

# Spreading Our Wings



2013 YEAR IN REVIEW

## AFLAC'S GOAL:

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

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

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# Protecting Our Policyholders



Aflac voluntary insurance products pay cash benefits directly to the policyholder to help protect against income and asset loss when a specific health event or life situation causes financial challenges.

Aflac is the number one provider of voluntary insurance at the worksite in the United States\* and the number one life insurance company in terms of individual insurance policies in force in Japan, providing financial protection to more than 50 million people worldwide.

\*Source: Eastbridge Consulting Group, Inc. U.S. Worksite/Voluntary Sales Report. Carrier Results for 2012. Avon, CT: April 2013

## THE AFLAC WAY: PROTECTING OUR POLICYHOLDERS

As an insurance company, our product is intangible: We sell a promise to be there for our policyholders and insureds when they need us most by paying claims fairly, promptly and directly to our policyholders and claimants. Keeping that promise includes delivering a positive consumer experience and ensuring we live up to the Aflac brand each and every day. It's what we call The Aflac Way, and it's the foundation of every endeavor we undertake. Our goal is to fulfill this promise while also offering our customers the best value in voluntary insurance products in Japan and the United States.

### HOW WE KEEP OUR PROMISE

#### ***Income from Premiums***

Policy premiums are the primary source of cash flow for our insurance operations. Premiums are generated from two sources: policy renewals, which represent the majority of premiums received; and new policies issued. With these premium funds, we are able to offer services that deliver on our promise to policyholders, including paying claims fairly and promptly, reserving for future claims, and enhancing customer service and product development.

#### ***Income from Investments***

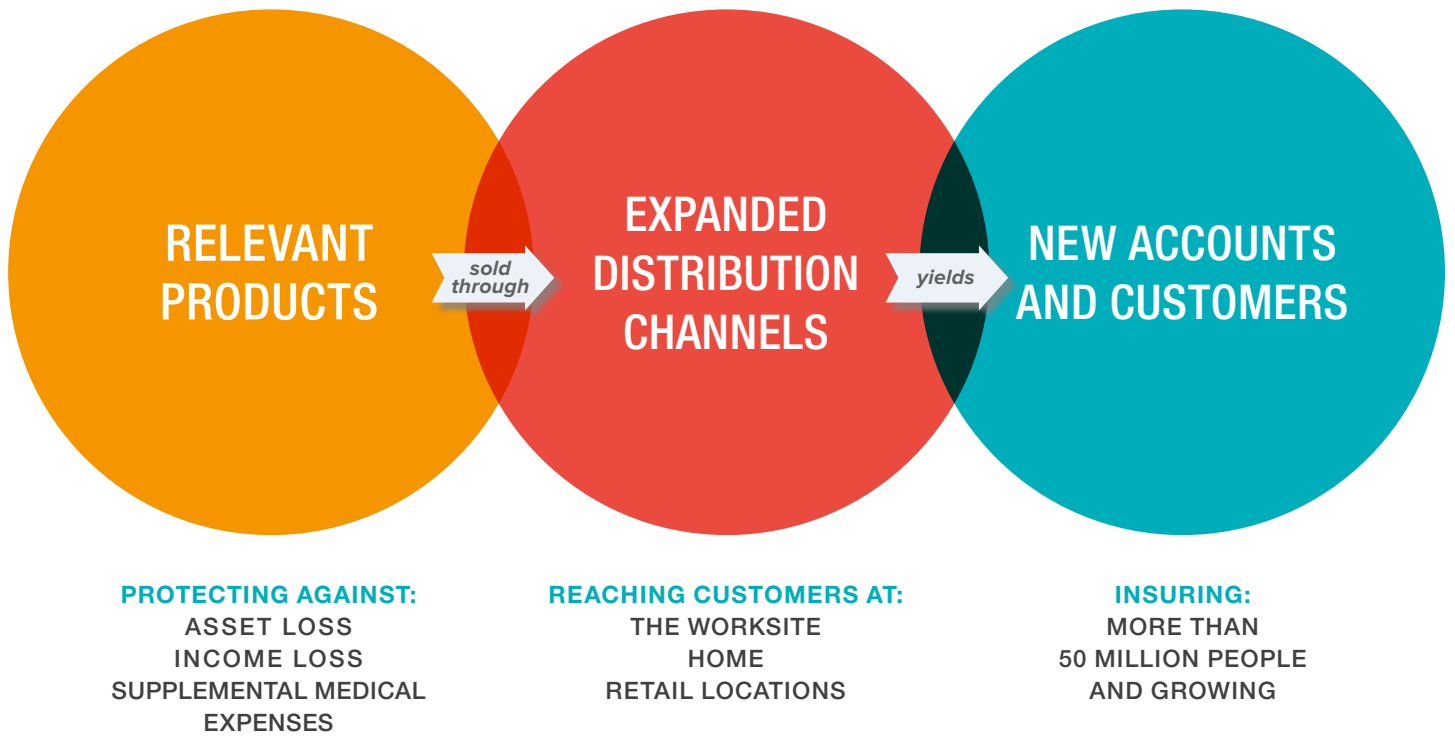
We primarily invest for the long term, and the strong cash flows from our persistent book of business give us the ability to continue to invest from this perspective. Our portfolio is diversified by industry and geography. Earnings from our investments provide additional income that allows us to offer a strong value to policyholders through lower premiums and better benefits. Historically, our product needs and liability profile have been key drivers to our asset strategy. Matching policy liabilities by both duration and currency is a primary consideration in managing our investment portfolio. At the same time, we are continuously focused on enhancing the strength and stability of our balance sheet.

