospitalization. We anticipate that the trend toward more hospital stays of shorter durations will continue going forward.

Aflac U.S. Trends in Cancer Hospitalization

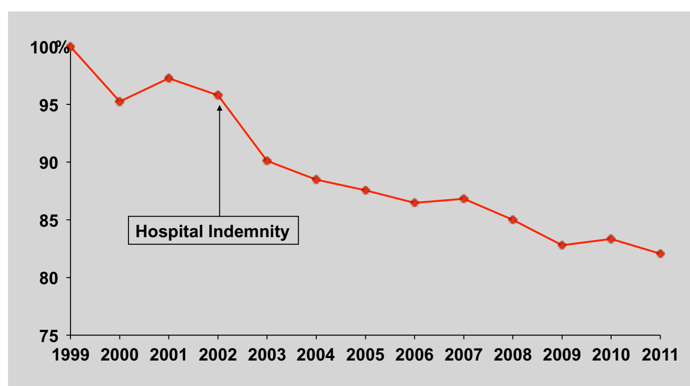
(Cancer Only, 24-Month Runoff)



In the United States, we are seeing a trend toward greater use of outpatient treatments for cancer. The average days per hospital stay for cancer treatment has leveled off in the last few years. The average number of hospital stays per claimant and the total hospitalization days per claimant had a slight uptick in 2005, but both have declined considerably in recent years. This is expected to continue as more and more treatments are performed on an outpatient basis.

Aflac U.S. Trends in Hospitalization

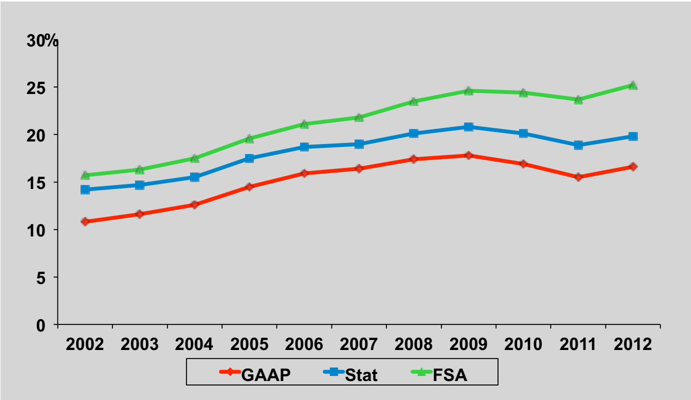
(Average Length of Stay)



Finally, we look at our hospital indemnity products in the U.S. For the past several years, we have seen a generally downward trend in the average length of stay per hospitalization. While we generally do not project future improvements in claim trends in our pricing, the impact of lower-than-expected claim costs over time and the emergence of the profit from the better-than- expected experience has a strong impact on our projections and our outlook for Aflac's future profit growth.

Aflac Japan Gross Premium Valuation Net Position by Reporting Basis

(% of Present Value of Premium)

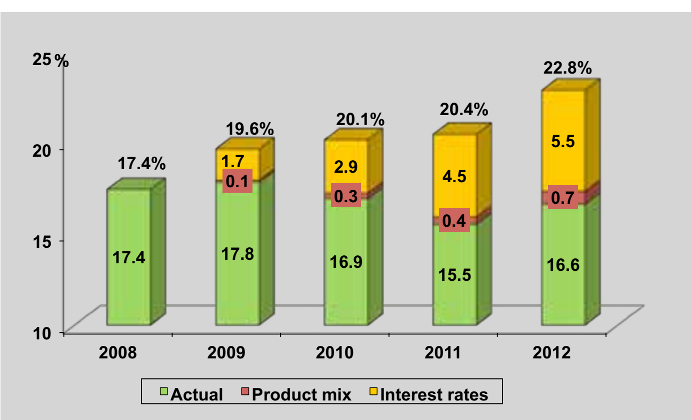


Each year, we evaluate the net position of our in-force block using a gross premium valuation. This analysis projects financial elements of our in-force block of business through time and determines the expected margin for that block of business. The expected margin is expressed as ratio of the future profits to the present value of future premiums. The future profits are determined by taking the current reserve for each reporting basis and adding in the present value of the net future cash flows, or premiums less claims and expenses. The present values are determined by discounting cash flows using our projected portfolio rates and by reflecting anticipated future new money rates. It should be noted that this is an actuarial calculation and is generally constructed with some conservatism in the underlying assumptions.

Since our reserving basis is different for GAAP, FSA and statutory, the expected future profit emergence will be different for each basis. Statutory and FSA results were fairly similar in the early 2000s, with projected net margins of 14.2% and 15.7%, respectively, compared with a GAAP result of 10.8%. Since that time, the conservatism of FSA reserves has grown, which results in the FSA net margin diverging from statutory. Our net margin in Japan peaked in 2009 at 20.8% on a U.S. statutory basis, and 17.8% on a GAAP basis. The FSA net margin reached its highest level in 2012 at 25.2%. For U.S. Statutory and GAAP, the 2012 net margins were 19.8% and 16.6%, respectively.

The Impact of Mix Change and Rates on Aflac Japan Gross Premium Valuation

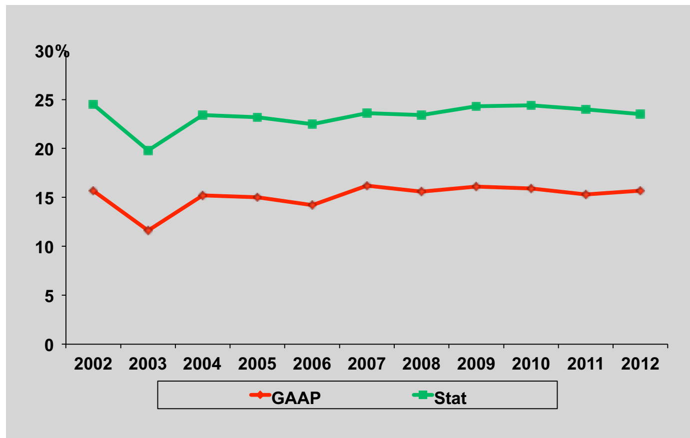
(GAAP Basis, % of Present Value of Premium)



As with last year, we wanted to show you the impact of low portfolio rates and low new money assumptions in the future. Our analysis shows that our 2012 net margin on a GAAP basis would be 5.5% higher if we discounted our future cash flows using our 2008 portfolio rates and 2008 new money assumption. In 2008, the year started with the portfolio at 3.64% and new money was at 2.95%. In 2012, the year started with the portfolio at 2.75% and new money was at 2.25%. Had the product mix stayed constant from 2008 to 2012, the net margin would have been an additional 0.7% higher. However, it should be noted that the 2012 net margin benefited by 1.7% due to downward claim trend on our cancer product line versus 2008. I would also point out that we have not assumed continued improvement in cancer claims in our projection of future cancer claims.

Aflac U.S. Gross Premium Valuation

(% of Present Value of Premium)



Aflac U.S. gross premium valuation results have been very stable at 15% to 16% for most years on a GAAP basis.

I hope that this information provides a strong foundation for understanding how our products are priced as well as how the profit from those products emerges.

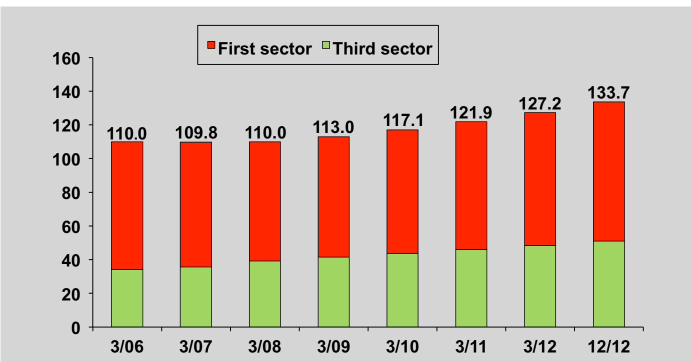
Section II
Aflac Japan

Overview of Aflac Japan

Tohru Tonoike
President and Chief Operating Officer, Aflac Japan

Life Insurance Policies in Force

(FSA Basis, In Millions)



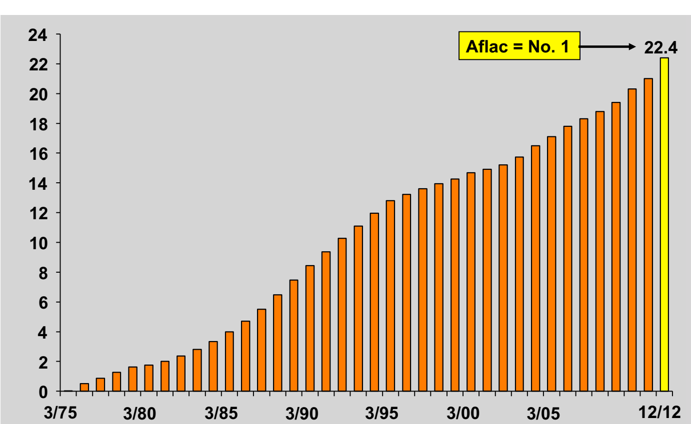
Source: Life Insurance Association of Japan

I would like to outline the insurance market in Japan and Aflac Japan's business management. In their presentations, Ariyoshi-san and Shinkai-san will cover marketing and sales in more detail.

First, I'd like to update you on the life insurance market here in Japan. The number of life insurance policies in force in Japan increased last year due to strong bank sales and the growth in policy count of third sector products, including cancer and medical insurance. The total number of policies in force for all life insurers at the end of December 2012 was 133.7 million, up 6.5 million from the end of March 2012. Of that 133.7 million, third sector products accounted for 51 million policies. I want to mention that many of the numbers we use in our presentations refer to numbers on an FSA basis. Let me remind you that the FSA operates on a fiscal year of April 1st through March 31st.

The Number One Life Insurer in Japan

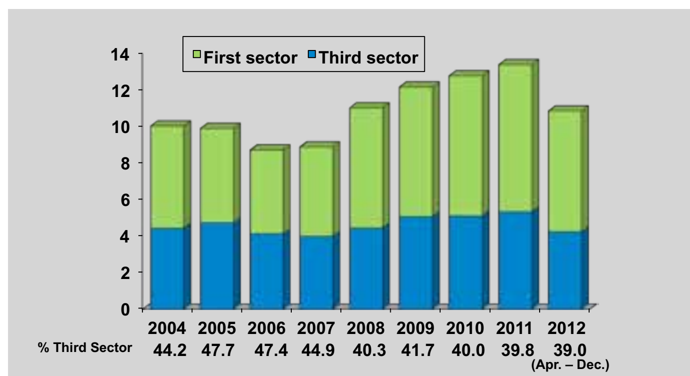
(Policies in Force, FSA Basis, In Millions)



Aflac Japan's number of policies in force has been steadily increasing over the past 38 years as a result of growth in new business and the high persistency of our in-force business. We established a solid position as Japan's number one life insurance company in terms of the number of individual policies in force in fiscal year 2003 and have remained number one since then. Aflac's number of policies in force at the end of December 2012 was 22.4 million and accounted for 17% of the total number of individual policies in force of all life insurers in Japan.

Third Sector Contribution to Life Insurance Industry New Policy Sales

(FSA Basis, In Millions)

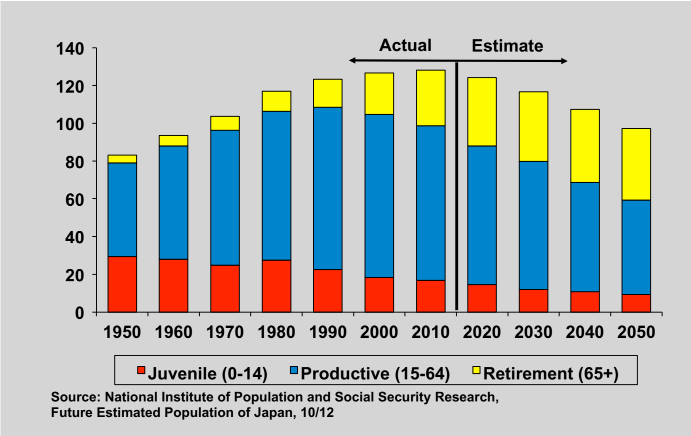


Source: Life Insurance Association of Japan, Insurance Research Institute

The total number of new stand-alone life insurance policies in Japan, including first sector and third sector products, declined for several years leading up to fiscal year 2006. However, this number turned upward in fiscal year 2007. This increase reflects the fact that life insurance statistics began including new policies sold by Kampo, previously known as Japan Post Insurance. Kampo, a company that exclusively sells first sector base policies, took over the postal life insurance operation following the start of the privatization process in October 2007. Although the inclusion of Kampo in the total life insurance new business increased the overall first sector contribution, thereby reducing the overall third sector contribution, the third sector still accounts for around 40% of combined sales. We believe consumers continue to find value in products that provide living benefits, such as cancer and medical.

Japan's Aging Population and Declining Birthrate

(In Millions)

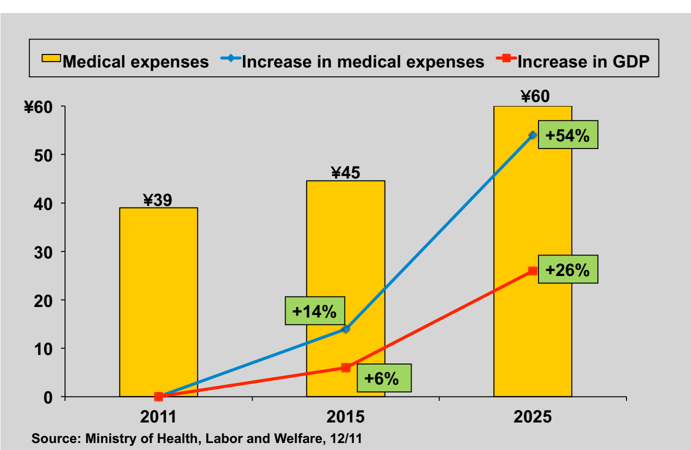


One major reason consumers choose living benefits centers around Japan's rapidly aging society. According to results of the national census, which is carried out every five years, Japan's population peaked in 2010. Currently, the number of deaths has been exceeding the number of births, resulting in a population decline. Japan's population was 127.5 million as of October 2012 and is anticipated to drop below 100 million by 2048. To support this forecast, let me share with you some results of a population estimate conducted by Japan's Ministry of Internal Affairs and Communications as of October 2012. According to this estimate, 40 out of Japan's 47 prefectures saw a decline in population. Additionally, as a large portion of the baby boomers began reaching retirement age, the population aged 65 and older surpassed 30 million, accounting for more than 24% of the Japanese population as of October 2012.

What's more, the primary reason for Japan's shrinking population is its low birth rate. The birth rate was 1.39 in 2011, far below the estimated level of 2.08 that is required to maintain a stable population size. The population in Japan is expected to continue to decline because young people represent a declining percentage of the total population, as the birth rate remains very low.

National Medical Expenses

(In Trillions)



As shown in the graph, national medical expenses are rising every year with the rapid aging of the Japanese population.

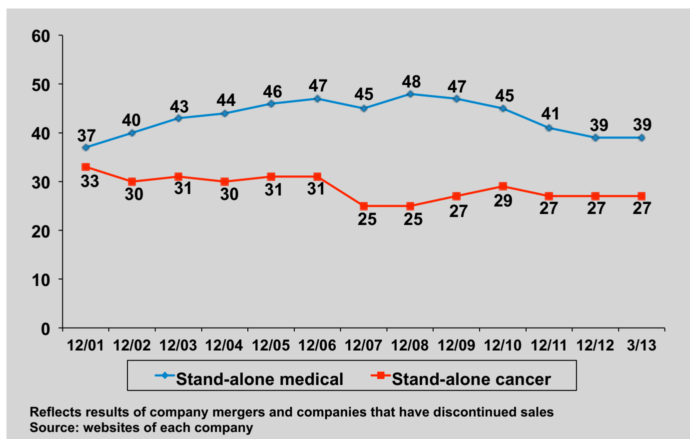
Japan has a national health care system that covers all Japanese citizens. However, as fiscal resources are tight in all areas, including medical, nursing care and pension benefits, it is clear that the difficult fiscal situation will persist going forward. According to the government's estimates, the nation's medical expenses will increase by ¥6 trillion by 2015 and ¥21 trillion by 2025. As you can see, the growth of medical expenses is significantly outpacing GDP growth.

Under these circumstances, the government has been pursuing a comprehensive reform of the social security and tax systems to ensure a sustainable social security system, taking into consideration an aging society and a low birthrate. The related reform bills were passed by the Diet on August 10, 2012, but there are still many issues to be discussed with respect to the specifics of the social security system. Therefore, Japanese citizens must continue to take individual responsibility in preparing for their life after retirement.

Against this backdrop, the market for third sector products has been steadily expanding, and this trend is expected to continue.

Competitors in the Third Sector

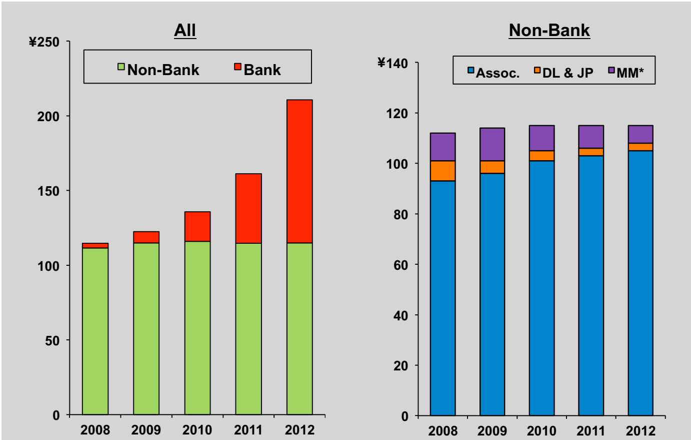
(Number of Life and Non-Life Insurance Companies)



When Aflac began its operations in Japan in 1974, we were the first life insurance company to sell cancer insurance in Japan. However, mid-sized insurers and other foreign insurers followed suit and entered the market in the early 1980s. This market was opened to all life and non-life insurers in 2001. As of March 2013, Japan had a total of 39 competitors selling stand-alone medical products and 27 selling stand-alone cancer products, including both life and non-life companies. This represents a slight decline from previous years, resulting from the merger of some non-life insurers with their subsidiary life insurers. Given the new product launches and product revisions we've seen from our competitors, we believe the market for third sector products will remain very competitive.

Sales Trend by Channel

(In Billions)



*Mass marketing agencies

This data demonstrates the changes in sales mix that have taken place over the past few years. As you can see on the left chart, Aflac Japan's new AP steadily increased from 2008 to 2012. In 2012, the figure topped ¥200 billion, a sales record for Aflac Japan.

But if you look at sales results by channel, you can see that the increase was driven by the bank channel, while the non-bank channel remained relatively flat. However, let me point out that sales through the non-bank channels have been hurt significantly by declining production in the last several years from Dai-ichi Life, Japan Post Office and certain mass marketing agencies that mainly conduct telemarketing or mail-order sales. The more traditional agencies increased their sales efforts to help offset this decline.

In their presentations, Ariyoshi-san and Shinkai-san will discuss sales growth opportunities in 2013 and beyond.

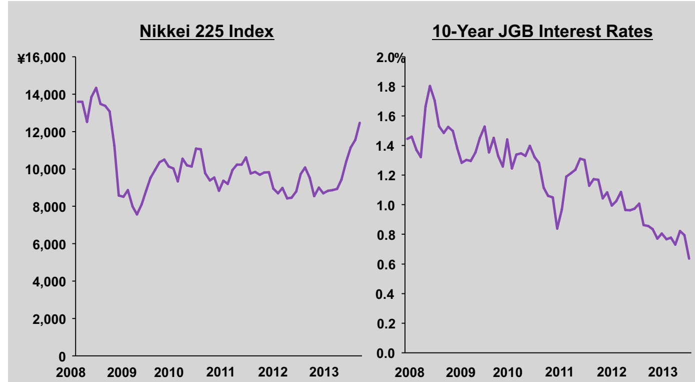
Change to Standard Interest Rate

- **Revision of standard interest rate**
  - » **From 1.5% to 1.0%**
  - » **Standard interest rate common to all**
- **Impact on premiums**
  - » **Aflac and many competitors kept premiums for third sector products unchanged**
  - » **Aflac and many competitors increased premiums for savings-type products**

Amid this competitive market, for the first time in 12 years, in April 2013, the Financial Services Agency lowered the assumed interest rate of standard reserves, or the standard interest rate, from 1.5% to 1.0%.

Each company has the ability to decide whether to change the assumed interest rates for products. Aflac decided to keep premiums for its third sector products unchanged, but raise the premiums for the first sector products, which are much more interest sensitive. Many of our competitors also kept premiums for their third sector products unchanged, but raised premiums for savings-type products.

General Economic Environment



Source: Tokyo Stock Exchange

Source: Ministry of Finance

Since Prime Minister Shinzo Abe formed his Cabinet in December 2012, Japanese stock prices have been rising and interest rates have declined. As of March 6, 2013, stock prices had recovered to the level before the "Lehman Shock" of September 2008. This demonstrates that the markets have welcomed the Abe Administration's three arrow "Abenomics" strategy to revitalize the Japanese economy and achieve sustainable economic growth. The three arrows are bold monetary policy, large and targeted fiscal policy and growth strategy.

The first arrow, bold monetary policy, entails real policy coordination between the Government and the Bank of Japan to overcome Japan's chronic deflation and achieve economic growth. The central bank has changed its inflation benchmark from 1% to a real target of 2% and is embarking on open-ended monetary easing in order to achieve this goal.

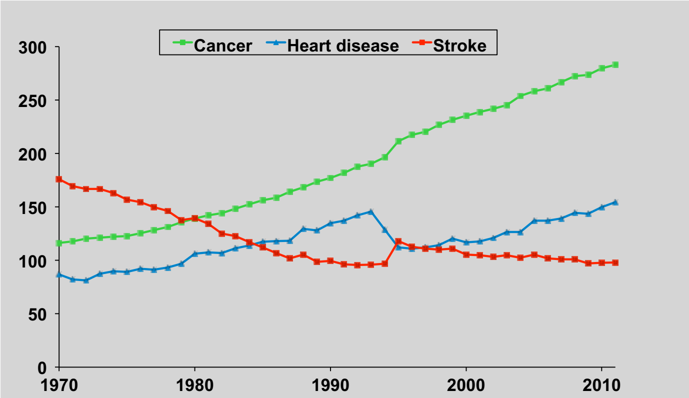
Large and targeted fiscal policy, which is the second arrow, includes fiscal stimulus targeting potential high-growth areas and reconstruction after the Great East Japan Earthquake and Tsunami of March 2011. The LDP expects these stimulus measures will boost the real GDP growth rate to 2%.

The third arrow, growth strategy, is currently being drawn up to be released in June and will consist of policies to promote sustainable economic growth. Specifically, these policies are being designed to create a better business environment, facilitate expansion of Japanese business in overseas markets and initiate bold regulatory and institutional reform in high growth areas.

Market sentiment in general has been positive to Abenomics. As the Nikkei has risen significantly over the last several months, retail money flow is shifting from insurance products to products such as investment trusts. Therefore, savings-type products for all insurers in Japan face a decline in sales.

Leading Causes of Death 1970 - 2011

(Number of Deaths per 100,000 People)

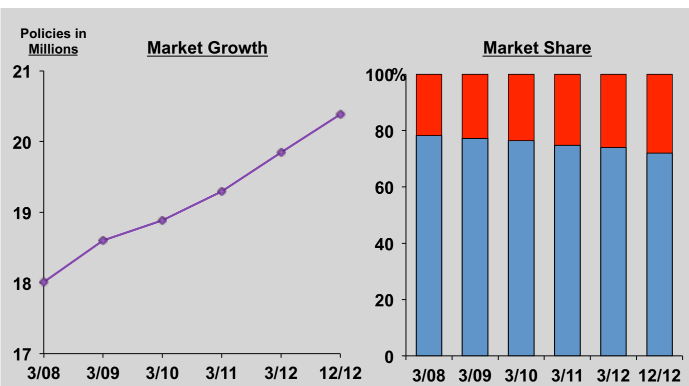


Source: Population Survey Report issued by the Ministry of Health, Labor and Welfare

Cancer became the leading cause of death in 1981 and the number of Japanese diagnosed with cancer continues to rise. In 2011, one out of every three deaths in Japan was related to cancer. Deaths due to cancer exceeded the number of those who died from heart attacks and strokes combined, which are the second and third cause of death.

Aflac's Share of In-Force Business: Cancer

(FSA Basis, Stand-alone, Life Industry Only)



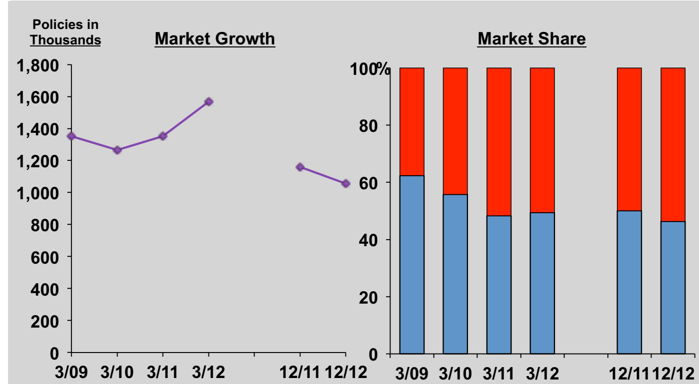
Source: Insurance Research Institute,
Life Insurance Association of Japan

Next, I would like to show you some data related to Aflac Japan's core lines of business: cancer and medical products. These charts include products sold only by life insurers. The data reflects the latest figures based on each life insurer's financial statements as of December 2012. Please note that, although some non-life insurers also sell medical insurance products, the statistics related to those sales are not disclosed by non-life companies.

The graph on the left side shows that the number of policies in force for stand-alone cancer products in the life insurance industry is growing each year. The graph on the right side illustrates Aflac Japan's share of in-force business for cancer insurance. Aflac Japan remains the market leader, with a market share of 72.1% of in-force cancer business as of December 31, 2012.