While an insurance company is in the business of managing risk and not avoiding risk, we strive to be good stewards for those we insure. We take great care to thoroughly evaluate the risks of the investments we own to ensure that the entire portfolio offers an appropriate balance of risk and return. Our investment objectives are primarily driven by careful consideration of our liabilities and capital requirements. With these in mind, our investment strategies are designed to achieve the highest attractive risk-adjusted returns with an eye toward quality, diversification and liquidity. We continually evaluate investment opportunities around the world. The vast majority of our strategy centers around purchasing fixed income assets, however, we also seek out opportunities in multiple asset types for their diversification and long-term return potential. With respect to our fixed income investments, we want to own assets where there is a high probability the issuer of the bond can and will meet its obligations to us, both interest and return of principal at maturity.

### PROTECTING OUR POLICYHOLDERS, THE AFLAC WAY

Since the founding of our company in 1955, we've put the customer first by reminding ourselves daily about the promises we've made to those we insure. By doing so, we've gained the trust of more than 50 million people worldwide who count on us to pay claims fairly and promptly when they need us most – **The Aflac Way.**

## OUR STRATEGY FOR GROWTH



## MESSAGE FROM MANAGEMENT

Daniel P. Amos, Chairman and CEO

### Spreading Our Wings, Protecting Our Policyholders

Aflac was founded in 1955 in the United States, and we subsequently spread our wings into Japan in 1974. Each day since, we have been reminded of one unwavering reality: people desire the best health care available for their families while also seeking protection from financial hardships caused by significant medical events. As health care costs continue to rise and more of this burden is shifted to Japanese and American consumers, we believe employers and consumers alike are increasingly aware of the challenges they face. With our approach to offering relevant products at affordable prices along with our brand recognition, we believe Aflac is the partner of choice for solutions that can help.

Aflac is not just a company. It is not just a brand, or a logo – and it's not just the Aflac Duck. Aflac is tens of thousands of people whose actions are dedicated to providing exemplary service and solutions for businesses and individuals. It's important that we accomplish this by staying true to our values and our culture, which embody something we call "The Aflac Way." **Each day, we work to advance our straightforward, time-tested strategy of expanding distribution channels and offering voluntary supplemental products that help protect consumers against income and asset loss.**

2013 was another year in which Aflac extended its record of success and cultivated more opportunities. In both Japan and the United States, we successfully introduced new products, enhanced our distribution systems, and strategically promoted our brand. These efforts helped generate another year in which we met our operating earnings-per-share objective\* – one of the principal financial metrics used to evaluate management's performance.