Aflac's Share of New Business: Cancer

(FSA Basis, Stand-alone, Life Industry Only)



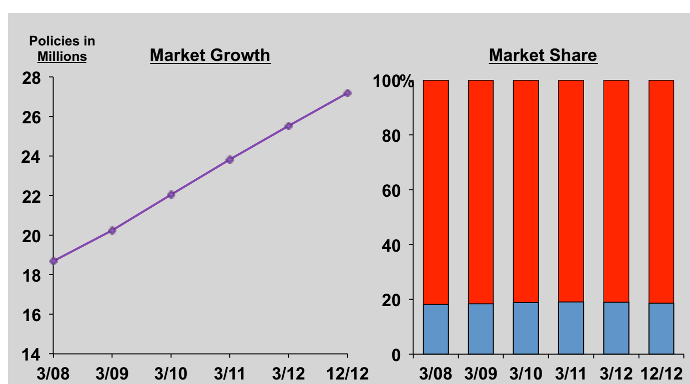
Source: Insurance Research Institute,
Life Insurance Association of Japan

As shown in the graph on the right side, Aflac's share of new business for cancer insurance remains high at 46.3%, based on the actual figures as of the end of December 2012. Aflac's share of new business in the cancer insurance market rose in the fiscal year that ended in March 2012 thanks to the strong sales of DAYS. This enhanced product has benefits that provide extensive coverage for outpatient treatments in light of the latest advances in cancer treatments and the changing demand of cancer patients. DAYS attracted many new consumers and further solidified our presence in the market. Following the sales push of DAYS in 2011, the focus of our agents turned more toward medical product sales, especially the New Gentle EVER product, thus causing a drop in cancer sales in 2012.

We remain committed to partnering with local governments in cancer prevention awareness and education. We have partnership agreements with all of the 47 prefectures in Japan. Because Aflac is the pioneer of cancer insurance, consumers have placed their trust in our company and our products.

Aflac's Share of In-Force Business: Medical

(FSA Basis, Stand-alone, Life Industry Only)

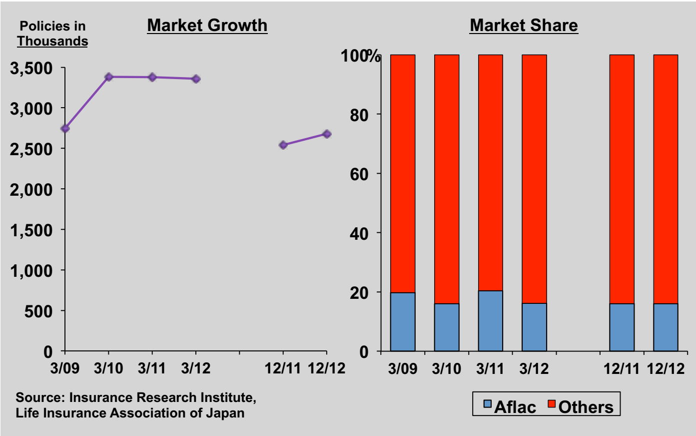


Source: Insurance Research Institute,
Life Insurance Association of Japan

This chart illustrates the growth of policies in force for stand-alone medical insurance and Aflac Japan's share of that market. Aflac had an 18.7% share of in-force business at the end of December 2012. Although we were not the first insurer to enter the medical insurance market in Japan, we quickly became a leader in that market when we launched EVER in 2002. And we remain a leader today.

Aflac's Share of New Business: Medical

(FSA Basis, Stand-alone, Life Industry Only)

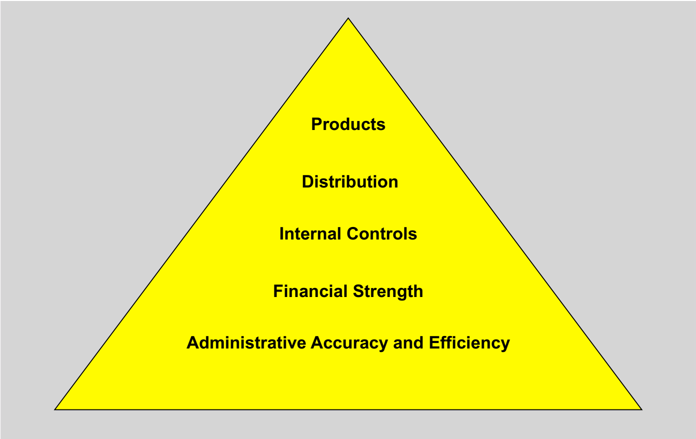


Aflac Japan's share of new business for stand-alone medical insurance was 16.1% at the end of December 2012. As we have previously discussed, competition in this market has been intense for several years, which explains variations in our market share of new sales year to year.

In 2009, we revised our EVER medical product to include enhanced surgical benefits and gender-specific premium rates. Most recently, in July 2012, we released More Gentle EVER, a revision to the existing nonstandard medical product. This product provides advanced medical treatment options and reasonable premiums to support more customers than its predecessor.

We will continue to offer products to meet the needs of a broad customer base and maintain the position as a leader in the medical insurance market.

Aflac Japan's Competitive Strengths



Aflac Japan has five key competitive strengths that help us stand out within the industry. These competitive strengths include: products, distribution, internal controls, financial strength and administrative accuracy and efficiency. We have consistently maintained our competitive edge in these areas and anticipate that strength to continue.

Ariyoshi-san and Shinkai-san offer some information about products and distribution in their presentations. But I want to emphasize that we are focused on remaining the leading provider in the third sector market and are committed to providing competitive products that match the needs of our customers. In addition, we will further reinforce our existing channels such as traditional channels and bank channels. At the same time, we plan to integrate all these channels effectively to further increase the productivity.

Let me move on to internal controls and financial strength. In recent years, financial institutions around the globe have come under increasingly intense scrutiny of their risk management procedures. Aflac Japan has implemented an internal control assessment based on the J-SOX Act, which is the Japanese version of the U.S. Sarbanes-Oxley Act. In addition, we continue to focus on enhancing our robust corporate governance system by further strengthening compliance and internal audit systems and by adopting comprehensive integrated risk management processes.

At the same time, as we strive to improve our administrative accuracy and efficiency, we will aggressively pursue business process improvements and IT infrastructure enhancements to reinforce accurate and efficient policy administration. I believe this will enable us to continue to provide customers with quality services and build upon our strengths in this increasingly competitive third sector market.

Japan's Public Policy and Regulatory Environment

Charles D. Lake II
Chairman, Aflac Japan

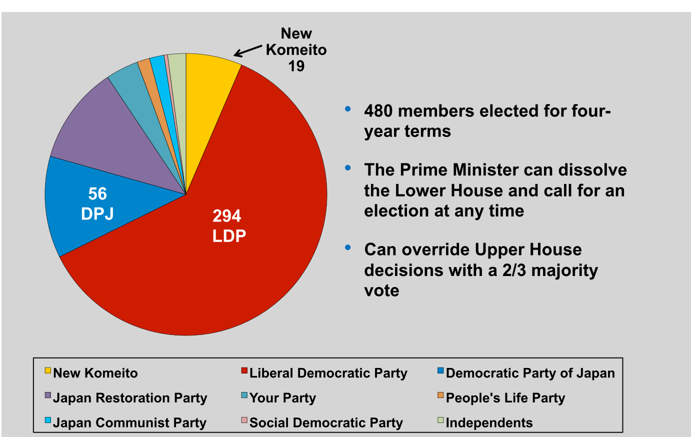
In this presentation, I will first provide a brief overview of the Japanese political system and how it works, and then I will delve into recent political developments and the public policy and regulatory environment in Japan.

The Japanese Government

- **Constitutional monarchy with parliamentary government**
- **Bicameral parliament**
  - » **House of Representatives (Lower House)**
  - » **House of Councillors (Upper House)**
- **Executive power vested in a cabinet composed of a prime minister and ministers of state (all civilians)**
- **Prime minister must be member of parliament and is chosen by peers**

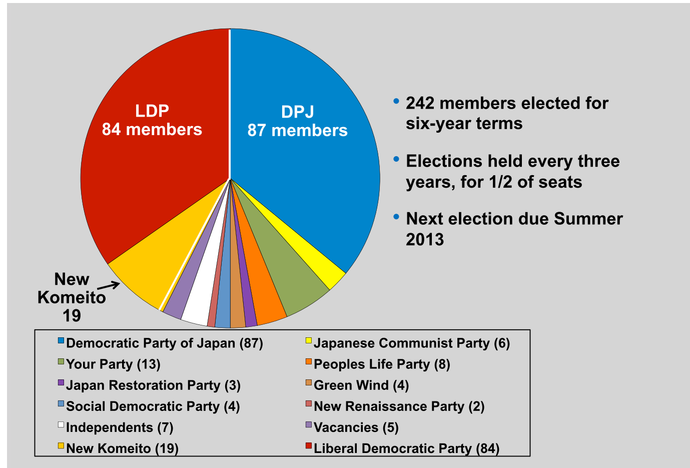
Japan is a constitutional monarchy with a parliamentary government. Sovereignty is vested in the Japanese people, with the Emperor defined as the symbol of the state. Japan's government is a parliamentary democracy, with a House of Representatives, or "Lower House," and a House of Councillors, or "Upper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

House of Representatives (Lower House)



The Lower House has 480 members elected for four-year terms. The Lower House can be dissolved and an election called at anytime by the prime minister, which means that its election schedule is not fixed. The last Lower House election was held in December 2012 and resulted in a landslide victory for the Liberal Democratic Party, or LDP. The next Lower House election must be held no later than December 2016.

House of Councillors (Upper House)



The Upper House has 242 members elected for six-year terms. Upper House elections are held every three years, during which one-half, or 121, of the Upper House seats are contested. The last Upper House election was held on July 11, 2010. In that election, no single party won a majority and consequently a divided or "twisted Diet" – where the ruling party had a majority in the Lower House but not in the Upper House – has existed since July 2007, complicating the process used to pass legislation. The next Upper House election will be held in the summer of 2013.

Control of the Government

- **The Lower House is the key to gaining control of Japan's government.**
- **A bill passed by the Lower House, but voted down by the Upper House, can be overridden by the Lower House with a two-thirds vote.**
- **In the case of disagreements over treaties, the budget, and the selection of the prime minister, the Lower House decision becomes the will of the Diet.**
- **The president of the majority party generally serves as prime minister.**

The Lower House has several powers not given to the Upper House, making it the key to gaining control of Japan's government. For example, if a bill is passed by the Lower House, but voted down by the Upper House, the Lower House can override the decision by a two-thirds vote. In the case of treaties, the budget, and the selection of the prime minister, however, if the two houses reach different decisions that cannot be resolved, the decision of the Lower House becomes the will of the Diet. As a result, the party that controls a majority of seats in the Lower House holds the reins of power. And the president of that party generally serves as prime minister.

Political Parties and Coalitions

- **Japan's political parties often form partnerships, or coalitions, with other parties.**
- **The Liberal Democratic Party (LDP) currently has a coalition with New Komeito.**

Japan's political parties include:

- **Liberal Democratic Party**
- **New Komeito**
- **Democratic Party of Japan**
- **Japan Restoration Party**
- **People's Life Party**
- **Japan Communist Party**
- **Social Democratic Party**
- **Your Party**

The LDP, which is currently in power, has been the dominant political party since 1955, losing power only twice, between 1993-1994 and 2009-2012. There are a number of other political parties that vary in size and influence, including, New Komeito, Democratic Party of Japan, Japan Restoration Party, Your Party, Japan Communist Party, and Social Democratic Party. Political parties in Japan's parliamentary system often form partnerships, or coalitions, including in cases when they need to gain a majority in one or both houses of the Diet for the purposes of passing legislation. The ruling LDP currently is in a coalition with New Komeito.

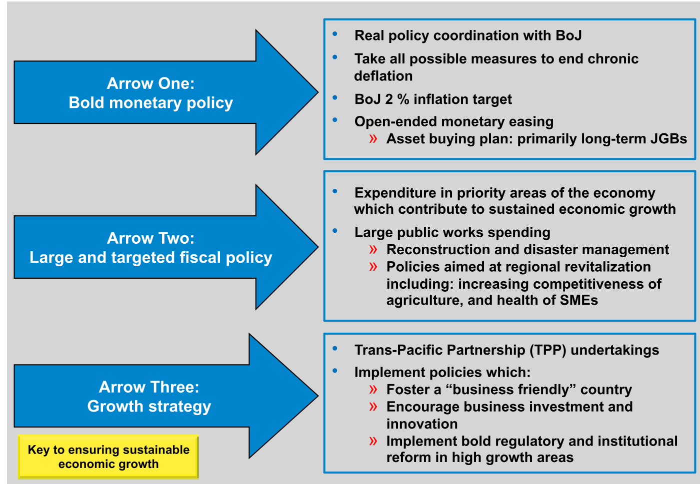
Return of the Liberal Democratic Party (LDP)

- **The LDP-led coalition wins two-thirds majority in Lower House election.**
- **Overwhelming victory mainly due to voter discontent at weak leadership and policy paralysis under 3 years of DPJ.**
- **LDP working hard to regain strong voter confidence and support before Upper House elections this Summer.**
- **A clear win in the Upper House would see an end to the "twisted Diet" and allow the government to move ahead more easily on major policy and reform initiatives.**

In the recent December 2012 general election, the LDP-led coalition won more than a two-thirds majority in the Lower House, marking a return to power for the party who has governed Japan for most of the past five decades. The overwhelming victory was largely due to voter discontent with the former ruling Democratic Party of Japan (DPJ) whose three years in power was plagued by weak leadership and policy paralysis – a result of their inexperience in actually governing after years in opposition. On December 26, Mr. Shinzo Abe was sworn in as Japan's new prime minister. Despite the overwhelming victory, however, Prime Minister Abe and the LDP remain relatively sober in their acknowledgement that their win was due more to voter dissatisfaction with the status quo rather than strong voter support. In this context, looking ahead to the July 2013 Upper House elections, Prime Minister Abe and his Cabinet have been working hard to earn strong voter confidence and support.

A successful result in the Upper House elections would bring an end to the "twisted Diet" and allow the government to move forward more easily on major policy and reform initiatives. The stated primary goal of the Abe Cabinet is to revitalize the Japanese economy and in the few months they have been in office they are winning back much of the support they had lost in their previous run in power.

Abenomics: Three-Arrow Strategy to Economic Revitalization



Next, I would like to discuss the Abe Administration's three-arrow strategy to revitalize the Japanese economy and achieve sustainable economic growth under which key policies are currently being implemented. The three-arrow strategy known as "Abenomics" comprises three prongs or arrows: bold monetary policy; large and targeted fiscal policy; and growth strategy.

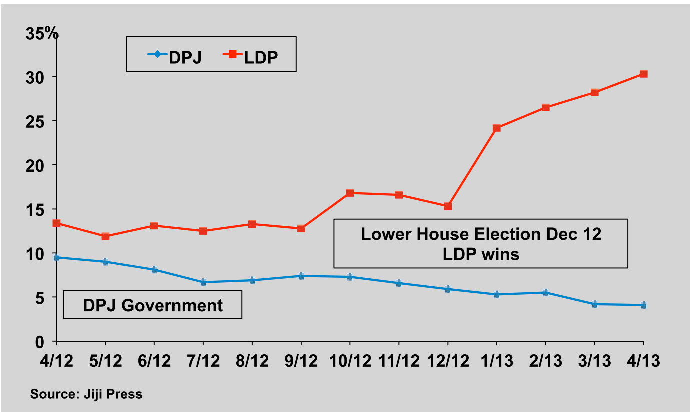
Arrow one, bold monetary policy, entails real policy coordination between the Government and the Bank of Japan to overcome Japan's chronic deflation and achieve economic growth. In March 2013, the government appointed former Asian Development Bank president Haruhiko Kuroda as the new Bank of Japan governor. Mr. Kuroda, sharing a similar monetary policy platform to Mr. Abe, is a known advocate for inflation targets and quantitative easing and has pledged to do whatever it takes to reverse Japan's deflationary cycle. To this end, the central bank agreed to change its inflation benchmark reference of 1% to a real target of 2% and to embark on open-ended monetary easing in order to achieve this goal. The central bank's aggressive asset buying program will largely focus on long-term JGBs.

Arrow two, large and targeted fiscal policy, includes fiscal stimulus targeting potential high-growth areas and reconstruction after the Great East Japan Earthquake and Tsunami of March 2011. The LDP expects these stimulus measures will boost the real GDP growth rate to 2% and create approximately 600,000 jobs.

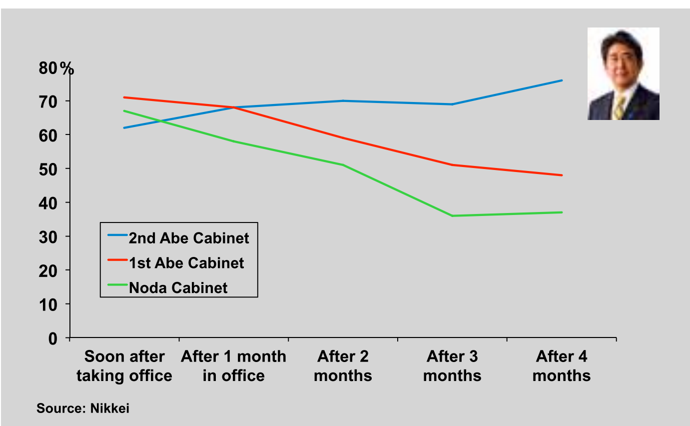
Arrow three, growth strategy, which is currently being drawn up to be released in June, will be made up of policies to promote sustainable economic growth. This incorporates policies such as those designed to create a better business environment including a corporate tax reduction to expand employment, raise wages, and promote capital investment. Arrow three also facilitates expansion of Japanese business in overseas markets and initiates bold regulatory and institutional reform in areas that have potential for high growth (such as foreign investment). Additionally, it will include a number of changes to the tax system in order to better utilize it. Another key component of the third arrow is Japan's participation in the Trans-Pacific Partnership (TPP) negotiations which will require a number of reforms to meet its high standards. The government is also drawing up a new energy policy which will entail restarting some of the nuclear reactors but gradually decreasing the country's reliance on them.

Major Political Party Approval Ratings

(April 2012 to Present)



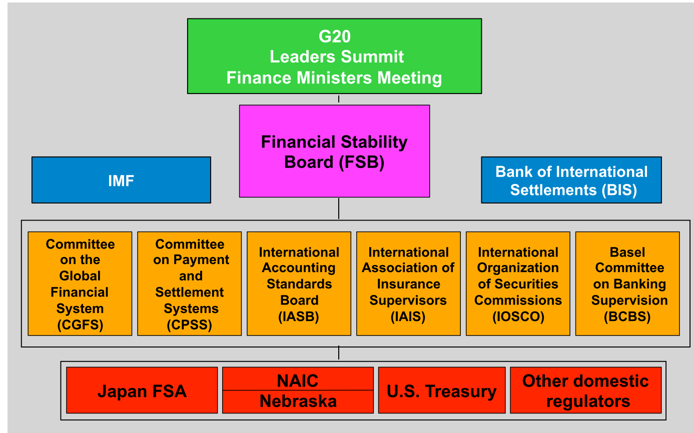
Growing Support for the Abe Cabinet



So far, the Abe government has been skillfully executing its Abenomics strategy and tangible results of the policies are already beginning to appear. Various economic indicators are showing signs of improvement such as stock prices, which continue to rise, and the value of the yen has weakened. Consequently, there has been a real change of mood in the country and there is a growing sense that the Japanese economy will begin to pick up. This has had a major impact on public support for the government which has been consistently high since the LDP regained power and now stands at 74% support for Prime Minister Abe and his Cabinet. Major Japanese newspaper, *Yomiuri Shimbun* noted that the Abe Cabinet is the first Cabinet to enjoy four consecutive increases in approval rate since the paper's survey started in 1978.

Before giving an explanation of some of the other relevant policy initiatives of the government, and in turn Japan's business and regulatory environments going forward, I would like to first discuss other factors, including the global financial regulatory environment, that also play a role.

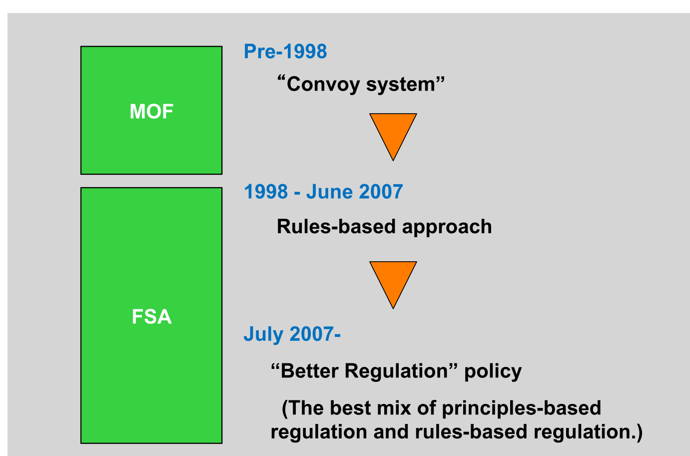
Emerging Regime for the Development of International Financial Standards



In light of lessons learned from the global financial crisis, countries are working in international settings to develop financial standards with the aim of strengthening the global financial system and ensuring financial stability. In this context, Japan is working to make sure that its domestic financial regulation is in line with current international standards, and to play a constructive role in the development of the global financial regulatory regime. Developments on the international stage are being led by the G20 and the Financial Stability Board.

The International Association of Insurance Supervisors (IAIS) is tasked with setting, implementing, and assessing international standards in the insurance industry and promoting coordination among supervisors. In the last couple of years, the IAIS revised its Insurance Core Principles and is currently in the process of formulating a common framework for the supervision of internationally active insurance groups, or ComFrame as it is known. Aflac is watching global financial regulatory developments closely. The Company is an observer at the IAIS and I currently serve as chair of the American Council of Life Insurers' International Committee, which also monitors developments.

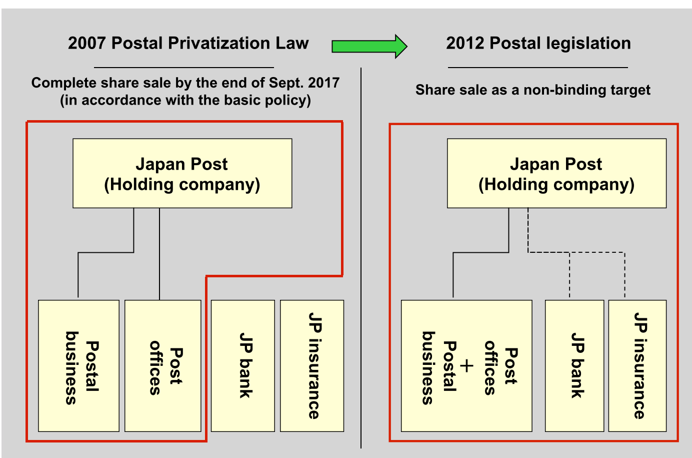
Progress in Financial Regulatory Reform



Japan's financial system has changed dramatically in the past two decades. The old Ministry of Finance emphasized maximum control, industry protection, and the use of informal administrative guidance based on its "convoy system" philosophy. The FSA replaced this philosophy with a rules-based regulatory approach, which relies on transparency and the notion of self-responsibility by financial institutions. In recent years, the FSA has taken further steps to achieve the best mix of principles- and rules-based regulation, calling this the "Better Regulation" initiative.

Along with the Better Regulation initiative, the FSA maintains a proactive approach and continues its role in helping to maintain financial system stability, improve consumer protection and convenience, and establish fair, transparent, and vibrant markets. In light of the lessons learned from the global financial crisis, while the FSA has maintained its Better Regulation initiative, it has become more proactive, especially in enterprise risk management for instance. The FSA has been paying particularly close attention to such issues as investment risk management, protection of personal information, claims payments, and management of customer complaints.

Postal Reform



As I have noted before, in 2005, legislation aimed at privatizing Japan's postal system (Japan Post) was enacted into law. The privatization laws split Japan Post into four operating entities that began operations in October 2007. In 2012, under the DPJ-led government, the DPJ, LDP, and New Komeito reached agreement on legislation which was subsequently passed into law and amended the Postal Privatization Law. The legislation, for example, merges two of the postal operating entities (the one that delivers the mail and the one that runs the post offices); removes the requirement to fully privatize the postal financial institutions (Japan Post Insurance (JPI) and Japan Post Bank) within a certain time frame; and mandates the "universal" and "integrated" provision of postal delivery, banking, and insurance businesses through the Japan Post network.

In regards to business expansion, until 50% of the shares of JPI are disposed of or sold, the exact same approval procedures that we've lived under since October 2007 will remain intact. That is, in addition to product approval procedures that all financial companies have to follow, JPI must seek additional approval from the Prime Minister (delegated to the FSA Commissioner) and Minister of Internal Affairs and Communications (in charge of the post office).

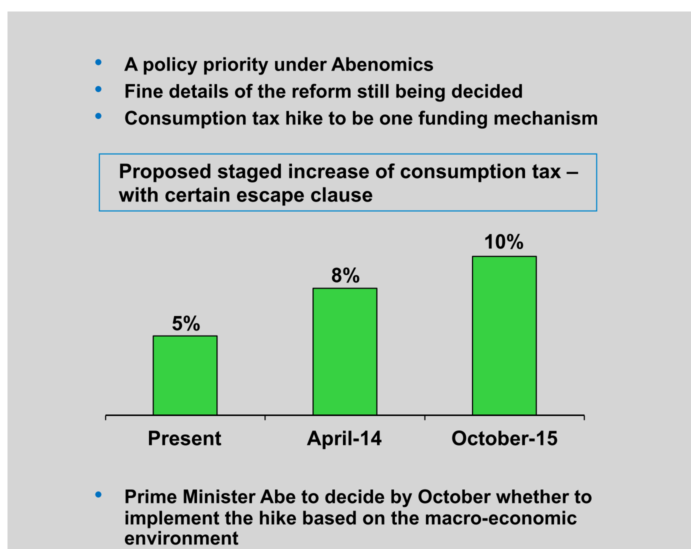
On April 12, 2013, the Government of Japan announced that it would refrain from approving new or modified cancer insurance and/or stand-alone medical products of Japan Post Insurance until it determines that equivalent conditions of competition with private sector insurance suppliers have been established and Japan Post Insurance has a properly functioning business management system in place. This, the government stated, would take at least several years.

In addition, the U.S. and Japanese governments have agreed to work together in the context of the Trans-Pacific Partnership trade agreement, which is currently being negotiated, and through parallel consultations in order to establish a level playing field between Japan Post Insurance and private insurance companies. The TPP negotiations include efforts to develop strong disciplines on state-owned enterprises as a part of broader efforts to build a 21st Century trade and investment architecture in the Asia-Pacific region.

Thus, we do not expect that Japan Post Insurance will be permitted to expand into stand-alone cancer or medical product areas in the near term given the formal standstill in place and numerous steps required to obtain the approval of the government.

As you likely know, Aflac's cancer products are sold through 1,000 post offices around Japan. Japan Post has historically been a popular place for consumers to purchase insurance products. We believe that the ongoing policy debate regarding postal reform is unlikely to change Aflac Japan's good relationship with the post office company.

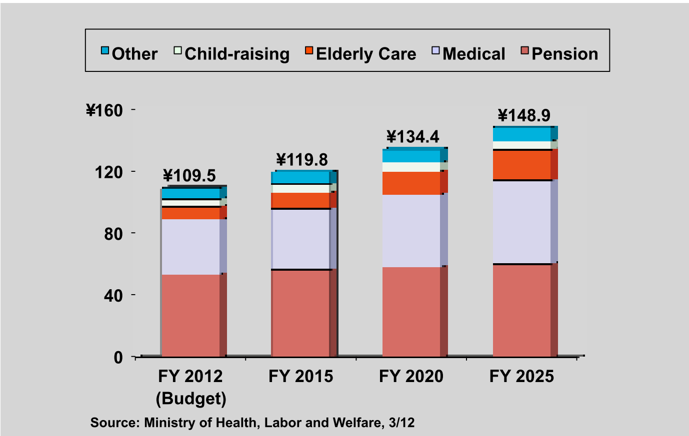
Integrated Social Security and Tax Reform



The Japanese government is compiling its plans for a comprehensive overhaul of the social security system. The reform policies under discussion in the government's National Council on Social Security System Reform will be based on an agreement between the LDP, New Komeito, and DPJ reached in 2012 under the DPJ-led government, which comprised an integrated approach to social security and tax reform. The agreement includes an increase to the consumption tax as one of the primary funding mechanisms. The consumption tax will be raised from 5% to 8% by April 2014 and to 10% in October 2015, with a certain escape clause if the macroeconomic situation is not conducive to an increase. Prime Minister Abe has said the government will decide by October this year.

Rapidly Increasing Social Security Benefits

(In Trillions)



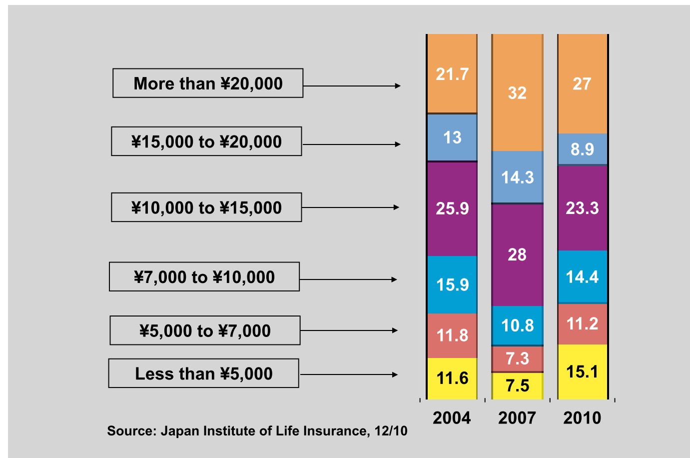
As I have noted in previous briefings, a declining birth rate and aging population are among the most difficult challenges that Japan faces on the path to sustained growth and prosperity. As these trends progress, Japan's publicly-funded social insurance programs will continue to come under ever-increasing financial pressure. It is against this backdrop that discussions are taking place in the National Council on Social Security System Reform and additional policies to build a sustainable social security system will be decided following the Council's report to Cabinet.

Japan's Universal Health Care Insurance System

- **Japan's health care system is under great financial strain**
  - » **Copayments are now 30% for under 70 and high-income seniors, and 10% for people aged 70 and over**
  - » **The government has indicated it may increase copayments for those aged 70 to 74 to 20%.**
- **Given Japan's aging population and declining birthrate, the current system is unsustainable.**
- **Interest in the health care sector, including supplemental medical and cancer insurance products will grow as a result.**

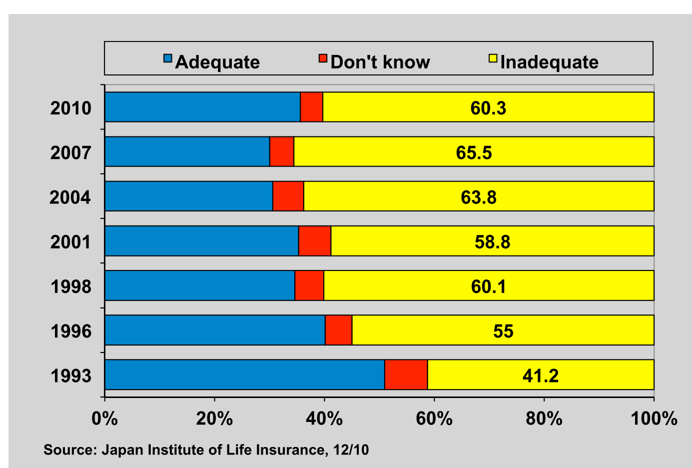
Japan has a compulsory and universal public health care insurance system. The system's costs are covered by premiums paid by the insured and their employers, as well as by taxes and copayments paid by patients. Given Japan's aging population and declining birthrate, as well as the increasing medical expenses, the system has been under great financial strain. Copayments for people under 70 and high-income seniors are 30% while people aged 70 and over only pay 10% of their medical costs. The government is currently considering raising the copayments for elderly people aged 70-74 to 20% in order to ease some of the financial strain on the system. With the elderly population, now at 24.1% of the total population and requiring higher medical expenses than the younger generation who will have to shoulder the burden, the strain on the public health care insurance system will only increase with further demographic change. I believe these factors will lead to enhanced consumer interest in the health care sector, including supplemental medical and cancer insurance products.

Daily Out-of-Pocket Hospitalization Expenses



As mentioned above, the government is in the process of conducting a review of the social security system, including pensions, health care, and nursing care. However, because Japan's declining birthrate, aging population, and related need for fiscal discipline will not change, it is unlikely that the government's final social security reform plan will bring about, for example, an expansion of national health care insurance coverage. Related to this, much of the need for our products will continue to arise because of the many expenses that are not covered by Japan's health care system. Patients will have to continue to bear significant expenses while in the hospital, including extra charges for private or semi-private rooms, special treatments or medicines not covered by the national health care system, transportation costs for family members, and daily necessities. According to the most recent survey by the Japan Institute of Life Insurance, roughly one quarter of patients had more than ¥20,000 of daily out-of-pocket hospitalization expenses.

The Public's View on the National Health Care System



Given Japan's aging population and declining birthrate, the government of Japan faces tight financial conditions, and many people worry that additional increases in out-of-pocket expenses will be necessary. Some worry not only that their burden will increase, but that the scope of government coverage may be reduced as well. In this environment, Aflac's products are well-positioned to meet changing customer needs.

With regard to government payments to families with children, as mentioned in my last briefing, in March 2012, legislation making the "Child Benefit Program" permanent passed the Diet. Under the law, a monthly allowance of ¥15,000 ($150) is given for each child under three years old; ¥10,000 ($100) each for the first and second child aged from three up to their last year of elementary school; ¥15,000 each for the third and subsequent children in the same category; and ¥10,000 for each middle school student. A family with two children with a combined household income of ¥9.6 million or more annually will receive ¥5,000 ($50) per child.

In closing, the path to the economic revitalization of Japan won't be easy and is by no means a given. But, with that goal in mind, the new government under the leadership of Prime Minister Abe is already making an impact as a result of the economic policies it has implemented thus far. If this positive trajectory continues, which currently looks promising, it can only lead to a better business environment for all companies operating in Japan, especially those that are customer-centric, agile and proactive such as Aflac. In any case, as we always have, we will comprehensively prepare for any environmental changes and continue to closely interact with our public policy stakeholders to anticipate change and advocate for constructive solutions. Aflac is well-positioned to take advantage of the opportunities presented, and we believe that we will continue to be a successful company in the Japanese market.

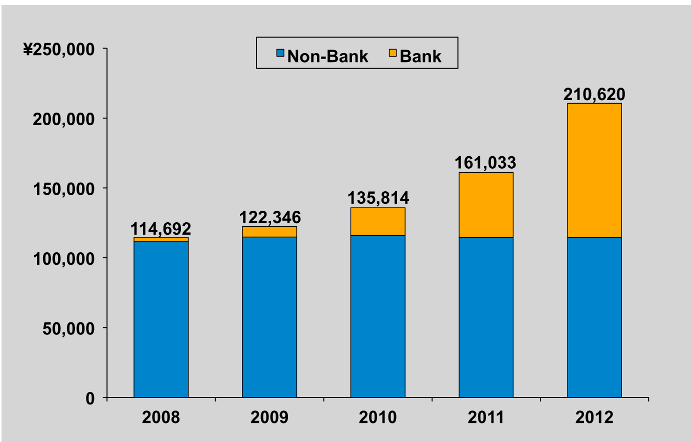
Aflac Japan Marketing and Sales

Koji Ariyoshi
Executive Vice President; Director of Marketing and Sales, Aflac Japan

This presentation will cover Aflac Japan's marketing and sales strategies and activities for executing these strategies. Let me begin with a discussion about Aflac Japan's new annualized premium sales.

Aflac Japan New Annualized Premium Sales

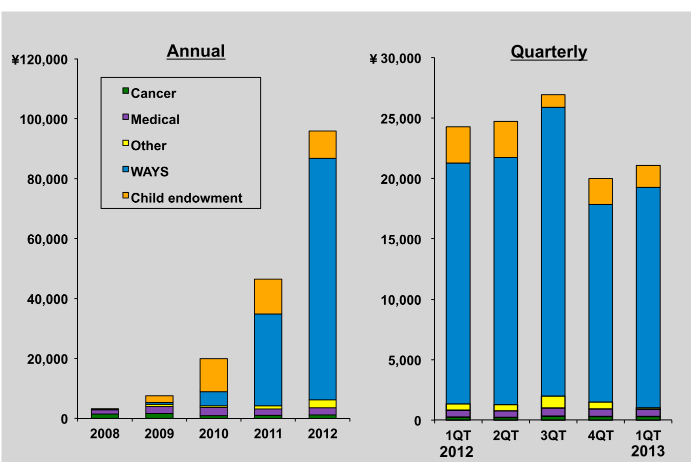
(In Millions)



Following two years of record-breaking sales and strong growth, 2012 was another all-time record year for Aflac Japan, with new annualized premium sales exceeding ¥200 billion. Significant growth in the bank channel drove this strong growth, while sales through non-bank channels remained relatively flat.

Sales by Bank Channel

(In Millions)

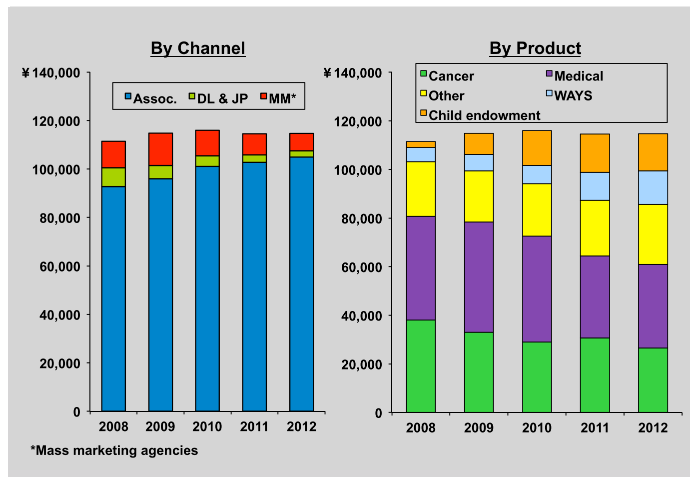


In December 2007, banks were permitted to sell all insurance products, including those in the third sector. During the last several years, bank channel sales grew dramatically with our WAYS product as the primary driver. Additionally, we allocated a great deal of resources, including staff, to the bank channel.

Beginning in the fourth quarter of 2012, sales of WAYS began to decline in great part due to our lowering the discounted advance premium, or DAP, rate. Additionally, we saw competitors re-enter the market selling products that compete directly with WAYS in the bank channel, including single-premium whole-life policies. Banks also focused on selling investment trust products. Further declines were seen in first quarter sales of WAYS through banks, resulting in a 13.2% decrease in all product sales year over year. The standard reserving rate change and increased premiums for our first sector products went into effect April 2nd and will further dampen consumer demand for our first sector products. As a result of the repricing, the premium for child endowment increased about 5% and WAYS increased around 20%.

Sales by Non-Bank Channel

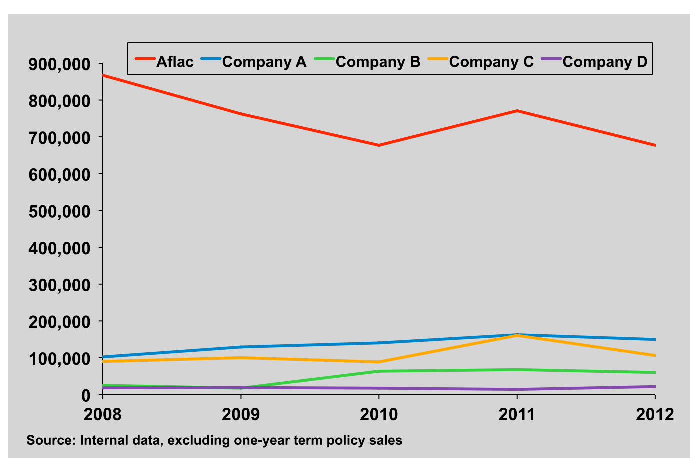
(In Millions)



This chart shows sales results for non-bank distribution channels. Through the first quarter of 2013, sales through our non-bank channels accounted for 60.8% of total new sales. As you can see from this chart, cancer and medical insurance sales make up the majority of what non-bank channels sell.

Comparative Cancer Policy Sales

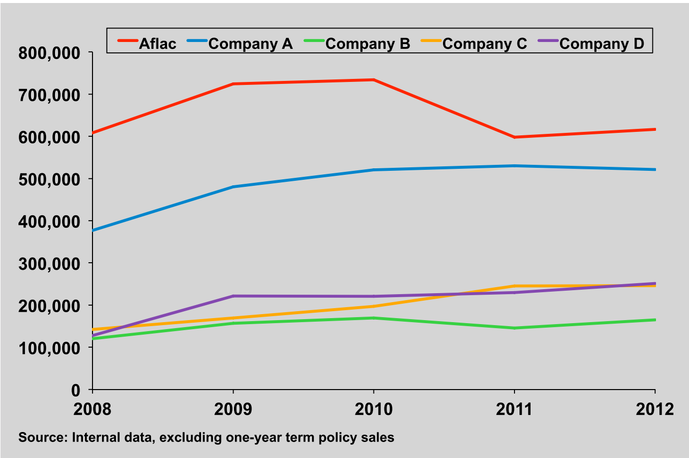
(Stand-alone Basis)



This chart shows the competitive environment in the cancer insurance market. With an overwhelming competitive advantage, Aflac has established an unchallenged number one position in the cancer insurance market, which affirms our reputation as a strong product innovator and trusted brand. Our cancer product remains an important part of our overall product portfolio. We remain committed to maintaining our status as the number one seller of cancer insurance.

Comparative Medical Policy Sales

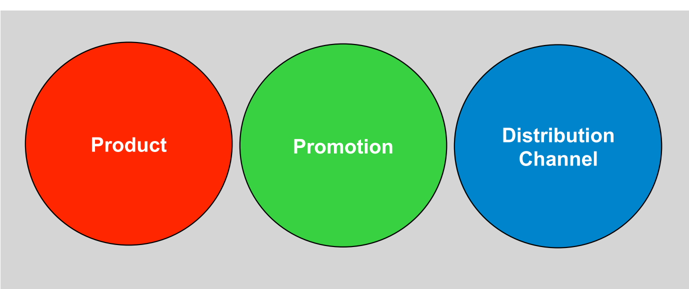
(Stand-alone Basis)



Source: Internal data, excluding one-year term policy sales

Next, I would like to discuss the medical insurance market. Competition in this already competitive market is intensifying, especially on a pricing basis. Even amid this backdrop, Aflac has maintained its leading position in the medical insurance market. Our stand-alone medical product EVER remains one of our two pillar products, and we continue to enhance EVER products to increase competitiveness and achieve greater market penetration.

Building the Business Going Forward



I would also like to discuss how we will continue to grow our business and the key initiatives we are undertaking to position us for growth in 2013 and beyond. We believe that a key component to our future growth is leveraging and expanding our strong position within the third sector. We will do this by strengthening our product offerings, our promotion strategies and our distribution networks.

Building the Business – Product Strategy

- **Develop products that meet evolving needs of consumers**
  - » **Advancements in medical treatment**
  - » **Increasing outpatient treatment**
  - » **Shorter hospital stays**
- **Competitive premiums**

A key aspect of our product strategy is to ensure that we meet and stay ahead of the evolving needs of consumers. This includes creating new products and enhancing our existing products. For example, recently our product upgrades have included benefits for advancements in medical treatment. The number of days of average hospitalization between 1999 and 2010 declined by more than 30%, and more than 80% of patients now receive some type of outpatient treatment. Accordingly, many of our product revisions in recent years have enhanced outpatient benefits.

Furthermore, it is equally important to analyze data and understand what demographics provide the most market potential and accordingly where we could strive to have a greater presence. As I covered last year at our Tokyo analysts meeting, the segment of consumers in their 20s to 40s represents an area where we are underpenetrated. To further permeate that market, we believe it is important to enhance and develop products that appeal to this particular age group. Through our research, we know that competitive premiums are a key decision point for this group of consumers, particularly for women. We are planning to launch a medical product in the second half of 2013 that not only has the best features, but is also highly competitive in terms of pricing.

Building the Business – Distribution Strategy

- **Energizing**
  - » **Corporate agencies**
  - » **Individual agencies**
  - » **Banks**
- **Growing new channels**
  - » **Walk-in retail shops**
  - » **Aflac Consultants**

Expanding our distribution channels is another key to our future growth. As we look to 2013 and beyond, we believe that energizing our existing channels, and growing new channels, such as Aflac Consultants, is how we will build on our success.

We have strengthened our distribution network to better enable our customers to purchase insurance products where they prefer to buy them. Staying true to this simple philosophy has yielded great success. In doing so, we have learned how to adapt to changes in customers purchasing preferences. It is this adaptability and expansion that is another key component to our success.

Distribution Strategy – Energizing Existing Channels

Corporate Agencies	• Establish call center • Make telephone appointments for existing policyholders • Recruit and train agents
Individual Agencies	• Facilitate consultative training program
Banks	• Promote product cross-selling

Energizing and revitalizing our existing distribution channels is a core initiative for the growth of our distribution networks. For the corporate agencies, we will support their efforts in setting up their own dedicated call centers designed to establish contact points with consumers and also assist them in recruiting and training their sales agents. For the individual agencies, we will provide sales skills enhancement training for third sector products and implement a new consultative training program. Within the bank channel, we will continue to promote and support the cross-selling of multiple products. Shinkai-san will discuss the bank channel in more detail in his presentation.

Distribution Strategy – Building New Channels

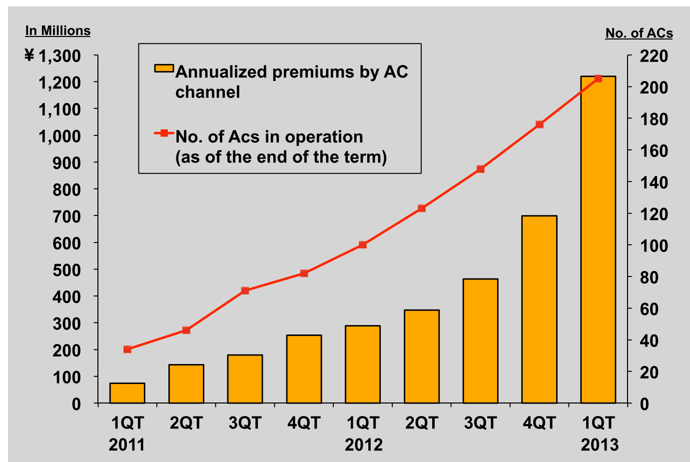
Walk-in Retail Shops	• Expand walk-in shops focusing on three major metropolitan areas • Develop high-quality consultative skills through training programs
Aflac Consultants	• Expand and enhance direct face-to-face sales channel offering consultative sales

Building new distribution channels is another key component to achieving growth for Aflac Japan. It is especially important for Aflac Japan to establish more of a presence with the underpenetrated demographic of consumers in their 20s to 40s. About 60% of this age group prefers to purchase insurance through face-to-face solicitation. We firmly believe that understanding the purchase behavior of consumers and rolling out a tailored channel strategy are essential to acquiring new customers.

Starting in October 2012, we began developing large walk-in retail shops in three major metropolitan areas in Japan. As of March, we had created 10 shops under the brand of *Yoku Wakaru Hoken Annai*, or "Easy-to-Understand Insurance Navigation," and we are planning to further expand by opening more shops this year. These will be enhanced shops that must meet specific requirements in order to qualify to use this new retail shop designation. These shops are required to have salespeople who are designated financial planners or have successfully completed an Aflac training program that focuses on building consultative sales skills. A similar sales training program is also utilized by existing Aflac Service Shops and ensures that we have consistency and high-quality sales techniques being employed by both the retail shops and existing service shops. Our recent commercials also promote the retail shop as a valuable tool for consumers to use in making their insurance choice.

In addition, we continue to expand our more recent channel called Aflac Consultants, or AC, that was introduced in January 2011.

Distribution Strategy – Aflac Consultants



The Aflac Consultants channel was created to deliver comprehensive face-to-face consulting services primarily to consumers in their 20s to 40s. The AC channel is focused on the three major metropolitan areas where this demographic is concentrated. This channel has steadily generated positive results since its introduction, and as of the end of March, more than 200 Aflac Consultants are selling Aflac insurance. By effectively allocating leads acquired by Aflac to our ACs, we have succeeded in producing great results. Going forward, we believe the AC channel will play an important role for the Company and therefore we plan to increase the number of ACs to 600 by 2015. We will also focus the efforts of the ACs more on cross-selling to existing Aflac customers.

I believe this progression of our distribution expansion shows that we have developed the adaptability and the distribution network to better serve potential customers where they want to purchase our products.

Distribution is an important aspect of our accomplishments, and our trusted brand is another aspect.

Building the Business – Promotion Strategy

- **Enhancing strong brand and name recognition**
- **Highlighting products and benefits**
- **Encouraging visits to walk-in retail shops**

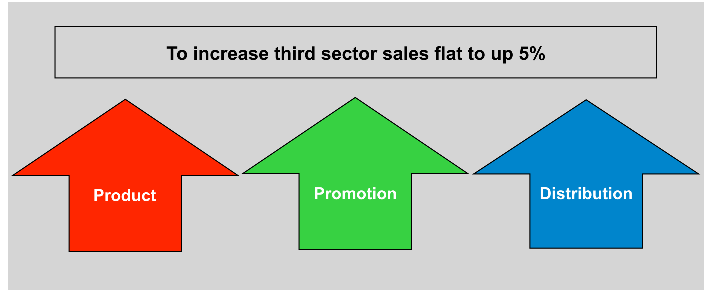
Aflac's success in creating and maintaining a strong brand is largely attributable to our promotion strategy. Our connection with consumers through effective product promotion is a vital competitive strength for Aflac, and we will continue to focus our efforts on our marketing strategies.

Our brand recognition in Japan is extremely strong. We will continue to implement promotional activities that enhance our strong brand and appeal to consumers. We will also continue to launch promotional strategies that highlight the benefits that set our products apart. Additionally, we will expand our promotional activities by developing marketing strategies that encourage consumers to visit retail shops.

Aflac Japan Commercial

This year, we launched commercials that highlight our new retail shops, including one that shows the power of the housewife in making insurance decisions.

2013 Outlook



By executing the product, promotion and distribution channel strategies I covered, I am confident we will achieve our goals in 2013. We expect to produce third sector sales growth of flat to up 5%. As we design our product and distribution initiatives with an eye for the future, we believe the competitive strengths that have driven Aflac Japan's success over the years will continue to benefit us going forward.

Aflac Japan Bank Channel Sales

Hisayuki Shinkai
First Senior Vice President, Financial Institutions, Aflac Japan

This presentation will update you on some recent developments and sales trends in the bank channel, as well as our strategy for 2013 and beyond. Let me first cover recent developments.

Aflac's Extensive Reach Within the Bank Channel

(March 31, 2013)

	No. of Banks		Coverage
	Total	Aflac Agencies	% of Banks
Mega banks	4	4	100%
Regional banks	105	105	100
Shinkin banks	270	246	91
Other banks	22	18	82
Total	401	373	93%

In Japan, there are 401 banks of various types and sizes, and we have agreements with 373 of them. This equates to more than 90% of all banks in Japan selling our products. We believe this number is significantly greater than any of our competitors and reflects the solid relationships we've developed with the banks.

Bank Adoption by Product

(March 31, 2013)

	No. of Banks that Adopted Product	Coverage
Cancer	288	77%
Medical	252	68
WAYS	237	64
Child endowment	269	72

As shown on this chart, the majority of banks are selling multiple Aflac products. In particular, the number of banks that have adopted our third sector products, such as cancer and medical, is far greater than that of our competitors.