We believe that operating earnings per diluted share, excluding the impact of foreign currency, continues to be one of the best measures of our performance and has been a key driver of shareholder value for many years. Operating earnings per diluted share, excluding the impact of the yen, rose 5.2% over 2012, which was slightly ahead of our target of a 5% increase.

#### STRONG CAPITAL PROFILE

Another financial area we have focused our efforts toward is enhancing our capital ratios. Our capital ratios demonstrate our commitment to maintaining financial strength and flexibility on behalf of our policyholders, bondholders and shareholders. This financial strength is reflected also by the quality of our balance sheet. While we are extremely pleased by our solid capital

levels, we feel it prudent to regularly assess our capital adequacy by applying various stress tests under extreme economic scenarios. Our capital levels are driven by large, steady cash flows from operations, especially in Japan. At the end of 2013, our risk-based capital, or RBC, ratio was 786%, which was significantly higher than our 2012 RBC ratio of 630%. Capital adequacy in Japan is measured by the solvency margin ratio, or SMR. Aflac Japan's SMR at December 31, 2013, was 777%, which was significantly higher than our 2012 SMR of 669%. Our SMR was also enhanced by our expanded reinsurance activities. A strong RBC and SMR serve to protect our policyholders' interests, while also improving our flexibility to invest in additional asset classes, enabling us to enhance our risk-adjusted returns.

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

While policyholders are top of mind, we also strive to enhance shareholder value through repurchasing our shares and increasing our cash dividend. As we've said for many years, we believe those are the most attractive uses of capital – and those are the avenues we will continue to pursue. In fact, for 2013, while we initially expected share repurchase to be in the range of \$400 to \$600 million, our strong capital levels enabled us to actually increase our share repurchase for the year to \$800 million. For 2014, we had previously communicated that we expected share repurchase to be in the range of \$600 to \$900 million for the year. We now anticipate 2014 share repurchase will be in the range of \$800 million to \$1 billion. I am also pleased with the action by our board of directors in 2013 to increase the cash dividend to shareholders for the 31<sup>st</sup> consecutive year. I am especially pleased with this record. Our objective is to grow cash dividends at a rate generally in line with operating earnings per diluted share before the impact of the yen.

At Aflac, we have always managed our business for the long term, maintaining a sharp focus on our financial objectives, while simultaneously concentrating on enhancing customer service and building our book of business. Combined, we generated more than \$2.9 billion in total new annualized premium sales in the United States and Japan in 2013. Total operating revenues rose 5.7% to \$27.2 billion on a currency neutral basis, reflecting solid growth in premium income and net investment income.

Generating an industry-leading return on equity, or ROE, excluding the yen impact, is also an important financial metric. On an operating basis, excluding the yen impact, our ROE for the full year was 25.8%, which was slightly ahead of our annual ROE target of 20% to 25%.

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

### INVESTMENTS SUPPORT OUR PROMISE

Our investment portfolio reinforces what I believe is the most important promise an insurance company makes to its policyholders – to protect them when they need us most by paying claims fairly and promptly. Our vision is to have a strategic and tactically active investment organization focused on enhancing risk-adjusted returns within dynamic global markets and a changing regulatory environment. As we approach this vision, we must consider the various market challenges all companies face, including yen and dollar interest rate risks, credit spread risk, and foreign exchange risk. We continually assess and modify our portfolio management approach as well as our asset allocation strategy to ensure we act in the best interests of our policyholders and all of our stakeholders.

### SPREADING OUR WINGS TO PROTECT 50 MILLION PEOPLE AND COUNTING

The health care environment in both Japan and the United States is complex and evolving. Aflac provides employers and consumers with solutions to address the financial challenges related to health care, and we have the privilege and the responsibility of providing financial protection to more than 50 million people in Japan and the United States. Overall, we are proud of the way we deliver on our promise to policyholders and excited about the opportunities in Aflac's future.

As we look ahead, we want to empower people with choices that protect their lives today and their dreams for tomorrow. We want to continue to offer valuable products and connect with our policyholders so millions of people can experience the Aflac Way. We want to make it simple and convenient for people to do business with us. In doing so, people will turn to Aflac for additional solutions to their health care needs because we will have earned their trust and confidence.