Average AP by Product for Bank Sales

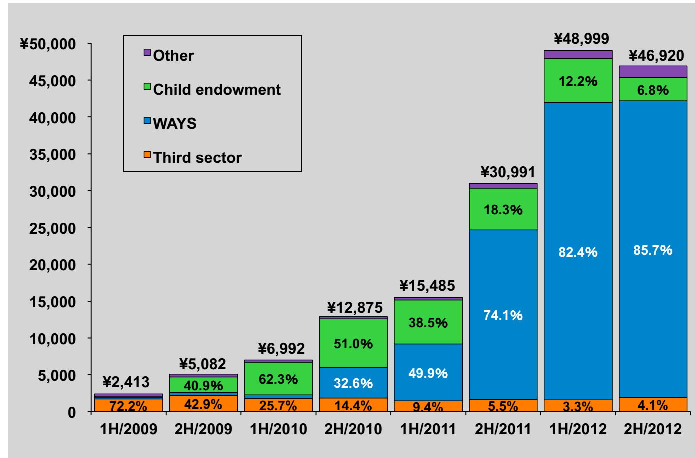
(First Quarter 2013)

	Per Policy
Cancer	¥ 29,100
EVER	43,100
Child endowment	182,200
WAYS	480,900

WAYS has the highest average annual premium per policy among our product lines. The average premium for our WAYS product is more than 10 times that of our third sector products such as cancer and medical insurance. Although the commission percentage paid per yen premium on WAYS is less than that of our traditional third sector products, the higher total premium per policy on WAYS provides banks with very attractive commissions overall.

New AP Through Banks

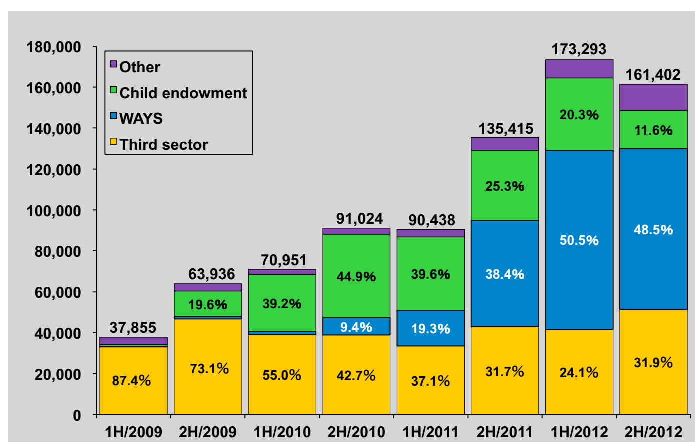
(In Millions)



This chart shows the trend of bank sales since 2009 on a semi-annual basis. As you can see, the sales of WAYS have grown significantly, driving more than ¥80 billion of sales in 2012. Even after all banks stopped selling 5-pay WAYS by the end of September 2012, WAYS still represented more than 80% of total bank sales last year. Although third sector sales as a percentage of total bank sales declined year over year, on an absolute basis, third sector sales in 2012 grew 13% over the prior year.

Policies Sold Through Banks

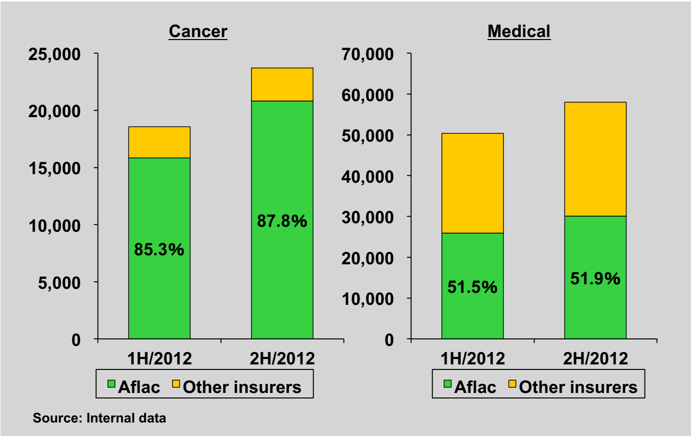
(Number of Policies Sold)



This chart shows the trend in the number of policies sold by product through banks. In terms of the number of policies, WAYS only accounted for approximately 50%, while third sector products represented about 30% of policies sold through banks. We believe this demonstrates that banks and their customers find our third sector products to be attractive as well.

Market Shares in Bank Channel

(Number of Policies Sold)

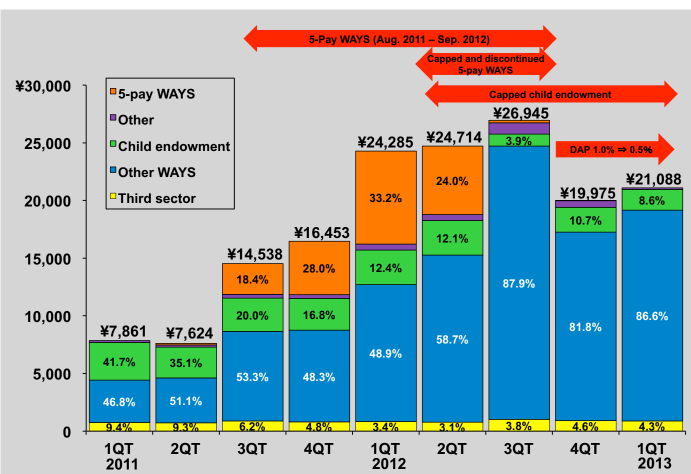


As you may recall, when the ban on sales of insurance products by banks was lifted in December 2007, we diligently worked to establish agreements with as many banks as possible to sell our third sector products. We executed on this well in advance of our competitors, and as a result, far more banks sell our third sector products than the competitors. In addition, we have consistently supported banks with intensive training programs for their employees to help improve their presentation and sales skills.

Our efforts have resulted in Aflac having the largest share of third sector market sales through banks in terms of policies sold. In the second half of 2012, nearly 90% of cancer product sales and more than 50% of medical product sales in the bank channel came from Aflac policies, surpassing all competitors within this channel.

Recent Changes in Product Mix

(In Millions)

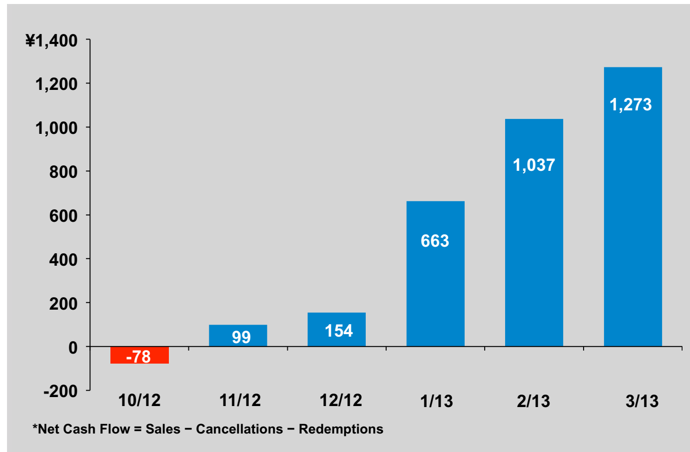


I would now like to discuss recent activities and events, both internal and external, that have impacted our sales through the bank channel. As you will recall, following the introduction of 5-pay WAYS in August 2011, this product sold extremely well. In April 2012, we implemented a cap on sales of 5-pay WAYS, and by September sales of this product were discontinued. We stopped sales of 5-pay WAYS to avoid disintermediation risk. Additionally, we capped the sale of child endowment products from April 2012 through March 2013. In April of this year, we repriced our first sector products, including WAYS and child endowment. We also reduced the discount rate for DAP from 1.0% to 0.5% in late October 2012 in order to further improve profitability of WAYS and child endowment.

Toward the end of the year, we saw a strong increase in consumers who were expanding their search for various savings-type products, especially as the economic policy of the new government took hold. As a result, sales in the fourth quarter of 2012 declined by about 25% compared to the previous quarter.

Net Cash Flow* to Investment Trust

(In Billions, All Channels)



The Japanese financial market has experienced significant change in the wake of "Abenomics." Net cash inflow to investment trusts has grown significantly as consumers see a sharp rise in the Nikkei index. Recent data from the Investment Trust Association showed that net cash inflow in March of this year marked a roughly six-year high. As more than half of the investment trusts are sold by banks, this represents a sizeable amount of cash flow that is being shifted away from the sale of insurance products.

Revision of Premiums

(In Thousands)

10-Pay WAYS Example

	Premium with DAP through April 1, 2013	Premium with DAP on and after April 2	Premium Change
Male	¥2,975	¥3,529	18.6%
Female	¥2,704	¥3,309	22.3%

Based on insured amount of ¥5 million, age 40

On April 2nd of this year, we revised the assumed interest rate used for first sector products based on the change in the standard reserving rate mandated by the FSA. In looking at the impact of premium revisions for WAYS, the premium level for a 40-year old purchasing a 10-pay WAYS policy increased by almost 19% for males and 22% for females. These figures also reflect an increase in the DAP rate from 0.5% to 1.0%.

With respect to third sector products, we did not change the rates, and we are maintaining our competitiveness in that market.

Key Strategies in 2013 and Beyond

- **Cross-selling**
  - » **Product enhancement**
  - » **Reinforcement of training**
  - » **Packaged cross-selling tools**
  - » **Direct mailing**
  - » **Telephone marketing**
- **Increasing consumer awareness of insurance sales at banks**

Reflecting recent changes in the market environment and premium revisions made in April, sales of WAYS are expected to decline significantly this year. Therefore, we have implemented two key strategies. One strategy is to expand cross-selling efforts, which involves product enhancement, reinforcement of trainings, use of packaged cross-selling tools, direct mailing and telephone marketing. Another key strategy is to increase consumer awareness of banks as a distributor of our products.

Of the customers who bought our products through banks, 70% of them are new to Aflac. WAYS and child endowment products have been attracting new customers we could not effectively approach before, enabling us to build a new customer base. Since last year, we have been focusing on leveraging the sale of WAYS and child endowment to promote the sale of third sector products. As I previously explained, third sector sales through banks have steadily grown since last year. We will continue to further strengthen our cross-selling activities this year.

Cross-selling – Product Enhancements

- **Reduce WAYS' minimum coverage from ¥2 million to approximately ¥1 million**
- **Add new level payment plans based on bank request**
- **Roll out medical product appealing to consumers in their 20s to 40s**
- **Introduction of GIFT to bank channel**

In the second half of this year, we plan to enhance some features of WAYS to make this product easier for banks to sell. For example, we will reduce the minimum coverage on DAP payment selections from ¥2 million to approximately ¥1 million.

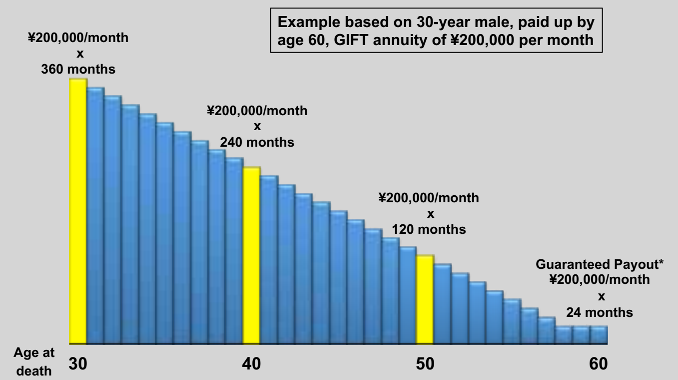
In response to banks' requests, we will add new level payment plans that allow policyholders to pay monthly premiums in rounded amounts, such as ¥10,000 or ¥20,000. This is more consistent with amounts consumers are accustomed to paying for savings-type products, with funds collected by banks on a monthly basis.

We also believe these revisions to WAYS will be appealing to the asset-building class of customers. The asset-building class is a relatively younger subset of customers who are in their 30s to 40s and who are focused on accumulating financial assets for education of children as well as home purchases. We expect to expand our customer base through these product enhancements.

As discussed in Ariyoshi-san's presentation, we plan to introduce a medical product in the second half of this year, which will present more competitive premium schedules that appeal especially to our underpenetrated customer age demographic of 20s to 40s. In order to secure success of this new product through cross selling, our revision of WAYS at this time is very important.

In addition, we will introduce a product called GIFT to the bank channel later this year.

Product Structure of GIFT



*When death occurs within 2 years prior to the end of coverage, minimum of 2-year payout period guaranteed

Typically, a life insurance policy pays a death benefit in a lump sum. By contrast, GIFT provides beneficiaries, typically family members, with a monthly annuity until the insured would have turned 60. For example, a male who purchases the product at age 30 pays a monthly premium of ¥6,740. If he dies at age 40 or 50, the beneficiary of the plan will receive ¥200,000 every month for 240 months or 120 months, respectively. Because of the affordability of GIFT, compared with other life insurance products, we believe it will appeal to younger consumers.

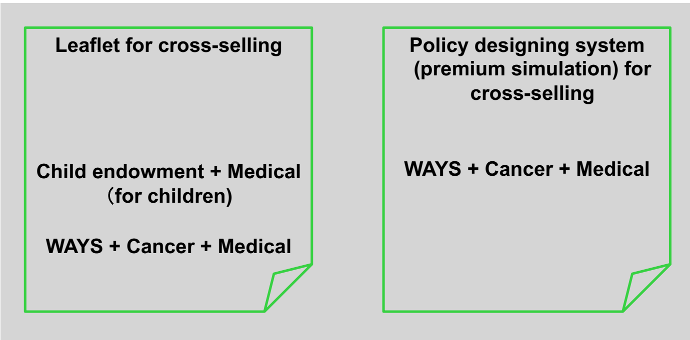
These features are also appealing to banks who seek to make their product line more comprehensive to facilitate consultative sales. With the introduction of this product, our portfolio of products available through banks is complete with a genuine death coverage product, a savings oriented product, WAYS, and third sector products such as cancer and medical.

Cross-selling – Reinforcement of Training

	2012	2013 (Plan)
Number of training sessions per branch	1.2	3.3
Number of branches receiving training sessions	18,998	7,346
Total number of training sessions	23,161	24,000

We are dealing with approximately 19,000 branches of 350 banks. In 2012, we provided them with 23,000 training sessions, an average of 1.2 sessions per branch. This year, we selected 7,300 branches from 19,000 that we think have the most potential to cross-sell, and we will provide them with focused training sessions about three times as often as we did last year.

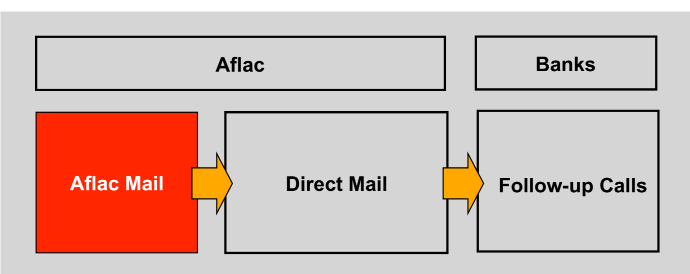
Packaged Cross-selling Tools



We are also focusing on enhancing tools for cross-selling. In the past, we used different sales materials for different products, but now, we are using packaged brochures and other sales materials for cross-selling products such as child endowment and medical for children and this summer, we will introduce a package featuring WAYS, cancer and medical. We are aiming at providing relevant sales materials based on character or demography of customers.

In addition, we have developed a system that will enable us to simulate premiums for multiple products at the same time. For instance, when a customer considers buying WAYS, we will also discuss information on the total premium on cancer and medical to present a catalyst for cross-selling. Our new simulator will efficiently present the results of simulation and this will facilitate cross-selling.

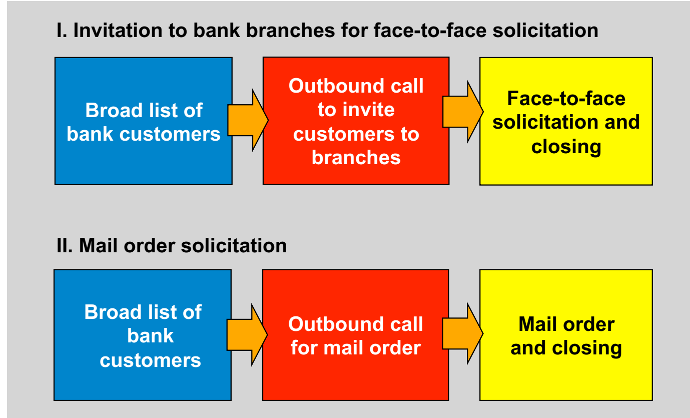
Cross-selling – Direct Mail/Follow-up Calls



We will also reinforce the use of direct mailings. Periodically, we are sending our policyholders “Aflac Mail,” which is an annual reminder of the policies they have. Immediately after this “Aflac Mail,” we will send additional direct mails related to third sector products to a customer pool consisting mainly of WAYS and child endowment policyholders. In addition, banks will make follow-up phone calls to solicit third sector sales.

We will implement these initiatives prior to the launch of the new medical product in the second half of this year.

Cross-selling – Telephone Marketing



Further, we will launch telephone marketing to extend sales activities not only to our policyholders but also to additional bank customers. There are two reasons for the outreach method. One is to invite customers to bank branches for a face-to-face solicitation and the other is to solicit sales through mail orders. We plan to start the first project in August with a regional bank.

Consumer Awareness of Bank Sales

Aware that banks sell insurance products	**32.6%**
Solicited by bank staff for insurance sales	**9.7%**
Satisfied/mostly satisfied	**71.7%**

Source: Survey by Macromill, 4/13

Bought any life insurance product through banks:
2009 survey - 2.6%
2012 survey - 4.2%

Source: Japan Institute of Life Insurance

As I previously mentioned, it is very important for us to increase consumers’ awareness that banks are selling insurance products.

A survey we conducted last month showed that 32.6% of consumers surveyed knew that banks were selling insurance products. Additionally, less than 10% of those who visited banks for non-insurance purposes were actually solicited by bank employees for the purchase of insurance products. Importantly, 72% of those who actually bought insurance products at banks were satisfied with the service they received and indicated they would buy insurance products at banks in the future. Therefore, we believe there is significant potential to enhance consumer awareness of insurance sales through banks and leverage the consumer’s positive experience with the bank to improve sales within this channel.

Another survey conducted by the Japan Institute of Life Insurance in 2009 showed that 2.6% of policyholders bought insurance products through banks. This percentage grew to 4.2% in their 2012 survey. There is clearly room to improve further.

We will use newspapers, advertisements, posters at bank branches and training of bank sales personnel to support banks in achieving their goals of providing customers with a broad range of quality products and services.

We have worked hard to build the bank channel for the past five years and we feel good about the state of our relationships with banks today. Going forward, we strongly believe the bank channel is an important part of our future in Japan. In thinking about our sales outlook for 2013, we have taken into account April sales results, the impact of premium increases for first sector products, and a shift of retail funds from insurance products to more market driven products such as investment trusts. Taking those factors into consideration, we expect to see a decline of 40% to 60% in overall bank sales in the second and third quarter of this year. However, beginning in the fourth quarter, we expect sales to recover somewhat, mainly due to the revision of WAYS scheduled later in the second half of this year. We also expect to return to sales growth in 2014 and believe our strong relationships and ongoing efforts with the banks will yield sustainable opportunities in the future.

Aflac Japan Administration

Jun Isonaka
First Senior Vice President; Chief Administrative Officer, Aflac Japan

Efficiency Improvement Measures by Leveraging IT

- **AANET**
- **Benefit and Claims Workflow System**

I would like to share information with you regarding Aflac Japan's efforts to provide the best customer service, while at the same time maintaining low-cost operations from an administrative perspective.

To further improve efficiency while maintaining quality service, Aflac Japan is actively employing IT solutions. One of the IT solutions is AANET, which is a sales support system that provides information and services to Aflac sales associates via the Internet. Aflac Japan developed and launched AANET in 2000, and since then this system has been actively used as a powerful supporting tool for our marketing activities, such as preparing premium quotations and sorting customer data using various search options for product, age, address and group attribute. This allows our associates to effectively suggest additional policies or riders to their customers. AANET also helps our sales associates verify policyholders' policy status and download policy maintenance documents, just to name a few functions. Previously, our sales associates had to process customers' address changes by paper. But now, they can directly register new addresses on AANET and complete all processes electronically. At present, 99% of our address change transactions are processed paperless.

Let me turn your attention to another IT highlight: Our benefits and claims payment workflow system was implemented at the end of February 2011. In this workflow system, written claims documents received from customers are internally scanned and then examined without physically transferring real documents. The system enables paperless administration; eliminates the risk of losing documents; and reduces the time for cross-departmental handover of documents. This has led to a more efficient claims operation. This workflow is also effective in improving customer service as transforming paper-based data into electronic records makes it possible for us to retrieve information easily and respond to inquiries from customers promptly.

Aflac's Inbound Call Centers

Aflac Call Center
(Inquiries from existing policyholders)

Associates Support Center
(Inquiries from sales agencies)

Alliance Support Center
(Inquiries from banks, Japan Post and Dai-ichi Life)

Next, let me discuss Aflac's Call Centers, which play an extremely important role in serving our customers and associates. Currently, we have three call centers, and they are separated according to the type of callers. One is the Aflac Call Center, which receives 1.7 million inquiries for policy maintenance from our customers. Another is the Associates Support Center, which takes calls from our sales associates. The third one is the Alliance Support Center, which takes calls from our larger sales channels such as banks, the Japan Post Network and Dai-ichi Life.

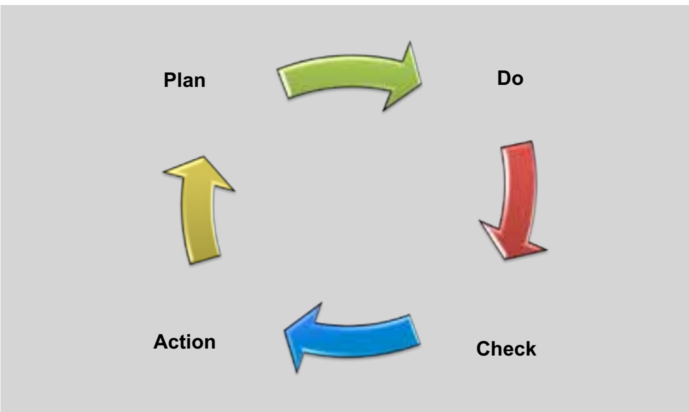
We believe offering high-quality service through the call centers is very important in contributing to improving customer service as well as to maintaining strong relationships with all stakeholders, including our customers, sales associates as well as banks, Dai-ichi Life, and Japan Post.

Quality of Operation

Aflac Japan received the Strategy Category of Contact Center Award 2011, the most prestigious award among other categories.

In September 2011, Aflac Japan's Alliance Support Center won the most outstanding Contact Center Award in the Strategy Category. This is the only award of its kind, targeting all contact centers in Japan. The Strategy Category rewards a call center's strategic plans and results with respect to contributions to the company's operation and improvement of values of customers' assets. Winning the first prize in this category means that Aflac Japan's quality in the operation of the Alliance Support Center developed over the past four years has reached a level of excellence recognized by the industry. And we will ensure that we maintain this high quality standard. I believe winning this award has helped to deepen the trust of our clients.

ISO10002: Customer Complaints Management System



As I mentioned, the Aflac Call Center receives about 1.7 million inquiries from customers and sales associates each year. Customer requests and complaints received by our sales offices and associates and those received at the Aflac Call Center are systematically compiled and analyzed to give us an opportunity to improve our services companywide. As for the specific measure, we have established the commonly known "PDCA Cycle" for the purpose of our customer service. As you know, "PDCA" stands for "Plan," "Do," "Check" and "Action." More specifically, for "Plan," we are consciously *planning* specific actions and targets pertaining to our customer complaints management system. For "Do," in addition to resolving customer service issues, we are *doing* a detailed analysis on the customer complaints and requests we receive to highlight areas we can improve upon. For "Check," we are *checking* complaint trends and customer satisfaction survey results to precisely understand this feedback and determine what challenges we are facing. And for "Action," we are putting these efforts into *action* so we can continually improve the customer complaints management system. After our PDCA Cycle gained a third-party certification, we issued a declaration on July 1, 2010, that confirms our system conforms to the international standard for customer complaints management, known as ISO10002. We receive this evaluation every year, and in January 2013, we were again granted this certification as we continued to meet the standards. Aflac Japan's ISO10002 certification plays an active role in our appeal to external parties by tangibly demonstrating our sincere commitment to customer service and we are very proud of this achievement as a company that is committed to backing up our promise to more than 22 million policies in force.

Lapse/Surrender Rates

(Individual Insurance Only, FSA Policy Basis, 03/12)

Industry average	5.24%
Aflac	4.17%

Source: The Life Insurance Association of Japan

This slide exemplifies our continuing efforts to preserve in-force business. As an index to measure our performance in preserving in-force business, Aflac Japan places particular importance on the surrender and lapse rate. As shown on this slide, Aflac Japan's surrender and lapse rate for fiscal year 2011, which ended March 2012, was 1 percentage point lower than the industry average, which shows our competitive edge with respect to persistency.

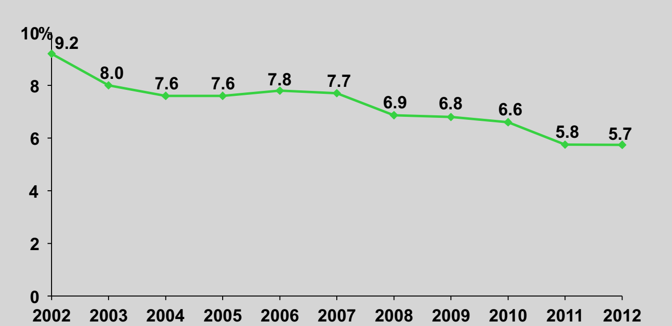
Key Points for Maintaining In-force Business

- **Sales agencies take follow-up action**
- **Communicate the importance and financial impact of maintaining persistency rates to sales agencies**

To grow our business, it is certainly important to encourage our policyholders to keep their policies for a long period. As the primary point of contact between Aflac Japan and our customers, it is equally important that our sales associates conduct timely and appropriate follow-up actions. To support our sales associates in taking such actions, we have been emphasizing the importance of maintaining in-force policies. We do this by educating our sales associates and providing them with information, including surrender and lapse rates as well as successful initiatives executed by other sales associates. By doing so, we can create an environment where sales associates are in tune with how their follow-up activities directly impact policy persistency. Additionally, to encourage our policyholders to maintain their policies, we are planning to reinforce follow-up actions, such as calling policyholders directly to prevent lapses that may result from premium payment issues.

Policies Not Issued

(Percentage of All New Applications)

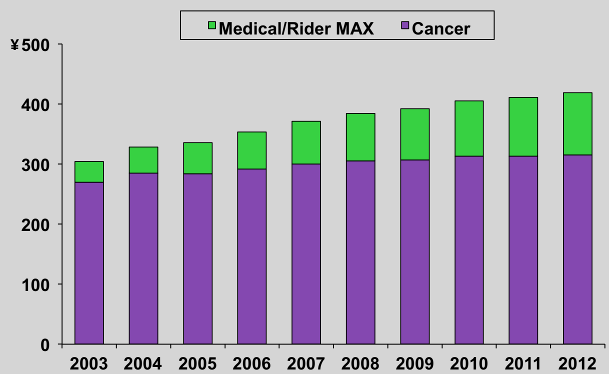


Source: Internal Aflac data

In addition to the efforts to maintain our in-force business, we have been making an effort to reduce the number of policies that were not issued primarily because the applications were incomplete. We have been providing sales associates with reference materials on estimated profit losses on the policies that we were not able to issue due to incomplete applications. This information has helped them understand the importance of reducing errors and omissions in the application process. The percentage of applications with errors and omissions has trended down over the last several years as the result of our sales associates' improved awareness.

Claims Payments

(In Billions)



Source: Internal Aflac data

This chart shows the actual claims payments in yen made during 2003 through 2012. As you can see, the actual payment amount has been growing steadily. In 2012, we paid about ¥315.1 billion on about 310,000 cancer claims. The total amount paid on medical policies in 2012 was about ¥103.4 billion, but we made approximately 560,000 payments, which were greater than the number of cancer insurance payments.

The most important service an insurance company can provide is to live up to its promise of paying benefits accurately and promptly when policyholders need them the most. Last year, Aflac Japan reinforced our commitment to providing accurate claims payments. For example, to improve the accuracy of data entry, we changed the vendor for the input center and introduced a new input method in April 2012. This action has led to a significant reduction in input errors. To further improve the accuracy of our operations, in October 2012 we changed the operational work flow to add a step to verify claims evaluation results before every payment is made. Moreover, we added 80 claims evaluation staff members to enhance the claims payment process.

We are taking measures to further enhance the accuracy in our claims payments to ensure that our customers can make use of their insurance policies when the need arises.

Disaster Readiness

- **Two operation centers in Japan**
- **Continuity of call center operations and claim payment activities**
- **Strengthening operational structure**

I would like to explain our disaster readiness plan. Aflac Japan has maintained two administration bases since 1996: Tokyo in eastern Japan, and Osaka in western Japan. This dual-site administration structure has been built as part of our disaster readiness plan which enables Osaka to undertake the overall operations in the event Tokyo is affected by a disaster.

Through experiencing the earthquake and tsunami disaster in 2011, we have learned many lessons and have further deepened our awareness that in no event should we, nor did we ever stop our operations in order to be there for our customers in their greatest time of need. In other words, we must achieve our mission of paying claims and benefits accurately and speedily; and we must secure a reliable customer-servicing system where our customers can always reach us when they need us the most.

When the earthquake hit Japan in 2011, we continued our operations without interruptions. However, due to the damage to the power plants, our administrative operation in Tokyo was significantly constrained in terms of business hours by energy conservation efforts by the community as a whole. To overcome the constraints, we took several measures such as sending staff to Osaka and setting up a temporary call center in a location unaffected by the power-saving plan.

Based on this experience, to ensure a seamless operation between Tokyo and Osaka in the event of a disaster that may occur in the future, we enhanced the call center operations and claims payment operations last year. As part of this initiative, in February of last year we enhanced our call center in Osaka by creating a team dedicated to addressing inquiries from financial institutions. This enables us to respond to inquiries from financial institutions across the nation even when Tokyo is affected by a disaster. As for the claims payment operation, since April of last year we have shifted our staff from Tokyo to expand the volume of processing in Osaka in the event of disasters in Tokyo. These enhancements further strengthen our operational structure in the event Tokyo is affected by a large disaster.

Aflac Japan has a corporate culture where operational efficiency is always pursued with a motivation towards improvement and innovation. This corporate culture has been fostered through the effective implementation of business process improvement activities promoted by the company since 1983. By taking a customer's point of view, Aflac Japan's employee are all dedicated to improving our business operation to better serve our customers and will continually make efforts towards maintaining its low-cost operations that benefit everyone with whom we do business.

Aflac Japan's Product Line

(as of 4/30/13)

DAYS Cancer (No CSV)

Benefits:			Sample Premium (Monthly Group Rate):		
First occurrence	¥ 1,000,000	$ 10,526.32	30-year-old male	¥ 3,004	$ 31.62
Hospitalization/day	10,000	105.26	40-year-old male	4,444	46.78
Surgical	200,000	2,105.26	50-year-old male	7,244	76.25
Outpatient/day	10,000	105.26			
Radiation Therapy	200,000	2,105.26			
Anticancer drug treatment per month	50,000 to 100,000	526.32 to 1,052.63			

New EVER (Stand-alone whole life medical)

Benefits:			Sample Premium (Monthly Group Rate):		
Sickness or accident hospitalization/day	¥ 10,000*	$ 105.26	30-year-old male	¥ 3,220	$ 33.89
Surgical	50,000 to 400,000	526.32 to 4,210.53	40-year-old male	4,300	45.26
Radiation therapy	100,000	1,052.63	50-year-old male	6,080	64.00
Lump-sum advanced medical treatment	100,000	1,052.63			

*Covers overnight hospital stay. Maximum days per hospital stay is 60. Maximum lifetime days is 1,095.

More Gentle EVER

Benefits*:			Sample Premium (Monthly Group Rate):		
Sickness or accident hospitalization/day	¥ 10,000**	$ 105.26	30-year-old male	¥ 7,214	$ 75.94
Surgical	50,000 to 100,000	526.32 to 1,052.63	40-year-old male	8,664	91.20
Radiation Therapy	100,000	1,052.63	50-year-old male	10,608	111.66
Sickness or accident outpatient/day	6,000	63.16			

*Cut in half for occurrences within one year after issue date.
**Covers overnight hospital stay. Maximum days per hospital stay is 60. Maximum lifetime days is 1,095.

GIFT

Benefits:			Sample Premium (Monthly Group Rate):		
Payment through age 60	¥ 200,000	$ 2,105.26	20-year-old male	¥ 6,440	$ 67.79
			30-year-old male	6,680	70.32
			40-year-old male	7,440	78.32

*Upon death of the policyholder,¥200,000 of monthly annuity shall be paid to the beneficiary until the end of payment period.

WAYS

Benefits:			Sample Premium (Monthly Group Rate):		
Payment through age 60	¥ 5,000,000	$ 52,631.58	30-year-old male	¥10,360	$109.05
Whole-life policy that can be converted to:			40-year-old male	16,475	173.42
Fixed annuity			50-year-old male	34,440	362.53
Medical coverage					
Nursing care					

Ordinary Life (Basic Plan)

	Whole Life		Sample Premium (Monthly Group Rate):		
Payment through age 60	¥ 5,000,000	$ 52,631.58	30-year-old male	¥11,435	$120.37
			40-year-old male	17,705	186.37
			50-year-old male	35,850	377.37

Child Endowment

Benefits:			Sample Premium** (Monthly Direct Rate):		
Lump-sum education	¥ 500,000	$ 5,263.16	30-year-old male	¥13,190	$138.84
Education annuities*	2,500,000	26,315.79	40-year-old male	13,360	140.63
			50-year-old male	13,780	145.05

*Paid over four years
**Payment through age 18 of the child

Note: Premiums in dollars reflect exchange rate of ¥95=$1.

Corporations Supporting Aflac Japan

(as of 4/30/13)

Construction
- \# Taisei Corporation
- \# Kajima Corporation
- ▶ # Takenaka Corp.
- * Shimizu Corp.
- \# Obayashi Corp.
- \# Tokyu Construction Co. Ltd.

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

Textiles
- * Toyobo Co., Ltd.
- \# Renown, Inc.
- \# The Japan Wool Textile Co., Ltd.
- \# Wacoal Holdings Corp.
- \# Teijin Ltd.
- \# Kuraray Co., Ltd.

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

Chemicals
- \# Mitsui Chemicals, Inc.
- \# Showa Denko K.K.
- \# Sumitomo Chemical Co., Ltd.
- \# Ube Industries, Ltd.
- \# Kao Corporation
- \# Daiichi Sankyo Co., Ltd.
- \# Takeda Pharmaceutical Co., Ltd.
- \# Sionogi & Co., Ltd.
- * Astellas Pharma, Inc.
- \# Shiseido Co., Ltd.
- \# Otsuka Holdings Co., Ltd.
- \# Mitsubishi Chemical Holdings Corp.
- \# Daicel Corporation
- \# Sekisui Chemical Co., Ltd.
- \# Asahi Kasei Corp.

Oil & Coal Products
- \# Cosmo Oil Co., Ltd.
- \# JX Holdings, Inc.
- \# Showa Shell Sekiyu K.K.

Rubber Goods
- \# Bridgestone Corp.

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

Iron & Steel
- \# Nippon Steel & Sumitomo Metal Corp.
- \# JFE Holdings
- \# Kobe Steel, Ltd.

Non-ferrous Metals
- \# Mitsubishi Materials Corporation

Machinery
- \# Komatsu, Ltd.
- \# Sumitomo Heavy Industries, Ltd.
- \# Kubota Corp.
- \# Tsubakimoto Chain Co.
- \# Ebara Corp.
- * Shibuya Kogyo Co., Ltd.
- \# Brother Industries, Ltd.

Electric Appliances
- \# Hitachi, Ltd.
- \# Toshiba Corporation
- \# Mitsubishi Electric Corporation
- \# Fuji Electric Co., Ltd.
- \# Fujitsu, Ltd.
- \# Panasonic Corporation
- \# Sharp Corporation
- \# Sony Corporation
- \# Pioneer Corporation
- \# JVC KENWOOD Corporation
- \# NEC Corporation
- * Ikegami Tsushinki Co., Ltd.
- ▶ # IBM Japan, Ltd.
- * TDK Corp.

Transport Equipment
- \# Denso Corporation
- \# Mitsui Engineering & Shipbuilding Co., Ltd.
- \# Hitachi Zosen Corporation
- \# Mitsubishi Heavy Industries, Ltd.
- \# Kawasaki Heavy Industries, Ltd.
- \# IHI Corporation
- \# Nissan Motor Co., Ltd.
- \# Toyota Motor Corp.
- \# Mazda Motor Corp.
- \# Yamaha Motor Co., Ltd.
- \# Honda Motor Co., Ltd.
- \# Isuzu Motors, Ltd.

Precision Machinery
- \# Canon, Inc.
- \# Konica Minolta, Inc.
- \# Nikon Corp.
- \# Citizen Holdings Co., Ltd.
- * Seiko Holdings Corp.
- \# Ricoh Co., Ltd.

Miscellaneous Mfg.
- \# Yamaha Corp.
- \# Dai Nippon Printing Co., Ltd.
- \# Toppan Printing Co., Ltd.
- * ASICS Corp.
- ▶ # YKK Corp.

Commerce
- \# Mitsui & Co., Ltd.
- \# Itochu Corporation
- \# Marubeni Corporation
- \# Toyota Tsusho Corporation
- \# Sumitomo Corporation
- \# Mitsubishi Corporation
- \# Isetan Mitsukoshi Holdings, Ltd.
- \# J.Front Retailing Co., Ltd.
- \# The Daiei, Inc.
- \# AEON Co., Ltd.
- \# Takashimaya Co., Ltd.
- ▶ # Tokyu Department Store Co., Ltd.

Long-Term Credit Banks, City Banks
- * Shinsei Bank, Ltd.
- \# Mizuho Financial Group, Inc.
- \# Mitsubishi UFJ Financial Group, Inc.
- \# Sumitomo Mitsui Financial Group, Inc.
- \# Resona Holdings, Inc.

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

Transportation
- \# Nippon Yusen K.K.
- \# Japan Airlines Co., Ltd.
- \# Ana Holdings Inc.
- \# Tobu Railway Co., Ltd.
- \# Tokyu Corp.
- \# East Japan Railway Co.
- \# Odakyu Electric Railway Co., Ltd.
- ▶ # Seibu Railway Co., Ltd.

Communications
- ▶ # Nikkei, Inc.
- ▶ # The Asahi Shimbun Co.
- \# Dentsu Incorporated
- \# Hakuhodo DY Holdings Incorporated
- ▶ # The Yomiuri Shimbun Holdings
- ▶ # The Mainichi Newspapers Co., Ltd.
- \# Nippon Telegraph & Telephone Corp.

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

Life Insurance
- \# The Dai-ichi Life Insurance Co., Ltd.
- ▶ # Nippon Life Insurance Co.
- ▶ * Asahi Mutual Life Insurance Co.

Legend
- \# Corporate agent and payroll group
- * Payroll group
- ▶ Not listed on Tokyo Stock Exchange

Section III
Aflac U.S.

Overview of Aflac U.S.

Paul S. Amos II
President, Aflac

This presentation covers our business operations in the United States, the changing U.S. health care environment and the current economic factors affecting our business.

Health Care Environment

- **PPACA**
  - **Exchanges**
- **Employment levels**
  - **Decline in small business optimism**

In that regard, the best place to start a discussion on Aflac's U.S. business is with some comments surrounding today's health care environment. Since 1955, one attribute that has contributed to our success has been our ability to adapt to a changing environment. The need for flexibility is as relevant today as it was 58 years ago – and in fact, one could argue even more so in the midst of regulatory changes.

These regulatory changes stem from the Patient Protection and Affordable Care Act, or PPACA, which was signed into law in March 2010 and upheld by the U.S. Supreme Court in June 2012. PPACA is aimed at increasing the rate of health insurance coverage for Americans and reducing the overall costs of health care. As such, its regulations are intended to address major medical insurance carriers, and therefore have a minimal direct impact on the type of insurance Aflac offers. However, a law with such complexity and far-reaching regulations indirectly impacts Aflac because of the many unknowns.

We previously discussed the tremendous success we've had as a company in Japan, where we've successfully operated in an environment with national health care for nearly four decades. Japan's citizens are covered by a nationally sponsored healthcare plan, yet still greatly benefit from the financial protection Aflac products help provide. I think part of that success can be attributed to understanding and clarity. Japanese citizens understand that although the government provides for their health care, most citizens are still responsible for a 30% copay for medical services they receive. We would like U.S. citizens to have the same type of clarity that Japanese citizens have with their healthcare.

But even as we speak, the regulations are changing and evolving. The information I'll discuss is based on the most recent information. PPACA contains numerous rules which vary by different business characteristics. One primary factor is the size of the employer. More specifically, different regulations come into play for an employer who has 50 or more employees versus an employer with less than 50 employees. As such, many businesses, large and small, are putting together various health care strategies, including continuing comprehensive major medical coverage, self-insurance, HMOs, and PPOs. The good news is that for just about every scenario, Aflac products are poised to add value – and our distribution channels are poised to provide solutions. With respect to PPACA, it was just announced last month that smaller businesses will have to wait at least until 2015 before they can choose medical plans for their employees through the SHOP exchange. But regardless of the implementation date of PPACA, national health care represents a great opportunity for us.

This law requires each state to create a public health care exchange for consumers, whether state or federally administered. An exchange is an online marketplace where individuals may shop for health insurance, compare benefits and prices, and enroll in a plan. Because our type of insurance is largely excluded from PPACA, we determined at this time that it would be most advantageous for Aflac to create and run our own private exchange. During our first quarter conference call, I also mentioned we are looking at other proven methods, such as iFrames, that will allow Aflac's platform to integrate with other public and private platforms to make the enrollment process smoother for the end consumer. We believe this overall approach will allow us to expand our reach as we adapt to the new environment, and we are looking to a planned launch of our exchange in 2014. Only time will tell how widely exchanges will be used as a means for distribution. But by creating our own private exchange, we know we're well-prepared and that we are taking a proactive approach relative to the implementation of PPACA. Aflac has the strongest insurance brand, and we believe we'll be able to extend our reach to more businesses and consumers.

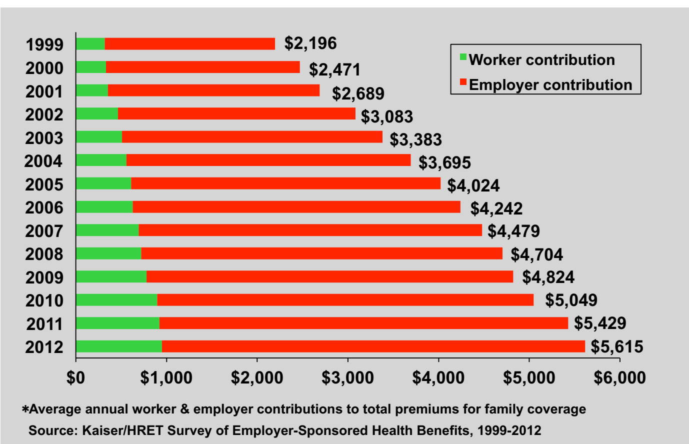
Although the implementation of PPACA has been pushed further into the future, we believe it is impacting the behavior and optimism levels now. Some aspects of the U.S. economy have shown slight signs of improvement in 2012, but we continue to see the economic landscape in the U.S. as challenging. That's especially true for the small business segment where more than 90% of our products are sold. We know that small employers are still guarded with respect to their business outlook. In addition, some employers have been reluctant to make changes in their benefit offerings in advance of health care reform implementation. In terms of relief for small businesses, if there is any recovery at all, it seems to be a jobless recovery.

We believe this has hurt our re-enrollment activities at existing payroll accounts. In a report dated March 2013, the National Federation for Independent Business chief economist Bill Dunkelberg, cited uncertainty as the main cause for a recent drop in small business optimism. He put it like this: "Virtually no owners think the current period is a good time to expand, because they simply don't know what the future holds."

This underscores the fact that small employers are still very guarded with respect to their business outlook, including their hiring plans.

Gains and losses in employment impact our universe of potential policyholders. This means our sales opportunities are negatively impacted until smaller businesses have more optimism regarding the economy.

Rising Health Care Costs*



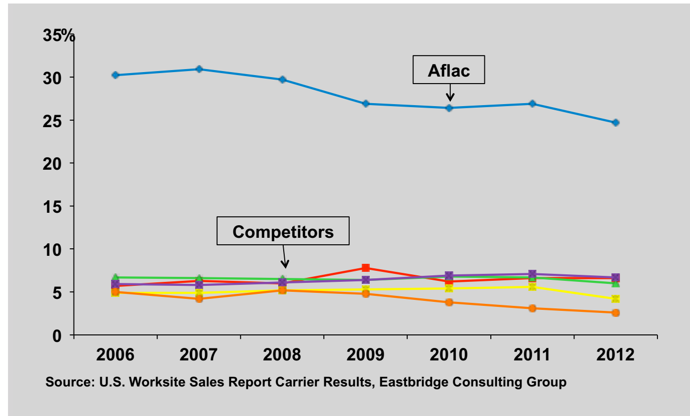
Businesses and their employees are also being impacted by rising health care costs, illustrated by the steady annual increase in the average premium contributions. Workers are spending increasingly more on health care – and so are their employers, which, in turn, impacts businesses' bottom line. Rising health care costs have created a tipping point that has prompted businesses to seek solutions and create strategies to limit the amount of money they're going to have to allocate to major medical for their employees, including offering less-rich benefit options or employ various other strategies.

We are already seeing some employers changing their benefit offering from a defined-benefit approach to a defined-contribution approach similar to what many employers did in the 1980s and 1990s when they allocated a specified amount for each employee toward their pension plans.

We also know that the implementation of PPACA is going to mean many businesses are going to send some of their employees to public or private exchanges. But regardless of which approach businesses take, our job is to be multi-faceted in our distribution to make sure we have a presence where the consumer wants to purchase our products, and we're making progress in that regard.

We're striving to become a "hub" such that our distribution system is regarded as a valuable consultative resource that can communicate employees' major medical options and also voluntary products. In doing so, we believe Aflac will be a valuable component of many businesses' strategies and solutions.

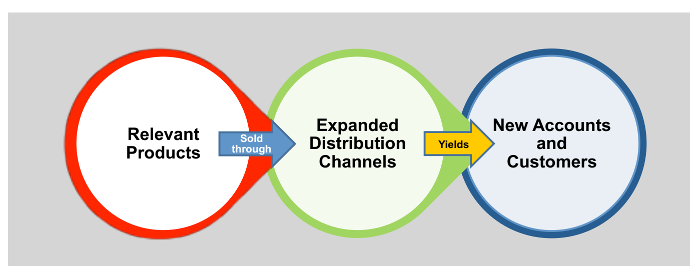
Changes in the Voluntary Worksite Market – Competition



For more than five decades, Aflac has developed competitive strengths that propelled us to our market leading position in the individual voluntary insurance market. This graph illustrates Aflac's domination of the market in comparison to other companies in the voluntary worksite insurance industry.

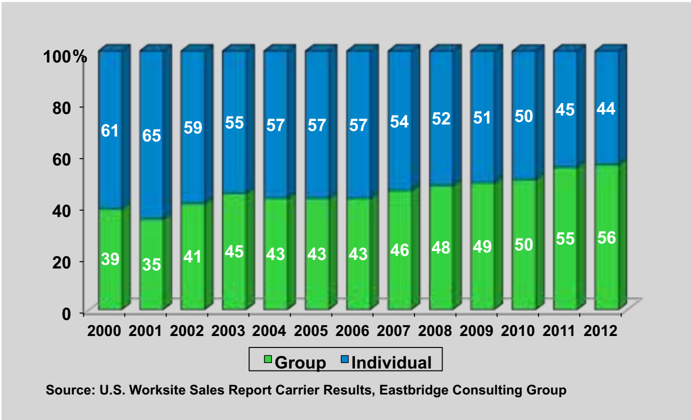
Our market share is greater than the next four competitors combined; however, the clear need for voluntary products, combined with the evolving health care landscape, has resulted in many new companies, especially major medical insurance carriers, entering the voluntary insurance market. I would point out these new entrants are making forays into our market as a contingency plan. But remember, Aflac's focus has always been, and remains, on the voluntary worksite.

Aflac's Strategy for Growth



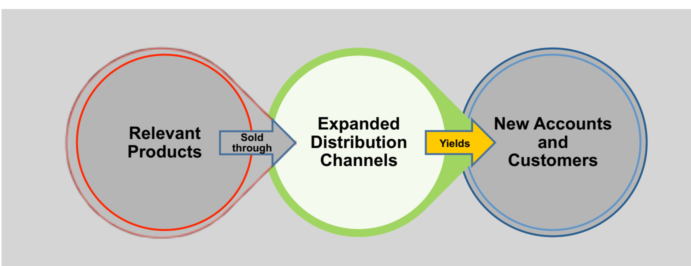
As competition increases and our market evolves, we must create and execute a product and distribution strategy that fits the needs of businesses and consumers – one that provides a competitive edge with respect to our product benefits and how these products are marketed. We are focused on providing our distribution system with voluntary products that respond to – and anticipate – consumers' needs and wants. Our portfolio of group and individual products provides consumers with outstanding value, while offering businesses the opportunity to give their employees a more comprehensive selection of benefit options.

Group and Individual Contribution – Voluntary Worksite Market



It's more important than ever for us to leverage our brand and offer accounts a choice between group and individually issued products. Doing so is especially relevant because in 2012, group policy sales accounted for 56% of total worksite sales, eclipsing sales of individually underwritten products. This milestone further affirms our decision to expand into the group insurance arena – and we're confident that our strong brand, market-leading status, superior service and comprehensive product portfolio will broaden the appeal of our products to consumers throughout the United States.

Aflac U.S. Distribution Strategy



Michael Zuna's presentation will cover specifics about the products we offer and our marketing strategy. I will focus on the distribution side of our strategy and how we work to provide customers with a positive and seamless experience. You have heard us say before that our distribution system is a competitive strength that no other company has been able to duplicate, although many have tried over the years.

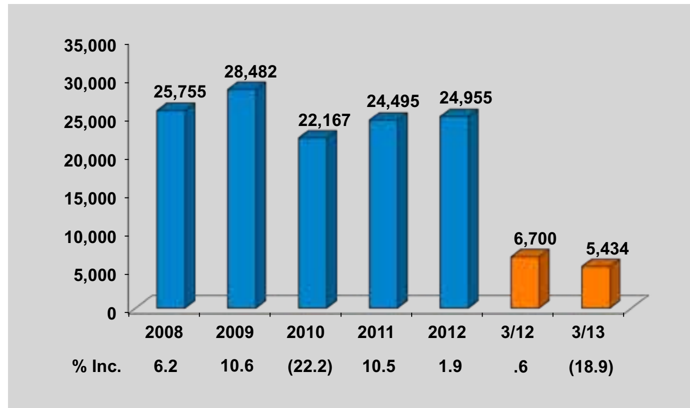
Multi-Distribution Channel Strategy – Career Associates

Distribution Channel	Product Focus
Career Associates	Individual

Since 1955, Aflac has sold individually issued products primarily to smaller businesses through our career associates sales distribution channel, which comprises an extensive network of commission-based independent agents.

Our career sales associate channel is a team of more than 76,000 sales associates who are the driving force behind the relationships we've developed with hundreds of thousands of the nation's small businesses. For years, other companies have tried to replicate and, in some cases, even buy a sales distribution channel like ours. We regard our success in the small business market as essential to our operating model. With our career associates driving this success, we're going to continue to protect, enhance and empower them to adapt to the difficult sales environment they've faced for the past several years.

Aflac U.S. New Recruits



Recruiting the right candidates – and the right number of candidates – is an important driver to sales. To support and maintain robust recruiting levels, we focused the last few years on expanding our coordinator base to better meet the management and development needs of our new recruits. Accomplishing this will strengthen our sales management capabilities and empower us to increase the number of successful producers with the ultimate goal of extending our reach to our customers.

Aflac Sales Academy

AFLAC SALES ACADEMY

The cornerstone of empowering our field force is the Aflac Sales Academy. This training system is designed to develop key organizational capabilities that create value for the field force and for customers. Learning and development provided by the Aflac Sales Academy is an important part of the sales process, and serves as the supporting foundation of many of the strategies I have discussed. We expect our Aflac Sales Academy to better equip all levels of our field force for success. This year, we are focusing our attention on training around three main components. First, we are implementing the associate curriculum. This training covers the consultative sales approach designed to equip new agents to sell to smaller employers. It also provides veteran agents with more complex sales methodologies to help them sell to larger employers, directly or with brokers. Second, we are in the early stages of implementing commercial and people programs designed to enhance the management and leadership capabilities of our coordinators, as I referred to earlier. Third, we recently introduced a health care reform curriculum designed to help all levels of our field force with strategies to advise employers and provide solutions to employees that are responsive to health care reform changes. We believe the academy will drive greater quality and consistency in the way our entire sales force consults with and sells to employers and employees.

Multi-Distribution Channel Strategy

Distribution Channel	Product Focus
Career Associates	**Individual**
Brokers-Small/Medium	**Individual/Group**
Brokers-Large	**Group**

Several years ago, we began reaching out to small and medium regional insurance brokers to determine how we could enhance our appeal to brokers. These small and medium brokers' primary focus is typically on selling insurance to businesses with fewer than 500 employees, but can sometimes range up to businesses with 1,000 employees. They confirmed that our lack of group products was a major reason brokers did not offer Aflac products to their accounts at that time.

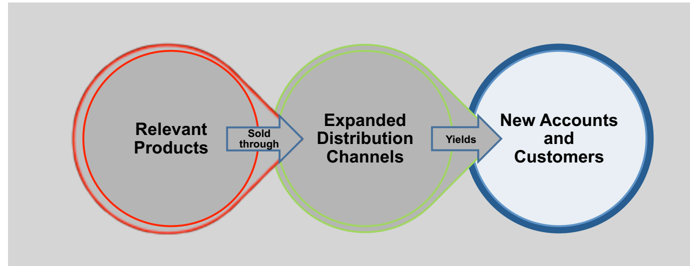
The acquisition of CAIC, branded as Aflac Group, gave us immediate access to many group products and was a critical step toward securing relationships with small and medium brokers.

While Aflac has generated great success for five decades, it became clear several years ago that the infrastructure we built and nurtured at Aflac U.S. over five decades was better at serving the needs of our career associates channel and some small and medium brokers. Our one-size-fits-all approach did not apply to large insurance brokers. To help us resolve this issue, we looked to our colleagues in Japan. As many of you know, Aflac Japan has experienced great success in developing diverse distribution sales channels and supporting the unique needs of these channels through separate, specialized infrastructures.

As such, we determined that it would be beneficial to create a separate and distinct channel in the U.S. devoted to large brokers whose primary focus is on selling to businesses with at least 500 employees. This allows us to pursue our mission of ensuring that each of the top 50 national brokerage firms has a formal and effective voluntary benefits strategy to grow their client bases and improve their clients' overall benefits offerings.

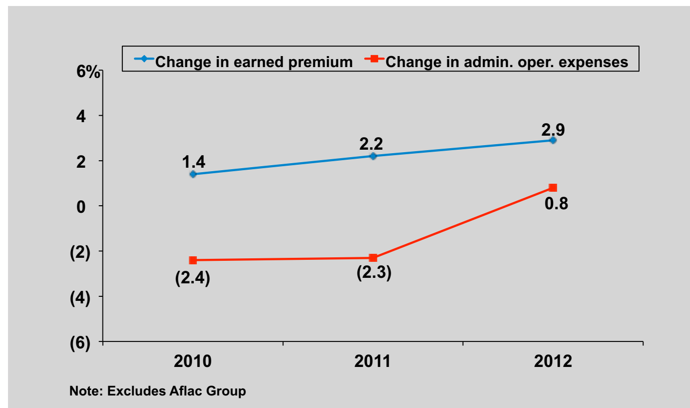
Keep in mind that while we are still in the early stages of building a meaningful presence in the larger-case market, the potential for Aflac is huge, particularly given the backdrop of national health care reform as I previously mentioned.

New Accounts and Customers



As we continue to develop new and innovative products and expand our distribution channels, we are acquiring new accounts and customers.

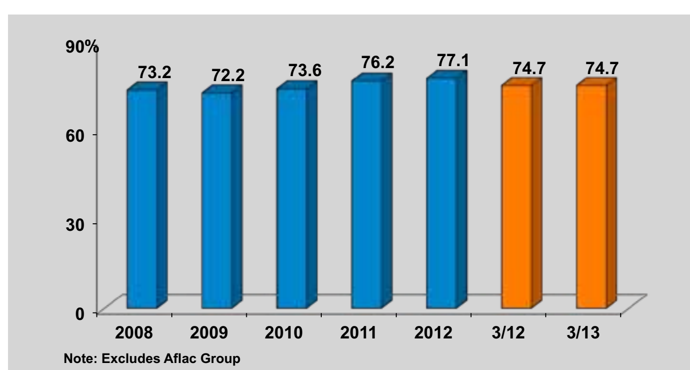
Low-Cost Administrative Operations



In order to meet our overall corporate objectives, it is imperative that we balance enhancing the customer experience with expense control and operational efficiency. Our goal is to provide quality service at a low cost.

By focusing on the aspects of service that our customers care most about, such as quick claims processing and effective customer service, we are able to keep operational costs low while providing a level of service that meets the needs of our customers. We continue to enlist alternative solutions such as utilization of a non-traditional workforce, resource-sharing, reallocation of staff and elimination of non-essential processes to make our operations more efficient and effective.

Owning our Customer Experience – Persistency



We want to improve our customer experience at every step of the process. Enhancing customer service epitomizes what we call the Aflac Way. We know that persistent business is more profitable business for us than new business that lapses. Therefore, it makes more sense for us to work hard to maintain our accounts. In fact, I am pleased that persistency in the U.S. has shown steady improvement for several years.

We know persistency has benefited over the last several years because people are not changing jobs as much and therefore are more likely to keep their current benefits, We believe another reason for this improvement is that we have enhanced our customer experiences at crucial touch-points, which we believe has been a factor in better payroll account retention. Additionally, we have used surveys of accounts in their first few years as an Aflac account to gain insight into initiatives to help decrease account defections.

When you look at the potential market for Aflac after the addition of group products, you'll see that there are 17,000 businesses with 500 or more workers, employing 57 million additional employees. The key word is additional because, as I mentioned, our efforts are designed to expand our reach, not shift our focus. In other words, we are expanding our target market from just small businesses to businesses of all sizes. Our portfolio of group and individual products provides consumers with outstanding value, while giving employers the choices they demand. As a result, the Aflac brand outshines those of its competitors in both the individual and group voluntary markets.

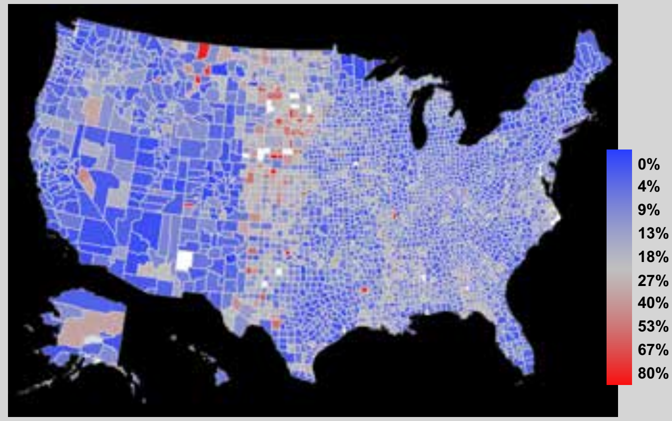
Opportunities: The Business Market

Size of Firm	Number of Firms (000)	Number of Employees (Millions)	% of Total Employees
0 - 19 Workers	5,160	20.6	18.4%
20 - 99 Workers	475	18.5	16.5
100 - 499 Workers	82	15.9	14.2
Subtotal	5,717	55.0	49.1%
500+ Workers	17	56.9	50.9
Total	5,734	111.9	100.0%

Source: U.S. Census Bureau Tabulations by Enterprise Size, 2010

To put the growth potential in perspective, the U.S. Census Bureau data shows there are more than 111 million full-time employees in the United States. Based on a study from Hall and Partners, 92% of Americans are aware of the Aflac brand, which translates into 105 million U.S. workers. And 94% of those 105 million workers, or 99 million people, do not currently have access to our products at their worksites. With health care reform in the forefront of so many consumers' minds, our strong brand is accelerating our potential to grow the business.

Opportunities: Aflac U.S. Penetration by County



This map represents our penetration by county throughout the country. Although we are the market leader, there is tremendous opportunity for growth. While about 6% of people in this country have access to our products, more than 20% of people say they would like to buy our products if they had access. This tells us that we have a great opportunity and much more work to do in getting our products into the hands of businesses and consumers alike.

Opportunities: Health Care Environment

- **Leverage our strong brand**
- **Pursue communication with employers**
- **Open doors with education and thought leadership**

I spoke earlier about the state of the health care environment in the U.S., and we believe there will be greater opportunities in the future to loosen the "paralysis by analysis" grip that has immobilized many consumers and businesses. To take full advantage of that opportunity, we are leveraging our strong brand to connect with employers. Additionally, we are pursuing avenues of communication with employers at a critical time in history when they need education and a better understanding. We are finding that this has become a beneficial door opener for every Aflac agent – every owner has the same question: "What does health care reform mean to me, and what do I need to do?" We are making significant investments in training, sales tools, and thought leadership that helps our agents meet the needs of business owners at this time where providing information turns into a way to open doors and ultimately close the sale. Whether it's peace of mind or financial protection, we want to educate and reassure consumers, businesses, sales associates and brokers alike that our products are a valuable asset, and we'll be there to provide products they need when PPACA is implemented.

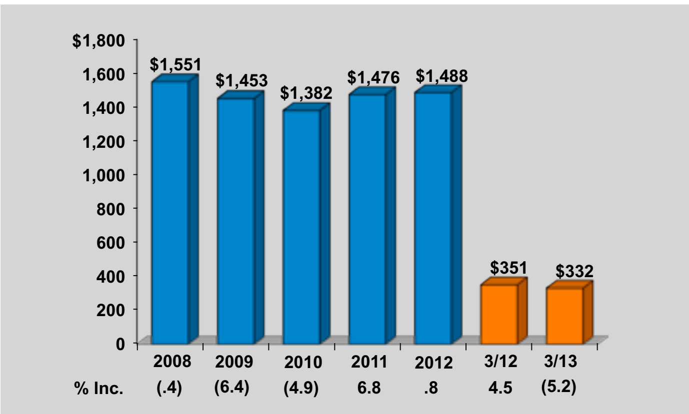
Our Vision

To be the leading provider of voluntary insurance in the United States

Most of this presentation elaborated on the strategies we are implementing to accomplish that vision in 2013 and beyond. Let me conclude my presentation by showing you how we have performed in terms of new premium sales and provide some insight into our sales outlook for 2013.

Aflac U.S. New Premium Sales

(In Millions)



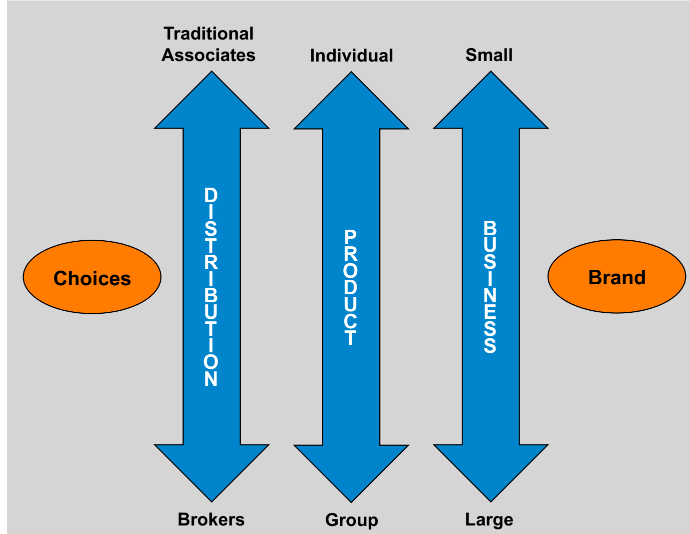
As I mentioned, we continue to invest in initiatives and incentives to grow our sales. Last year's sales growth was positive, but I believe 2013 can be even better. The initiatives that I have talked about today will help us to gain traction over the next several months. As we execute on our strategies, I believe sales results will improve over the remainder of the year and in the future.

Aflac U.S. 2013 Sales Objective

- **Increase sales flat to up 5%**

Looking ahead to the remainder of 2013, we believe it is reasonable to expect Aflac U.S. sales to be flat to up 5%. While economic conditions have improved and we cautiously look ahead, we believe we have put the right people and processes in place to grow sales this year and further penetrate the market.

How We'll Accomplish Our Vision



It has been, and continues to be, our longstanding goal and vision to be the leading provider of voluntary insurance in the United States. As we look to the future, we will maintain our leading position and work even harder to enhance that position. Our individual and group products – and our brand strength – set us apart from our competitors and make us the insurer of choice for individual consumers and businesses of all sizes, from the smallest of sales associates to the largest of national brokers, and from the humblest of "Mom and Pop" stores to the biggest retailers and corporations.

We will accomplish our vision by remaining true to our strategy for growth: by offering relevant products through expanded distribution channels, by continuing to be proactive in responding to changes in U.S. and workplace demographics, by being mindful and tactical in the evolving health care environment, and by leveraging our strong brand in each of these endeavors.

We'll continue to explore additional opportunities to expand our distribution presence, while taking into account the needs of various customer-demographic segments. As consumers' preferences change with respect to how and where they want to buy voluntary insurance, we will explore additional distribution channels. We will be where American workers want to purchase voluntary insurance, and we'll continue to look at the wants and needs of consumers to identify opportunities to fulfill their needs. As we consider new avenues, we will closely evaluate their propositions for risk and reward, cost and economies of scale. With our competitive strengths and long-term focus, I believe the best is yet to come for Aflac U.S.

Aflac U.S. Marketing

Michael W. Zuna
Executive Vice President; Chief Marketing Officer

As Paul's presentation mentioned, Aflac remains the leader in the voluntary insurance market; however, we continue to see increased competition. We expect this competition to intensify as the implementation of health care reform moves forward. As the pioneer and market leader in this segment, we intend to grow our share by leveraging what sets us apart.

This presentation will provide you with an overall picture of our product and marketing strategies in the United States. I will update you on some of the things we've accomplished this past year and discuss the vast opportunities in the future. My team's overriding goal is to drive sales by developing relevant products coupled with targeted marketing strategies to help our agents and brokers reach prospective customers, decision makers and policyholders at moments and locations that most influence their purchase decisions. We've significantly increased our competitiveness by adding group products and we're focused on developing marketing campaigns that integrate individual and group offerings.

Need for Voluntary Products

- **Whether group or individual, consumers need voluntary insurance**
- **Cash benefits help consumers pay everyday expenses**
- **Health care costs continue to shift to consumers**

Our Aflac U.S. product portfolio includes a variety of voluntary insurance products designed to pay cash directly to insureds when a serious medical event presents financial challenges. These payments are made regardless of any other insurance they may have. Particularly in an environment where health care costs are being shifted to consumers, our products provide value that is both real and, especially in the wake of major medical events, can be life-changing.

Medical Expenses: The Real Impact

62%	43%	26%
of all bankruptcies in America are caused by medical expenses and related costs	of American consumers don't feel equipped to handle large out-of-pocket expenses	of Americans have less than $500 for emergency expenses

Source: Harvard Medical School Study: Medical Costs and Personal Bankruptcy; 2010

As Paul discussed, health care costs have risen for employees and employers. Additionally, 62% of all personal bankruptcies are caused by medical expense impacts and 43% of consumers don't feel equipped to handle large out-of-pocket medical expenses. Keep in mind, 26% of Americans have less than $500 for emergency expenses.

Aflac helps protect policyholders from rising out-of-pocket health care costs and, at the same time, supports employers by providing insurance plans that improve their workers' benefits packages at little or no cost to their businesses.

Aflac U.S. Product Line

	Individual Platform	Group Platform
• **Income-loss protection**		
» **Disability (short-term)**	✓	✓
» **Life (term, whole-life)**	✓	✓
» **Life (juvenile)**	✓	
• **Supplemental medical**		
» **Hospital indemnity**	✓	✓
» **Dental**	✓	✓
» **Vision**	✓	
• **Asset-loss protection**		
» **Accident**	✓	✓
» **Critical care:**		
- **Cancer**	✓	✓
- **Critical illness**	✓	✓
- **Hospital intensive care**	✓	

Our products do not replace major medical coverage; rather, they supplement it. Ultimately our products are designed to provide customers peace of mind for the real cost of unexpected events that will ultimately impact their financial well-being.

Based on our desire to respond to the evolving needs of consumers, employers, and producers, we expect our offerings to evolve over time. This is a snapshot of our current product offerings and the availability of each by platform type. Aflac's strong brand and market-leading status only serve to broaden the appeal of our products to consumers throughout the United States.

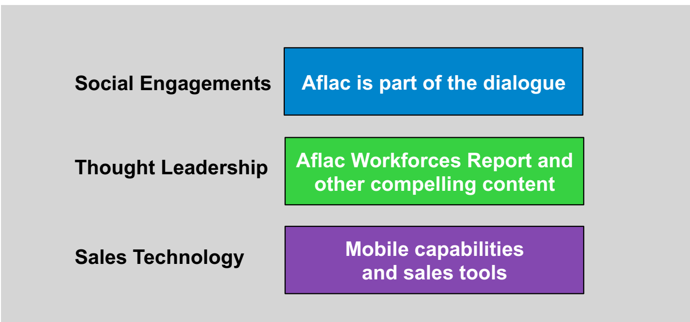
Aflac U.S. Product Strategy

- **Innovating around our core products (critical illness/ cancer, accident, disability, and hospital plans)**
- **Filling competitive gaps in our group product portfolio (e.g. disability)**
- **Delivering products that meet needs around Health Care Reform**

Our product strategy has three core tenets. First, we will continue to lead the market in innovation around our core products where we lead the market – accident, critical illness and cancer, disability, and hospital indemnity plans. One example seeing particular market traction is our Aflac Hospital Advantage product, which was specifically designed to address the changing health care environment. The plan has four levels of coverage and six benefit levels to provide a range of benefits from initial hospital confinement, emergency room treatment, a surgical schedule and daily hospitalization benefits to name a few.

Second, we will continue to fill any competitive gaps in our group product portfolio. One example of this is the recent launch of our group disability product, which now provides our consumers a best-in-class disability product. And third, we are investing heavily in capabilities and products that respond to emerging needs employers will have with respect to health care reform – tailoring the design of products to meet consumers at their anticipated point of need.

Innovative Marketing Model



Effective marketing plays an important role in driving revenue and earnings. We've developed a clear and focused strategy centered around consumers, businesses, brokers and agents to provide a customized experience and products specific to the needs of each constituent. It starts with catalyzing demand from new and expanded distribution, namely our brokers and agents. We ensure those distribution channels fully understand Aflac's value proposition and how we can equip them to drive their businesses with valuable products and solutions. We must also ensure that our business clients are aware of Aflac, understand our offerings and value, and increasingly consider us in their benefit offerings. And lastly, and perhaps most importantly, we must help consumers understand and gain better access to Aflac products.

Worksite marketing, the core of our business, necessitates a multifaceted marketing approach. It involves social engagement, which we're using to leverage the voice of the consumer.

Our model also involves thought leadership, through which we're engaging in dialogue about benefits with the nation's large, medium and small employers and brokers. For example, to address the need for information prompted by the rapid changes taking place in the health care environment and the benefits landscape as a whole, we created the Aflac Workforces Report. Conducted by a third party research firm, we prepare this report annually for use by brokers and employers. It provides a snapshot of how employers and employees utilize and feel about employer-sponsored benefits plans. This information is invaluable to help employers understand the holes in their benefit offerings as well as the value Aflac products can provide.

Lastly, our model continuously strives for innovation in sales technology to improve efficiency as well as enhance the customer experience. These efforts require our sales and marketing teams to work very closely with our IT department.

Real Cost Calculator

The goal is to develop relevant tools that significantly and positively impact our sales and marketing efforts. One example of the partnership is the creation of the Real Cost Calculator – an innovative online tool which helps consumers and businesses calculate the actual costs of common injuries and illnesses – and see how Aflac policies can help them cover those costs not covered by their major medical insurance. We have also created other web-based tools that help brokers, businesses and consumers make the most informed choices about their benefits.

Driving Awareness, Understanding and Consideration: Duck Out Of Work Campaign

Our integrated marketing approach across all of our target markets is designed to drive awareness, consideration, and understanding with potential new customers and distribution. For existing customers, our marketing efforts are geared to drive greater adoption and penetration of our products, with a particular emphasis on driving retention of accounts – where we've experienced particular success over the last few years.

Our current "Duck Out of Work" campaign demonstrates the challenges that Americans often face when an unexpected accident or illness causes them to miss work. Only this time, it is our icon who provides a first-hand perspective as a policyholder, while shedding light on how Aflac's insurance policies can help protect families against common setbacks. This campaign walks viewers through the recovery of the Aflac Duck to help draw the connection to how an accident may impact their own lives. The fully integrated campaign also includes substantial online and print advertising, featuring an interactive social media component posting strong results.

Our latest ad in this story, which will launch in June, focuses on how the Aflac Duck's policies have enabled him to focus on recovery, knowing that he is protected from financial pain.

Evidence Drives Decisions

Underpinning all of our efforts is our understanding that insurance is an emotionally driven purchase. Therefore, our product and marketing strategies are rooted in facts, research and accountability. Data and analysis is critical to the development of effective marketing initiatives.

With so much data available, it is imperative that companies find a way to maintain focus on what is relevant to them as a business. In fact, one of our competitive advantages is to successfully navigate through the wealth of information and use it in a way that drives results. In 2013, we will expand our efforts to not only reach new customers, but also to retain existing accounts and policyholders alike.

Our marketing strategy is centered upon accountable marketing that is driven by strategic objectives, integrated programs and clear metrics.

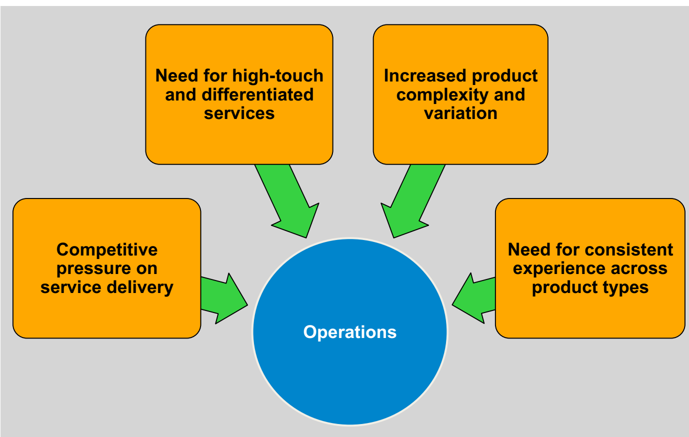
For those of you who have followed Aflac for a long time, you know that improving our product line and distribution has been a central part of our growth strategy for decades. We believe that the refinement, improvement and innovation is the hallmark of a market leader like Aflac. We are excited about the opportunities ahead of us and are focused on leveraging our strengths to deliver value to the millions of policyholders, shareholders, and many others who count on us. And we believe we have the right products and strategies to differentiate Aflac and drive our future success.

Aflac U.S. Internal Operations

Teresa L. White
Executive Vice President; Chief Operating Officer, Aflac Columbus

Internal Operations includes the Administrative Operations division and the Information Technology (IT) division. Administrative Operations consists of the core Aflac U.S. processing functions supporting our accounts, policyholders, brokers and sales associates, while IT provides technology solutions and enables attainment of business strategies across the corporation. Aflac U.S. has experienced a number of significant changes in our landscape over the last several years, including increased competition, expansion of the broker channel, introduction and growth of group products, and increased presence in the large account market. This section details the impact of these changes to our operations and service environment and the strategies we employ as a result.

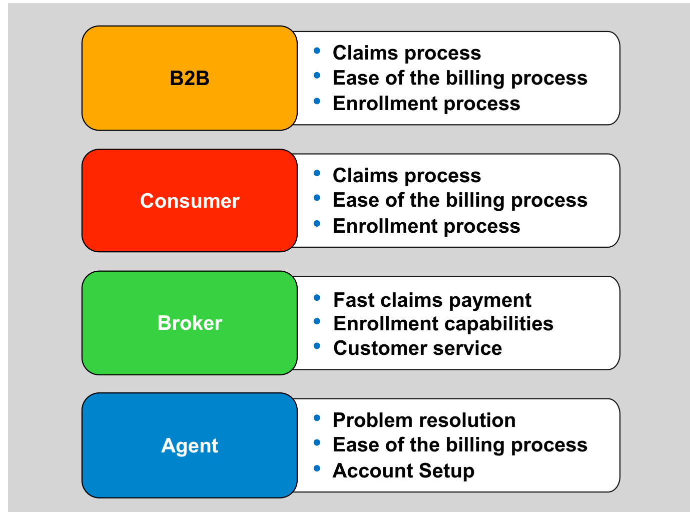
Impact of Environmental Changes



In an environment of increasing competition, the need for understanding customers and delivering fast, efficient service is imperative. Differentiated product and service offerings are requisite for meeting the needs of the large account and broker markets while also maintaining and growing a strong base of smaller accounts. The market not only demands customized options, but also a consistent experience across all offerings.

The acquisition and early success of Aflac Group Insurance further expanded our product line and also highlighted opportunities for streamlining the experience for accounts, brokers and policyholders across both group and individual product lines. The addition of Aflac Group marked a transition from our traditional operational model to a new model with increased integration, underscoring the need for strategic agility as well as greater operational capacity.

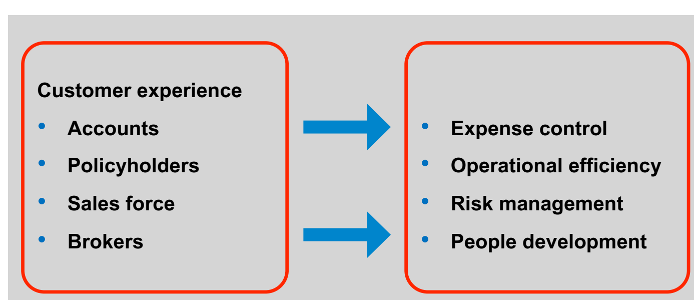
Voice of the Customer



Aflac's core operational strengths include efficient claims handling, ease of the billing process, knowledgeable and responsive customer service staff, and ease of the enrollment process. We continue to expand our understanding of the customer experience from the perspective of our accounts, sales force, brokers and policyholders to understand which service factors are most important to each segment.

We have increasingly used the information gleaned from customer experience tracking to hone in on the factors that drive retention and persistency of accounts, and the results have suggested positive trends in retention, even through the economic downturn of recent years. We leveraged the detailed insights of customer experiences to effectively pilot and implement retention initiatives and, in particular, implement those that show positive results on a large scale. Some examples include improved communication during enrollment and the New Account Survey, which provides a continuous feedback loop on the experiences of accounts following their first enrollment period. We have seen decreases in account defections as a result of such initiatives, especially for new accounts. We have also developed and implemented surveys for accounts entering their second and third years of tenure to further expand our view into the account lifecycle and experience.

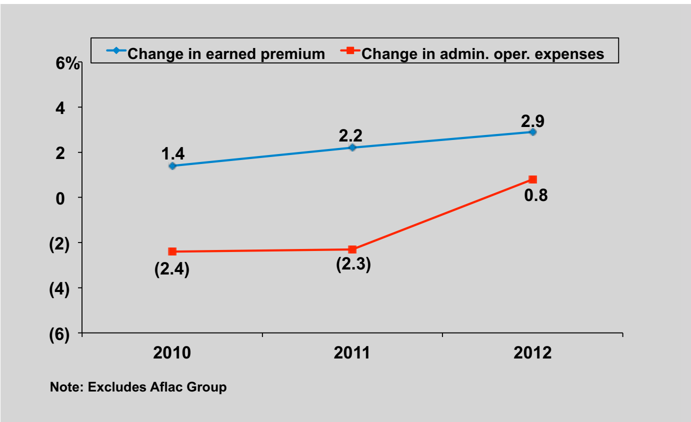
Tenets of Operational Management



In order to meet our overall corporate objectives, we must balance our key tenet of customer experience with our four tenets of operational management: expense control, operational efficiency, risk management and people development.

Our customers demand a seamless customer experience regardless of the strategic decisions we make. With the majority of Internal Operations' expenses allocated to personnel, balancing our customers' needs and wants with our expense control objectives can be particularly challenging. We continuously employ alternative solutions such as utilization of a non-traditional workforce, resource-sharing, reallocation of staff or elimination of non-essential processes. It is this balance that allows us to continue to maintain strategic operational agility.

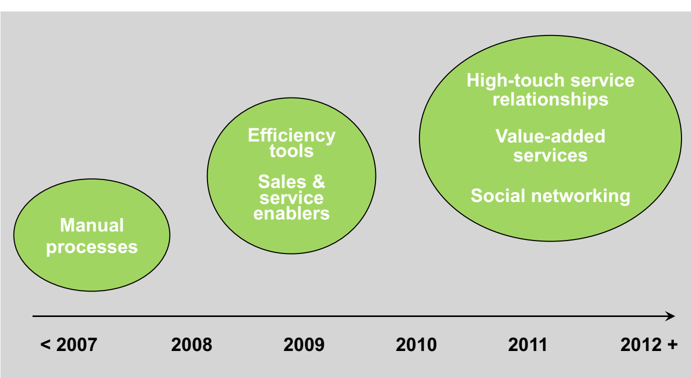
Low-Cost Administrative Operations



Our objective with expense control within Administrative Operations continues to be focused on a favorable trend against earned premium. Over the last three years, we have continued to maintain this trend.

Due to our stewardship of resources and the discipline of balancing our operational tenets, we have continued to manage expenses while maintaining or improving key service levels. Throughout 2012, we were also able to provide consultative resources from our individual business to work closely with our Aflac Group business to analyze and improve the group operational model. We saw positive results from this effort in 2012 while also keeping the annual growth in expenses lower than the annual growth in earned premium.

Operational Efficiency Through Evolving Services

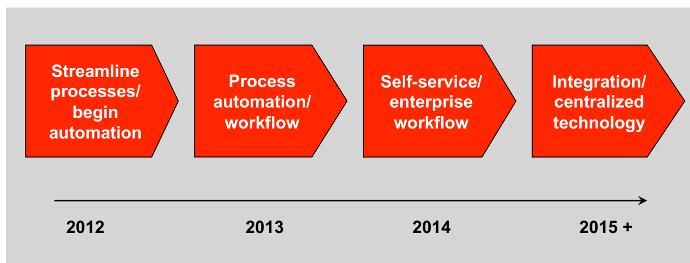


Our next tenet, operational efficiency, also plays a large role in our ability to continue to satisfy demand for customer support. In today's competitive climate, our customer's desire faster yet more customized service, and our capabilities have evolved to support this trend for individual customers. Over time, we have moved from manual processes to increased automation and efficiency, and we are now leveraging this efficiency to focus on customized, high-touch service.

As early as 1994, we saw our pioneering SmartApp® laptop enrollment system increase field and headquarters efficiency through automation, but our primary investments were still more heavily weighted on resources to support manual processes for traditional transactions. We later evolved to focus on more efficiency tools and sales and service enablers, such as E-Policy, Online Services for Policyholders, and SmartClaim℠. We continue to add functionality to improve these technologies over time, which add value for our agents, policyholders, and accounts by providing increased self-service options for transactions.

Recently, broker and group business has driven an increase in more high-touch service relationships and more value-added services. Roles such as large account executives and broker development managers, along with our enrollment services and solutions, help nurture the relationships that drive loyalty to Aflac in this competitive environment. However, this also marks a departure for administration from a solely transaction-based operational model. This evolution was made possible through our utilization of technology and other avenues that promote strategic agility and drive increased productivity.

Aflac Group Maturity Model



Following the acquisition of Aflac Group in October 2009, we have capitalized on these experiences with process streamlining and automation. We have also identified opportunities to further improve the operations for our group business. We created an Aflac Group Maturity Model that lays out our future vision for moving toward an integrated technology and process platform.

Our exceptional service delivery for individual products strongly influences our customers' expectations for our group products. As a result, we strive to make the experience for our customers seamless, whether they have individual products, group products, or both. In 2012, we rolled out several technologies for Aflac Group that support a consistent experience across products, including online billing for accounts and Group SmartApp® for agents. These examples illustrate our ability to leverage our operational expertise and leadership to improve our group business.

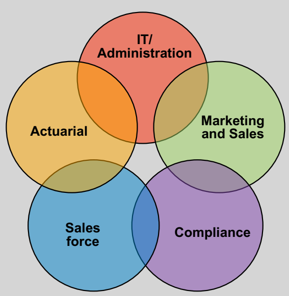
Risk Management

- Continually implement a risk management methodology in our processes and systems
- Align internal risk assessment practices with business and risk objectives
- Improve risk planning, mitigation and control approaches

The goal of our third tenet, risk management, is to proactively identify potential risks in our systematic and manual processes and then implement controls to mitigate those risks. As an example, we conduct a risk assessment for every new product introduction. This assessment spans the end-to-end process from the product development to the administrative support after product approval by regulators and introduction to the market. We also monitor changes to the regulatory environment and act preemptively to accommodate future changes. On the back end, we audit the affected business processes to ensure proper implementation of such changes. These activities enable us to build process or system controls that eliminate regulatory non-compliance, minimize customer dissatisfaction and improve operational efficiency.

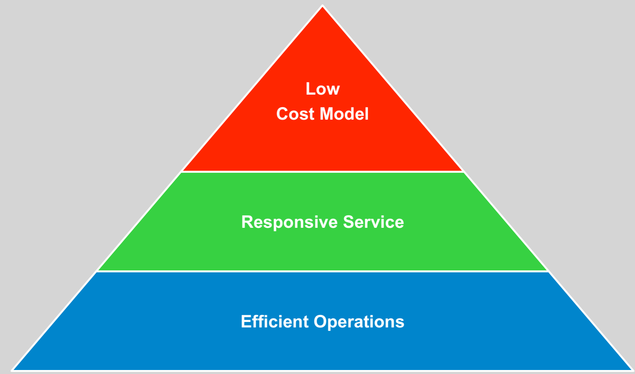
People Development

- Frequent communication
- Established expectations
- Coaching and development
- Work/life balance
- Accountability
- Cross-organizational collaboration



The final tenet of operational management is people development. We realize that employees are our most valuable asset, so we partner with our Human Resources department to fulfill the basic employee needs of frequent communication, established expectations, coaching and development, and work/life balance. Additionally, we equip management with tools to provide consistent rewards for desired behaviors and solutions to promote accountability when necessary.

As an example, in March 2012, we began rolling out the Harvard ManageMentor® program to further develop our leaders as well as our frontline employees. This program includes training curricula that overlay Aflac's core competencies with leading practices in the global environment of business. Such tools, along with practices that encourage cross-training and working outside of the confines of organizational silos, help to ensure that our people are empowered to provide superior service that helps build and retain customer relationships. A particularly strong example of working across organizational boundaries is our customer retention initiative, which consistently engages areas such as Actuarial, Sales, Marketing, and our sales force to develop and implement initiatives that drive retention.



Driving Aflac's Value Proposition

As we continue to drive growth from both new business and retention of existing business, we have focused on refining our operational model for our agents, brokers, policyholders, and accounts. The basis of this model is operational efficiency.

Our goal is to provide quality service at a low cost. By focusing on the aspects of service that the majority of our customers care about, such as quick claims processing and effective customer service, we are able to keep operational costs low while providing a level of service that meets the needs of our customers.

To maintain our ability to deliver responsive service at a low cost, we have established touch points with our accounts, policyholders, agents and brokers to regularly assess what is important from each perspective. This feedback drives insights into the customer experience and allows us to implement technology driven solutions as well as operational solutions to drive Aflac's value proposition for our customers.

We have the heritage.
We have the history.
We have the heart.

Service the Aflac Way

In conclusion, change is constant. Therefore, our discipline is necessary to support smart growth. Our strategic plans target innovation across the entire customer experience, while continuously managing operational resources.

Taking care of our employees helps us take care of our business, and we know we cannot leave this important aspect of our success to chance. Aflac avoids major cost reduction emergencies in downturns through continual application of this philosophy. And yet, we continue to provide the level of caring service to our customers that has become a hallmark of the rich tradition at Aflac. Our employees understand that we are selling a promise – a simple promise that Aflac will be there for our customers in their time of need. This is a promise that has withstood the test of time. It is our foundation and has shaped who we are. Employees at Aflac are proudly committed to providing the kind of genuine, caring, and personal service that our founders believed in from the start. That's the "Aflac Way."

Aflac U.S. Payroll Product Line

(as of 4/30/13)

	Benefit Amounts	Monthly Premium Rates (Payroll) Individual/Family
Accident Indemnity*		$13.65 - $58.24
Accident emergency treatment	$75 - $120/accident	
Initial accident hospitalization	$500 - $2,000	
Accidental death	$5,000 - $150,000 ($1,500 - $25,000 for dependent children)	
Accident specific-sum injuries	$20 - $12,500	
Accident hospital confinement	$150 - $250/day	
Accident rehabilitation confinement	$75 - $150/day	
Intensive care	$300 - $400/day	
Wellness	$40 - $60/year	
Major diagnostic exams	$100 - $200/year	
Accident follow-up treatment	$25 - $35/day (maximum of 6 treatments per accident)	
Physical therapy	$25 - $35/treatment/day (up to 10 treatments per accident)	
Appliances benefit	$50 - $125/accident	
Prosthesis	$250 - $750/accident	
Blood/plasma/platelets	$100 - $200/accident	
Ambulance	$120 - $200 ground / $800 - $1,500 air	
Transportation	$200 - $600 round trip (50+ miles / up to 3 times per year per covered person)	
Family lodging	$75 - $125/night / 50+ miles / up to 30 days	
Accident dismemberment	$400 - $40,000 depending upon loss	
X-ray benefit	$20 - $25/accident	
Epidural pain management benefit	$100/accident	
Miscellaneous surgery requiring general anesthesia	$190 - $300/per 24-hour period	
Miscellaneous surgery with conscious sedation	$80 - $120/accident	
Lump Sum Critical Illness*		$5.72 - $40.82
Covers: heart attack, stroke, end-stage renal failure, coma, paralysis, major human organ transplant		
Major critical illness event	$10,000 - $100,000 (same for children)	
(if hospitalization and event free for five years)	$10,000 - $100,000 (same for children)	
Subsequent critical illness event	$5,000	
Coronary artery bypass graft surgery	$3,000	
Sudden cardiac arrest	$5,000	
Cancer*		$13.91 - $79.95
Wellness benefit	$25 - $100/year	
Bone marrow donor	$40	
Initial diagnosis benefit	$500 - $6,000 ($1,000 - $12,000 for dependent children)	
Hospital confinement	$100 - $600/day ($125 - $750 for dependent children)	
Radiation	$175 - $500/week	
Injected chemotherapy	$300 - $900/week	
Oral chemotherapy	$405 - $1,200/month	
Topical chemotherapy	$405 - $1,200/month	
National cancer institute (evaluation/consultation)	$500 - $1,000	
Immunotherapy	$175 - $500/month	
Medical imaging	$75 - $200/two a year	
Experimental treatment	$175 - $500/calendar week if charged; $75 - $125/calendar week if no charge	
Anti-nausea	$50 - $150/month	
Stem cell transplantation benefit	$3,500 - $10,000/covered person	
Nursing services	$50 -$150/day	
Surgery and anesthesia	$50 - $5,000	
Outpatient hospital surgery	$100 - $300	
Skin cancer surgery	$20 - $600	
Surgical prosthesis	$1,000 - $3,000	
Prosthesis nonsurgical	$90 - $250	
Reconstructive surgery	$110 - $3,000	
Blood and plasma	$85 - $250/day	
Additional surgical opinion	$100 - $300/opinion/day	
Ambulance	$250 ground, $2,000 air	
Transportation	$0.35 - $0.50/mile	
Lodging	$50 - $80/day	
Bone marrow transplant	$3,500 - $10,000, donor $500 - $1,000	
Extended-care facility	$75 - $150/day	
Hospice	$1,000 day one, $50/day thereafter	
Home health care	$50 - $150/day	
Egg harvesting and storage	$500 - $1,500/oocytes extracted; $175 - $500 storage	
Lump Sum Cancer		$7.54 - $54.86
Internal cancer	$10,000 - $100,000 (same for children)	
Carcinoma in situ	$2,000	
Cancer related death	$5,000	

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

(as of 4/30/13)

	Benefit Amounts	Monthly Premium Rates (Payroll)
		Individual/Family
Specified Health Event		$9.10 - $83.59
Covers: heart attack, stroke, coronary artery bypass surgery, coma, paralysis, major third-degree burns, end-stage renal failure, major human organ transplant, persistent vegetative state, sudden cardiac arrest		
First occurrence	$5,000 ($7,500 children)	
Reoccurrence	$2,500	
Secondary specified events	$250/procedure	
Hospitalization	$300/day	
Continuing care	$125	
Ambulance	$250 ground, $2,000 air	
Lodging	$75/day	
Transportation	$.50/mile up to $1,500 per occurrence	
Hospital Intensive Care		$10.40 - $34.06
Hospital intensive care unit	$700 - 800/day (days 1-7) $1,200 - $1,300/day (days 8-15)	
Sub-acute intensive care unit benefit	$350/day (days 1-15)	
Organ transplant	$25,000	
Ambulance	$250 ground, $2,000 air	
Hospital Indemnity*		$18.72 - $162.76
Hospital confinement	$500 - $3,000 once/confinement per covered person	
Rehabilitation	$50 - $100 15 days/confinement 30 days/year	
Hospital emergency room	$50 - $100 2/year/policy	
Hospital short-stay	$50 - $100 2/year/policy	
Physician visit	$25/visit (3 visits/year individual or 6 visits/year family)	
Medical diagnostic imaging	$150/exam/person per year	
Ambulance	$100 ground/$1,000 air	
Surgical	$100 - $1,000	
Invasive diagnostic exams	$100/person/day	
Daily hospital confinement	$50 - $100/day	
Hospital intensive care unit confinement	$50 - $100/day	
Waiver of premium		
Continuation of coverage		

[Six levels available that determine the benefit amount. Five options available determine which benefits are included. Option H is compatible with Health Savings Accounts (HSAs)].

	Benefit Amounts	Monthly Premium Rates (Payroll)
Sickness Indemnity		$19.90 - $105.90
Physician's visit (payable for accident, sickness, or wellness)	$15 - $25/visit 3 - 4 visits/year (individual) or 6 - 8 visits/year (family)	
The following benefits are payable for sickness only:		
Hospital confinement	$50 - $200/day	
Initial hospitalization	$250	
Diagnostic exams	$150/year	
Rehabilitation	$50/day 15 days/confinement 30 days/year	
Surgical schedule	$100 - $2,000/year	
Ambulance	$100 ground/$1,000 air	
Dental*		
Dental wellness (preventive)	$25 - $75/year	$24.05 - Individual (Essentials)
Scheduled benefits	$15 - $1,600	$164.32 - Two-parent family (Level 3)
Annual maximum building benefit	Up to $500 per covered person	
Vision		$13.90 - $49.90
Vision correction materials	$80 - $270	
Refractive error correction	$130 - $420	
Eye exam	$45	
Permanent visual impairment	Up to $20,000	
Specific eye diseases/disorders	$1,000	
Eye surgery	$50 - $1,500	
Short-Term Disability*		$12.48 - $219.96
Disability benefits for sickness and off-the-job injury	$500 - $6,000	
Elimination periods 0-180 days. Benefit periods 3-24 months		
Life*		$4.98 - $110.99
Whole-life face amounts	$10,000 - $250,000	
10-, 20-, and 30-year term face amounts	$10,000 - $250,000	
Accelerated death benefit		
Waiver of premium		
Optional accidental death benefit rider		
Spouse and dependent coverage available		
Simplified-issue, rates guaranteed		

**Also available on a group platform. Benefits of group and individual products may vary.*

Section IV
The Management Team

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

Dan Amos, 61, graduated from the University of Georgia with a bachelor's degree in insurance and risk management. He first joined Aflac as a sales associate while in his teens. He served as state manager of Aflac's Alabama/West Florida Territory for 10 years. Under his leadership, his sales territory was the number one producing area in 1981 and 1982. He was elected president of Aflac in 1983 and chief operating officer of Aflac in 1987. He became chief executive officer in 1990 and was named chairman in 2001. Dan is a member of the board of trustees of the House of Mercy of Columbus. He is a past recipient of the Dr. Martin Luther King Jr. Unity Award and the Anti-Defamation League's Torch of Liberty Award, and has been named by CNN as CEO of the Week. He has appeared five times on Institutional Investor magazine's lists of America's Best CEOs for the insurance category. Under Dan's leadership, Aflac has been named to the Ethisphere Institute's annual list of World's Most Ethical Companies for seven consecutive years. Dan is a former member of the board of trustees of Children's Healthcare of Atlanta and former chairman of the boards of The Japan-America Society of Georgia and the University of Georgia Foundation.

Kriss Cloninger III
President and Chief Financial Officer,
Aflac Incorporated

Kriss Cloninger, 65, joined Aflac Incorporated in March 1992 as senior vice president and chief financial officer. He was promoted to executive vice president in 1993 and president in May 2001. Since joining Aflac, he has had primary responsibility for overseeing the financial management of all company operations. He has been named Best CFO in the insurance/life category in America by Institutional Investor magazine three times and is a member of the boards of directors of Aflac Incorporated, Tupperware Brands Corporation, and Total Systems Services, Inc., and Precept Ministries. He holds bachelor's and master's degrees in business administration from the University of Texas at Austin and is a Fellow of the Society of Actuaries.

Paul S. Amos II
President, Aflac

Paul Amos, 37, holds a bachelor's degree in economics from Duke University, a master's degree in business administration from Emory University and a juris doctor degree from Tulane University. He joined Aflac in 2002 as the state sales coordinator for the Georgia-North sales territory. Under his guidance, Georgia-North grew to become the company's No. 1 state operation. Paul was promoted to executive vice president of Aflac U.S., in 2005, assumed the additional responsibilities of chief operating officer in 2006, was promoted to president of Aflac in 2007, and assumed reporting responsibilities for Aflac Japan and Aflac's Global Investment Division in July 2013. Prior to joining Aflac, he worked in the corporate legal division of a merger and acquisition firm in Washington, D.C. Paul serves on the boards of directors of Aflac Incorporated, the Georgia Chamber of Commerce and the Turner School of Business at Columbus State University. In addition, he is a member of the Georgia Research Alliance Board of Trustees and the Duke University Divinity School's Board of Visitors.

Kenneth S. Janke Jr.
President, Aflac U.S.;
Executive Vice President;
Deputy Chief Financial Officer,
Aflac Incorporated

Ken Janke, 55, attended Michigan State University and received a bachelor's degree in political science from the University of Michigan in 1981 and a master's degree in business administration from Oakland University in 1985. He joined Aflac Incorporated in 1985 as manager of Investor Relations and was promoted to senior vice president in 1993. In 2002 Aflac's Investor Relations Department was recognized by Investor Relations Magazine as the Best Overall Investor Relations Department for a large-cap company and Ken was named the Best Investor Relations Officer for a large-cap company in 2003. In 2010, he was promoted to executive vice president; deputy chief financial officer. In July 2013, he was also named president of Aflac U.S. Prior to joining Aflac, he served as director of Corporate Services for the National Association of Investors Corporation (NAIC) in Madison Heights, Michigan. He is the former chairperson for Aflac's Corporate Disclosure Committee.

Teresa L. White
Executive Vice President;
Chief Operating Officer,
Aflac Columbus

Teresa White, 46, earned a bachelor's degree in business administration from the University of Texas at Arlington and a master's degree in management from Troy State University. She joined Aflac in 1998 as second vice president, Client Services; was promoted to vice president of Client Services in 2000; to senior vice president, director of Sales Support and Administration in October 2004; to deputy chief administrative officer in March 2007; and to executive vice president, internal operations; chief administrative officer in March 2008. In October 2012, she assumed the additional responsibility of the IT Division, and in July 2013 she was also named chief operating officer of Aflac Columbus. Teresa is an alumnus of Leadership Columbus, and is a Fellow of the Life Management Institute. She currently serves on the board of directors for Communicorp. She's also a member of Delta Sigma Theta Sorority, Inc.

Susan R. Blanck
Executive Vice President,
Aflac Incorporated and Aflac Japan;
Corporate Actuary

Sue Blanck, 46, graduated from the University of Missouri-Columbia with a bachelor's degree in education. She joined Aflac's Actuarial Department in the U.S. pricing area in 1993. She was promoted to second vice president and assistant actuary in 1998. In 2000, she was promoted to vice president, and in 2002 she assumed responsibility for developing Aflac's business and financial plans. She was promoted to senior vice president and deputy corporate actuary in March 2004; to corporate actuary in January 2006; assumed the additional responsibilities of first senior vice president, Aflac Japan, in June 2008; and was promoted to executive vice president of Aflac Incorporated in 2011 and Aflac Japan in 2012. In this capacity, she continues to work on product development and strategic marketing initiatives in Japan. She is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries.

Thomas R. Giddens
Executive Vice President;
Director of Sales

Tom Giddens, 58, joined Aflac in 1983 as assistant vice president before serving in the field for more than 20 years. He was a regional sales coordinator in Atlanta where he consistently exceeded goals, resulting in his promotion to state sales coordinator of Georgia-North. Throughout Tom's career as an RSC, his region was recognized four times as the top performing region in terms of new annualized premium sales. As state sales coordinator, Tom was recognized as the company's top salesperson for three consecutive years, earning the company's all-time sales record. In 2007, Tom's numerous achievements and contributions were recognized when he became the youngest member of the Aflac Sales Hall of Fame. Tom was subsequently named Southeast territory director in December 2009, where his team led in sales, and to senior vice president and co-director of Sales in May 2010. He served as director of sales from December 2010 to June 2012, and was promoted to his current position in April 2013. Tom currently serves on the boards of the Georgia Chamber of Commerce, Children's Healthcare of Atlanta, and the Aflac Credit Union. He received a bachelor's degree in physical education from Georgia Southwestern University.

D. Christian Goodall
Chief Executive Officer,
Aflac Group Insurance

Chris Goodall, 55, is chief executive officer of Aflac Group Insurance. He joined CAIC in 1995 as general counsel, also serving as vice president and president prior to his promotion to chief executive officer of Aflac Group Insurance. Before joining CAIC, he served as partner with the law firm of Adams, Quackenbush, Herring & Stuart in Columbia, South Carolina. Chris graduated from Wofford College with a bachelor of arts degree and went on to receive his juris doctor degree from the Samford University School of Law. He is currently a member of the boards of directors of Aflac Group Insurance (CAIC) and the Association of South Carolina Life Insurance Companies. He serves as vice chairman of the board of trustees for Providence Hospital; and served as a Commissioner of the SC ETV Commission, having been appointed by Governor Sanford from the 2nd Congressional District. He also serves on the board of directors for the Souper Bowl of Caring; Project Pet in Columbia, SC; and Wofford College. He is a member of the World Presidents Organization and the Midlands Business Leaders Group.

Eric M. Kirsch
Executive Vice President;
Global Chief Investment Officer

Eric Kirsch, 52, joined Aflac in November 2011 as first senior vice president; global chief investment officer and was promoted to his current position in July 2012. In his role, he is responsible for Aflac's investment portfolio and team of more than 50 investment professionals. Prior to joining Aflac, he served as managing director and global head of insurance asset management at Goldman Sachs Asset Management, where he managed a global team of 55 professionals and oversaw the management of over $70 billion of insurance assets. Prior to that, he spent 27 combined years at Deutsche Asset Management (DeAM) and Bankers Trust Company, most recently serving as managing director and global head of insurance asset management. At DeAM Eric was responsible for a staff of over 100 people and managing over $150 billion in insurance assets. He also served as a member of the Global Operating Committee of DeAM. Prior to this, he served as managing director and head of North America Fixed Income, responsible for more than $150 billion of assets across multiple fixed income investment strategies. He also previously served as vice president and stable value portfolio manager at Bankers Trust Company. Eric received a bachelor of business administration from Baruch College in 1984, and a master of business administration degree from Pace University in 1988. He earned his CFA designation in 1990. Eric also serves as a trustee of the Jersey Shore University Medical Center Foundation.

Joey M. Loudermilk
Executive Vice President, Legal and
Government Relations;
Corporate General Counsel

Joey Loudermilk, 60, earned a bachelor's degree with honors from Georgia State University and a juris doctor degree from the University of Georgia School of Law. He worked in private law practice before joining Aflac in 1983 as head of the company's then newly formed Legal Department. In 1988, he assumed responsibility for Governmental Relations. In February 1989, he became treasurer for Aflac Incorporated's Political Action Committee (Aflac PAC) and was appointed senior vice president, corporate counsel, for Aflac Incorporated in 1989. In 1991 he was promoted to general counsel of Aflac Incorporated and Aflac, and in 2000 he was promoted to his current position as executive vice president. He is a member of the State Bar of Georgia, and serves on the boards of the Columbus Regional Medical Foundation, Columbus Regional Healthcare System, Inc., Goodwill Industries, and the Columbus State University Foundation. He has also served on the State Board of Education, the Georgia Humanities Council, and the Georgia Military Affairs Coordinating Committee. He is a former president of the Rotary Club of Columbus.

Audrey Boone Tillman
Executive Vice President,
Corporate Services

Audrey Boone Tillman, 49, received a bachelor of arts degree in political science from the University of North Carolina at Chapel Hill and a juris doctor degree from the University of Georgia School of Law. Before joining Aflac in 1996, she completed a federal judicial clerkship, worked in private practice, and was a law school professor. She holds law licenses in Georgia, North Carolina, and the District of Columbia. Her main areas of responsibility include: Human Resources, Facilities, Corporate Learning, and Strategic Sourcing and Procurement. She was promoted to second vice president in 1997 and to vice president in 2000, where she concentrated on employment law. She was promoted to senior vice president of Human Resources in 2001, and to her current position in 2008. She previously served as a director-at-large for the Society for Human Resource Management (SHRM).

Michael W. Zuna
Executive Vice President;
Chief Marketing Officer

Michael Zuna, 44, graduated cum laude from the United States Naval Academy with a bachelor's degree in economics. He served 10 years in the Navy. Michael joined Aflac in 2009 as vice president of Marketing, a role in which he managed Aflac's brand strategy, national advertising, business-to-business and business-to-consumer marketing. He was promoted to senior vice president; chief marketing officer in 2010 and to executive vice president in June 2012. In his role, he is responsible for overseeing all marketing strategies in the 70,000 career agent channel, core broker channel, Aflac Benefits Solutions, Worksite Market and Channel Management, Product Development, Market Intelligence and Insights, Creative Excellence, Marketing Support departments. Prior to joining Aflac, he served as the managing director of Saatchi & Saatchi New York and has also held leadership roles at Arnold Worldwide and Ogilvy & Mather.

Laree R. Daniel
Senior Vice President;
Chief Administrative Officer

Laree Daniel, 53, holds bachelor of science degrees in business and psychology from Nebraska Wesleyan University and a master of science degree in organizational psychology from the University of Nebraska at Omaha. She joined Aflac in September 2007 as a customer experience consultant for Internal Operations and was promoted to vice president of Client Services in November 2007. In March 2009 Laree was promoted to senior vice president of the Customer Assurance Organization for Aflac, and in March 2012 became senior vice president of Sales Operations. In October 2012, Laree assumed her current position as senior vice president; chief administrative officer where she is responsible for Sales Operations, the Customer Assurance Organization, the Field Liaison Office and Aflac Group Operations. Laree is an Insurance industry veteran with more than 20 years of leadership, having joined Aflac from two of the nation's largest insurers – Assurant Health and Mutual of Omaha. She most recently served as chief administrative officer for Assurant Health in Milwaukee, and prior to that held various leadership positions at Mutual of Omaha. Her professional designations include the Health Insurance Association of America (HIAA) and the Accredited Customer Service (ACS).

J. Todd Daniels
Senior Vice President;
Deputy Corporate Actuary

Todd Daniels, 42, joined Aflac in 2002 as an actuarial assistant and has held several positions within the Actuarial Department, including second vice president, associate actuary. He was promoted to vice president, Financial Planning and Analysis in 2011 where he assumed responsibility for Aflac's financial planning and corporate modeling. In 2012 he was promoted to his current positions as senior vice president, deputy corporate actuary. In addition to his prior responsibilities, he oversees the daily activities for Aflac U.S. actuarial department. Additionally, Todd is involved in actuarial analysis for Aflac Group Insurance. Prior to joining Aflac, he served as an actuarial associate for Liberty National Life. He holds a bachelor's degree in applied mathematics from Auburn University and is a Fellow of the Society of Actuaries and member of the American Academy of Actuaries.

Bradley E. Dyslin
Managing Director;
Global Head of Credit,
Investment Division

Brad Dyslin, 47, joined Aflac in June 2012 as managing director, global head of credit in Aflac's Investment Division. He is responsible for leading the Global Credit team, directing research, investment recommendations, and portfolio management for the credit-related assets that make up the core portion of Aflac's global portfolio. He has 21 years of experience in U.S. and global investments and most recently served as senior vice president; head of research and portfolio manager for Hartford Investment Management. Prior to joining Hartford, he was director, U.S. Credit Research for Deutsche Asset Management in New York. Brad's other experience includes more than a decade of progressively responsible positions with Principal Capital Management, including director, Fixed Income Research, and director, International Investment Operations. He earned a bachelor's degree in business administration and economics from Morningside College and a master's degree in business administration with an emphasis in finance from the University of Iowa. He is a CFA charterholder.

Lori M. Evangel
Managing Director; Global Chief Risk
Officer, Global Investment Division

Lori Evangel, 51, joined Aflac in January 2013 as managing director; chief risk officer in Aflac's Investment Division. In her position, she is responsible for leading Aflac Global Investments' risk management function, encompassing both assets and liabilities for Aflac's global investment portfolio. In this role, Lori builds out a world-class risk management function to meet the dual goals of risk mitigation and prudent risk-taking through market cycles. She works closely with Aflac global investment teams to identify and assess investment risks while developing strategies to address those risks. Prior to Aflac, Lori most recently served as senior vice president and enterprise risk officer at MetLife. Prior to that, she held progressively responsible positions at MBIA Insurance Corporation, including managing director; head of the Portfolio Management and Market Risk Group and managing director of MBIA's Financial Solutions Group. Lori received a bachelor's degree from Middlebury College in Vermont and a master of business administration degree in Finance from the State University of New York at Albany.

Phillip J. "Jack" Friou
Senior Vice President;
Director of Governmental Relations

Jack Friou, 63, graduated from the University of Georgia in 1971 with a bachelor's degree in political science and served in the Army for two years. He joined Aflac in 1973 and has served in various capacities in administration and marketing, including Agency Administration, the Policyholder Service Department and the Compliance Department. He also served as president of Aflac New York and senior vice president, Marketing and Agency Development. His current area of responsibility includes state legislative and regulatory relations.

John T. Harmeling
Senior Vice President,
Worksite Marketing

John Harmeling, 40, joined Aflac in July 2012 as senior vice president, worksite marketing. In this role, he is responsible for developing and driving growth strategies for the worksite segment, including product management and innovation, sales force recruiting, enrollment and exchange strategy, and account and policyholder retention. He also oversees sales and marketing programs to attract and grow target accounts through existing and new channels. Before joining Aflac, John served as strategy and business development executive at Experian. He also gained experience at Bank of America where he led the eCommerce enterprise sales team, and at AIG where he most recently led the Accident and Health Profit Center for AIG Benefit Solutions. John earned his bachelor's degree at Duke University and his master's in business administration from the Wharton School at the University of Pennsylvania.

June P. Howard, CPA, CFA, CGMA
Senior Vice President, Financial Services;
Chief Accounting Officer

June Howard, 47, graduated from the University of Alabama in Huntsville with a bachelor's degree in business administration. She joined Aflac in June 2009 and is responsible for financial reporting and control, investment accounting, budgeting and accounting policy. She assumed the additional role of chief accounting officer in November 2010. Before joining Aflac, she held financial reporting positions of increasing responsibility at ING and The Hartford. Additionally, she worked as an auditor with Ernst & Young for nearly 10 years. June is a member of the American Institute of Certified Public Accountants, the Alabama Society of Certified Public Accountants, the CFA Institute and the Atlanta Society of Financial Analysts.

J. Peter Kelso
Managing Director;
Chief Investments Technology Officer,
Investment Division

Pete Kelso, 46, joined Aflac in October 2012, as managing director; chief investments technology officer in Aflac's Global Investment Division. In his position, Pete is primarily responsible for strategy, implementation and oversight of all aspects of information technology related to Aflac's Investment Division globally. Prior to Aflac, he served as managing director; head of Application Services for Asset Management, Securities Lending, Funding, Listed Derivatives, CMBS, RMBS, Loans, Money Markets and Foreign Exchange in Deutsche Bank Group's Global Technology organization. Prior to Deutsche Bank, Pete held progressively responsible roles at Merrill Lynch Investment Management, Bankers Trust Asset Management Division, and Northern Telecom. He received a bachelor's degree in general engineering from the University of Illinois and a master's degree in business administration with an emphasis in finance and statistics from the University of Chicago Booth School of Business.

Thomas P. McKenna
Senior Vice President,
Legal Division

Tom McKenna, 47, received his bachelor's degree in political science from Columbus State University. He joined the Legal Department in 1993 after receiving his juris doctor degree from the Walter F. George School of Law at Mercer University. Since then, he has assumed progressively responsible management positions, including his most recent role as vice president and deputy general counsel. He assumed his current position in January 2012 where he continues to manage and direct the operations of the Aflac U.S. Legal Division. In addition, he coordinates legal functions with Compliance and Governmental Relations, Internal Operations, Marketing, Claims and IT; maintains programs designed to reduce or eliminate legal risks for company operations; and provides legal counsel to management on a broad range of topics. He is a member of the State Bar of Georgia.

John A. Moorefield
Senior Vice President,
Strategic Management,
Aflac International

John Moorefield, 51, graduated from North Carolina State University. He joined Aflac in 2005 and has worked in several key positions including chief information officer of Aflac Japan, where he managed Aflac Japan's technology service delivery and directed the completion of several key initiatives. In that role, he was also responsible for the development of short-term and long-term Aflac Japan information technology. In his current role as senior vice president, strategic management for Aflac International, John oversees various strategic initiatives. He also coordinates strategic operations between Aflac's U.S. and Japan operations. Prior to joining Aflac, John served as a Principal in ApproxiCom, 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.

Drew J. Niziak
Senior Vice President,
Broker Sales and Aflac Benefits Solutions

Drew Niziak, 51, joined Aflac in January 2013 as senior vice president, broker sales and Aflac Benefits Solutions (ABS). In his role, Drew oversees the broker sales strategy and leads the development of national and regional marketing relationships with insurance brokers through ABS and Aflac. ABS provides specialized services to the company's most significant brokerage partners through an experienced team of business developers, consultants, strategic account managers and broker service professionals while Aflac provides dedicated services and support to mid-tier and regional brokers in partnership with Aflac's sales force. Prior to joining Aflac, Drew held several positions with Sun Life Financial in the Employee Benefit Group, most recently serving as executive vice president, sales and distribution. Drew holds a master of business administration degree from The Wharton School of the University of Pennsylvania and a bachelor of arts degree from Johns Hopkins University.

David L. Pringle
Senior Vice President,
Federal Relations

David Pringle, 57, graduated from Mississippi State University, where he received a bachelor of arts degree in insurance and risk management. He has worked for Aflac for more than 31 years. For nine of those years, David worked with the Aflac sales force in Mississippi, North Carolina and West Virginia, where he worked his way from the position of associate to state sales coordinator. During his career with Aflac, David has also worked at Aflac Worldwide Headquarters as the assistant agency director for the West Territory, and director of Training, where he was responsible for helping develop the concept for Aflac's state training programs. He assumed his current position in 1996. His primary responsibility is to coordinate Aflac's government relations and lobbying efforts in Washington, D.C. He also serves as secretary and principal fundraiser for Aflac's Political Action Committee (Aflac PAC), which is one of the largest political action committees among all insurance companies.

Eric B. Seldon
Senior Vice President,
Business Services;
President and Vice Chairman,
Communicorp

Eric Seldon, 44, received a bachelor's degree in business administration from Madison University. Before joining Aflac in 1999, he was vice president of Card Services at Total System Services Inc. After joining Aflac, Eric served as an operations manager in Client Services before being promoted to director of New Business. Since then, he has held several leadership positions including second vice president, Support Services; vice president, Business Services & Support; and senior vice president, Business Services as well as president and vice chairman of the board for Communicorp administration and operations. In 2011, he was promoted to president and CEO of Communicorp while continuing to serve as senior vice president of Business Services where he is currently responsible for the direction of Support Services, Payment Services, and Facilities. He has more than 20 years of leadership experience, including more than 12 years with Aflac. He is a member of the Georgia Minority Supplier Development Council and is certified by the U.S. Postal Service as a Mail Center Professional and by Mailcom for Mail Center Security Training.

Alexander W. Stephanouk
Senior Vice President; Chief Risk Officer
and Internal Audit Executive,
Aflac Incorporated

Alex Stephanouk, 43, holds a bachelor's degree in marketing from Auburn University and a master of business administration degree from Louisiana State University. He joined Aflac in 2009 as vice president, Internal Audit, for Aflac Incorporated reporting to the Audit Committee of the Board of Directors, where he was responsible for all corporate Internal Audit activities. He was promoted to his current position in 2012, where he oversees all global enterprise risk management and internal audit activities. Before joining Aflac, he was managing director of Advisory Services at KPMG in Atlanta, and he also worked as manager of Business Process Risk Consulting at Arthur Andersen, LLP. He is a Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), and Certified Risk Management Assessor (CRMA). Additionally, he is on the board of directors of the Columbus Chapter of the Institute of Internal Auditors and the Family Center, and is on the LSU Center for Internal Auditing Advisory Board.

Timothy Chip Stevens
Managing Director;
Global Head of Trading,
Investment Division

Chip Stevens, 43, joined Aflac in June 2012 as managing director; global head of trading in Aflac's Investment Division. In his position, Chip leads Aflac's global trading activities, including fixed-income instruments, currency investments and other asset classes, working closely with other senior managers that oversee Aflac's global investment portfolio. He is also responsible for establishing global trading policies and practices, building out trading infrastructure and systems, and coordinating and strengthening Aflac's counterparty relationships. Chip has two decades of experience in both U.S. and global investments. He most recently served as managing director; head of fixed income trading for the Americas for BlackRock Investment Management. Prior to joining BlackRock, he was managing director; head of U.S. fixed income trading for Barclays Global Investors in San Francisco. Additionally, Stevens held progressively responsible trading and trading management positions with Deutsche Bank AG and Merrill Lynch International. He earned a bachelor's degree in economics from Cornell University and a master's degree in business administration from Duke University.

Robin Y. Wilkey, CPA
Senior Vice President,
Investor and Rating Agency Relations

Robin Wilkey, 55, graduated from the University of Georgia with a bachelor's degree in finance and went on to receive her designation as a certified public accountant. She joined Aflac in 1990 as an accountant in Financial, was promoted to senior auditor in Internal Auditing and to manager of Information Systems and Payroll in the Human Resources Division. She joined the Investor Relations Department in 1998 as senior director; was promoted to second vice president in 2002; to vice president in 2003; and to senior vice president in 2010. She assumed the additional role of rating agency relations in November 2011. Prior to working at Aflac, she worked in auditing and accounting in the banking and medical industries.

Delia H. Moore
Director,
Rating Agency and Investor Relations

Delia Moore, 42, graduated from Columbus State University with a bachelor of business administration degree in accounting and earned a master's degree in accounting from Auburn University. Delia joined Aflac in 2003 as a supervisor in Policy Service and in 2005 was promoted to manager of Investor Relations. In November 2011 she was promoted to Rating Agency Relations, where she manages Aflac's relationships and open communications with rating agencies. In her current role, she serves as a liaison for senior management in developments, changes and potential strategic decisions as it relates to rating agencies. Prior to joining Aflac, Delia performed in various leadership capacities at major Fortune 500 companies including AT&T and Citibank.

Daniel A. Bellware, CPA
Senior Manager,
Investor Relations

Daniel Bellware, 50, joined Aflac in 1998, and has held various roles in Financial Reporting and Financial Compliance prior to joining Investor Relations in July 2013. He holds a bachelor's degree in Accountancy and master's degree in Business Administration from the University of Central Florida. Daniel is also a member of the American Institute of Certified Public Accountants. As senior manager of Investor Relations, Daniel partners with various divisions to ensure that an overall view of corporate activity is coordinated, analyzed and integrated into the investor relations communications and strategy. In addition, he is responsible for overseeing retail investor relations activities at Aflac, including educating the individual, broker and financial advisor investment community on Aflac's financial performance. Prior to joining Aflac, Daniel held management positions in several smaller life insurance companies.

Aflac Japan Management

Tohru Tonoike
President and Chief Operating Officer,
Aflac Japan

Tohru Tonoike, 63, graduated from Hitotsubashi University and worked for Dai-ichi Kangyo Bank, which later merged with two other banks to form the Mizuho Financial Group, prior to joining Aflac Japan as deputy president in February 2007. In 2005, he became president and representative director of Dai-ichi Kangyo Asset Management Company, another division of the Mizuho Financial Group. Tonoike served on the Aflac board of directors from November 2004 through January 2007. He was promoted to president of Aflac Japan in July 2007.

Charles D. Lake II
Chairman,
Aflac Japan

Charles Lake, 51, received a bachelor's degree in Asian studies and political science from the University of Hawaii at Manoa in 1985 and a juris doctor degree from the George Washington University School of Law in 1990. He joined Aflac International in February 1999 and Aflac Japan in June 1999. He became deputy president in 2001, president in 2003, vice chairman in 2005, and chairman in 2008. Before joining Aflac, he practiced law in Washington, D.C. He also served as director of Japan affairs and special counsel at the office of the U.S. Trade Representative in the Executive Office of the President. He currently serves as chairman of the U.S.-Japan Business Council and president of the Maureen and Mike Mansfield Foundation. He also serves as a director on the board of the Japan Exchange Group, Inc., and a board member of the Coalition of Service Industries. He is also chairman of the American Council of Life Insurers' International Committee and president emeritus of the American Chamber of Commerce in Japan (ACCJ).

Masahiko Furutani
Deputy President,
Aflac Japan

Masahiko Furutani, 55, graduated from Hitotsubashi University and worked for Dai-ichi Kangyo Bank, which later merged with two other banks to form the Mizuho Financial Group. After serving as general manager at Mizuho Corporate Bank and as general manager, senior vice president and executive director at Mizuho Bank, he joined Aflac as executive vice president in April 2012 and was named deputy president in July 2013.

Koji Ariyoshi
Executive Vice President;
Director of Marketing and Sales

Koji Ariyoshi, 59, graduated from Ritsumeikan University in 1978. He joined Aflac as senior vice president responsible for sales planning in October 2008. From January through March 2009, he was directly in charge of the Retail Marketing, Alliance Management and Hojinkai Promotion Departments, and from April through December 2009, he oversaw all the marketing and sales departments as deputy director of Marketing and Sales. He was promoted to first senior vice president and director of Marketing and Sales in January 2010. He was promoted to his current position in January 2012. Before joining Aflac, he worked for Alico Japan as vice president and AXA Life Insurance as senior vice president.

Hiroshi Yamauchi
Executive Vice President,
Planning and Research Division, Human Resources and General Affairs Division,
IT Division

Hiroshi Yamauchi, 61, graduated from Saitama University in 1976 and joined Aflac that same year. He 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. He was promoted to his current position in January 2012.

Jun Isonaka
First Senior Vice President;
Chief Administrative Officer

Jun Isonaka, 55, graduated from Kwansei Gakuin University in 1980 and joined Aflac that same year. He served as general manager of the Group Marketing and Marketing and Sales Promotion 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.

Masatoshi Koide
First Senior Vice President,
Planning and Research Division

Masatoshi Koide, 53, graduated from Tokyo University in 1984 and from Cornell Law School in 1989. He 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 his current position in July 2013. He is a member of the New York State Bar.

Hisayuki Shinkai
First Senior Vice President,
Public Relations and Investor Relations Division, Sales and Marketing Division (Bank Sales)

Hisayuki Shinkai, 62, joined Aflac in 1999 as general manager of the Public Relations Department and was promoted to senior vice president in 2002 and to first senior vice president in 2006. He graduated from Tohoku University in 1974 and previously worked for the Long Term Credit Bank of Japan, Ltd. In his current role, he is responsible for all departments related to bank sales.

Yuji Arai, CFA
Senior Vice President,
Planning and Research Division
Compliance Division
Compliance Officer

Yuji Arai, 50, graduated from Keio University in 1986 and joined Aflac that same year. He became assistant general manager of the Investment Department in 2001, and he began supervising the Investment Department and the Investment Analysis Office in 2002. In January 2005 he was promoted to senior vice president and assumed his current role in January 2012. He is a chartered financial analyst certified by the CFA Institute and a charter member of the CFA Society of Japan.

Andrew J. Conrad
Senior Vice President and General Counsel, Aflac Japan;
Senior Vice President and Counsel;
Director of Governmental and Legal Affairs, Aflac International Incorporated

Andy Conrad, 49, holds a law degree from Harvard Law School and a master's degree from the Fletcher School of Law & Diplomacy at Tufts University. Before joining Aflac, he practiced law in Washington, D.C. He joined Aflac International in 2001 and has held progressively responsible management positions. He was promoted to his current position in January 2012.

Osamu Ishii
Senior Vice President,
Human Resources and
General Affairs Division

Osamu Ishii, 56, graduated from Hitotsubashi University in 1979. Prior to joining Aflac as vice president in April 2008, he worked for Dai-ichi Kangyo Bank and also served as vice president and president at DKB Financial Products Inc. and general manager at Mizuho Corporate Bank. He was promoted to his current position in January 2013. He earned a master's degree in business administration from Massachusetts Institute of Technology in 1995.

Joseph F. Meyer
Senior Vice President;
Global Chief Operating Officer,
Investment Division

Joseph Meyer, 56, received his bachelor's degree in government and East Asian studies from Colby College in 1979. Upon graduation he was awarded a Thomas J. Watson Fellowship. Prior to joining Aflac in March 2012, he began his career in banking with Morgan Guaranty Trust Company in New York and later held various positions such as treasurer and head of finance, administration and operations at Morgan Stanley in Tokyo and Hong Kong, managing director and chief operating officer at Deutsche Securities and Deutsche Asset Management, and chief operating officer at Shinsei Bank. He founded and was representative director of Chi-X Japan Limited, and also worked as chief administrative officer of Hong Kong Exchanges and Clearing.

Yoshifumi Murayama
Senior Vice President,
Sales and Marketing Division

Yoshifumi Murayama, 54, graduated from Meiji University in 1982 and joined Aflac that same year. After serving as general manager of the Osaka Sales Department 1 in 2005 and 2006, he was named vice president in January 2007. He was promoted to his current position in January 2012.

Issei Sasaki
Senior Vice President;
Chief Investment Officer, Aflac Japan

Issei Sasaki, 52, joined Aflac in August 2012 as senior vice president; chief investment officer of Aflac Japan. He brings nearly three decades of experience to Aflac and his responsibilities include building investment teams, formulating investment strategy, hiring external managers, and developing portfolio and risk platform for general account assets of Aflac Japan. He most recently served as senior vice president; chief investment officer of MassMutual Life Insurance Company, Ltd. in Japan. Prior to joining MassMutual, he held positions at Nissay Asset Management Company's Tokyo office, Nippon Life Insurance Company's Treasury & Capital Markets Department, Tokai International Securities Company, Ltd., Merrill Lynch Japan, Inc., and Mitsubishi Trust and Banking Corporation. He received his bachelor of arts degree from the Tokyo University of Foreign Studies.

Koichi Wakasugi
Senior Vice President;
Deputy Director of Marketing and Sales

Koichi Wakasugi, 57, graduated from Ryukoku University in 1979 and joined Aflac that same year. After serving as general manager of the Finance Institution, Chugoku Sales and Kinki Sales Departments, he was promoted to vice president of Retail Marketing Promotion in 2005. He was promoted to senior vice president in January 2012.

Kazuhiro Yamazaki
Senior Vice President,
Financial Accounting, Actuarial and
Investment Risk Management Division

Kazuhiro Yamazaki, 58, earned bachelor's and master's degrees from Waseda University and joined Aflac in 1982. After serving as general manager of the Financial Management and Internal Audit Departments, he was promoted to vice president in 2006. He was promoted to his current position in January 2012. He is a member of the American Institute of Certified Public Accountants, the Institute of Management Accountants and the Institute of Internal Auditors.

Ichiro Murakami
General Manager, Investor Relations;
Support Department, Aflac Japan

Ichiro Murakami, 56, graduated from Tokyo University in 1980 and joined Aflac in 2005. Prior to joining Aflac, he worked for the Long-Term Credit Bank of Japan, where he worked in several capacities, including investor relations for the bank. He assumed his current position in January 2011 after serving Aflac Japan as a general manager for bank sales for more than five years.

Index of Tables and Charts

Section I - Aflac Incorporated

Section II - Aflac Japan

Section III - Aflac U.S.

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