Aflac products provide policyholders in Japan and the United States with valuable cash benefits in their time of need – and we've done so for almost sixty years. With our ability to create products and expand distribution, we look forward to seizing opportunities, spreading our wings even further in the future and fulfilling more promises than ever. I remain convinced that the U.S. and Japanese markets are excellent platforms for future growth.

I want to personally thank our stakeholders for believing in Aflac and being part of the Aflac family.

**Daniel P. Amos**

Chairman and  
Chief Executive Officer  
Aflac, Aflac Incorporated

*As we look ahead,  
we want to empower  
people with choices  
that protect their  
lives today and their  
dreams for tomorrow.*



## A CONVERSATION WITH AFLAC CHAIRMAN AND CEO DAN AMOS



**Q** Following the financial crisis, how do you feel about the financial strength of Aflac?

**A** *I think we're stronger today financially than we've ever been, and this strength is reflected in our capital levels. Not only did our 2013 RBC and SMR surpass prior-year levels, but these capital ratios also exceeded our annual objectives and form the foundation upon which our promise to policyholders rests.*

**Q** What were your greatest challenges in 2013?

**A** *In Japan, the ongoing low-interest-rate environment continued to be a challenge for us with respect to investing large new money cash flows generated by our insurance operations and investments at reasonable returns. As we consider this challenge and investments in general, we plan to continue to progress as planned with the buildout of Aflac's Global Investment Division through the end of 2014, which encompasses a focus on all aspects of the investment area, including people, processes and technology.*

*In the United States, our ability to adapt to change within the national health care system has required much of our focus. In terms of the U.S. sales climate, we have seen multiple postponements of the implementation*

*of the Affordable Care Act (ACA), and this has prompted some confusion and negativity related to health care coverage in general. We believe this kind of ongoing uncertainty has lengthened our sales process as small businesses in particular are more hesitant to make changes to their health-care-related coverage. But amidst this uncertainty, one constant has been, and continues to be, the need for our products. There is no plan – not even the best major medical plan – that is designed to cover all out-of-pocket expenses. We will continue to drive home the need for our products to businesses, and ultimately their employees while supporting our distribution network in this evolving environment.*

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

**A** *In the United States, we've competed with numerous companies over the last six decades, and I keep coming back to one point: For Aflac, voluntary insurance sold at the worksite represents our primary focus, and our competitors frequently offer voluntary products as a peripheral line of business. Our ability to streamline our focus toward one insurance category has given us an edge that has contributed to our market-leading position.\**

*Similarly, in Japan, supplemental insurance represents our primary focus, and this discipline and concentration has helped propel Aflac to our position as the number one seller of cancer and medical insurance in Japan. Over the last several years, competition has intensified, and I think this has actually broadened not only the scope of our market but also the number of potential customers. But in 2013, Aflac Japan remained the leading seller of cancer and medical insurance policies in Japan, and that says a lot about consumers' preferences.*

**Q** How do you perpetuate the success you've seen with the Aflac Duck, and what has the Aflac brand meant to your company?

**A** *If there's one aspect of our business that we should never underestimate, it's the value of the Aflac brand. We pioneered supplemental/voluntary insurance in both the United States and Japan and have been building a strong brand ever since, most notably since the Aflac Duck came on the scene in 2000. Our brand is one of our most valuable assets because it represents who we are – our people, our culture, and the Aflac Duck. A strong brand is more valuable than ever, because consumers today think more in terms of brands, not just general products. As more products and services flood the market, people don't always have time to analyze the merits of individual products, so they often look to the market leader. Aflac is the market leader,\* and I believe our strong brand is, and will continue to be, a vital component of our success.*

**Q** As CEO, what do you see as your most important role?

**A** *My most important role is to create and maintain Aflac's financial strength, which ultimately protects our policyholders and enhances shareholder value. I also work hard to set a vision for where we want to go as a company and then establish strategies to get there, while monitoring our progress along the way.*







As we navigate through any challenges that might surface, my job is to keep the company on track and progressing toward our objectives.

**Q** How do your products and distribution systems set you apart in Japan and the United States?

**A** In both Japan and the United States, we want to sell our products where consumers want to buy them. We've excelled at expanding distribution in both countries, and this is a reflection

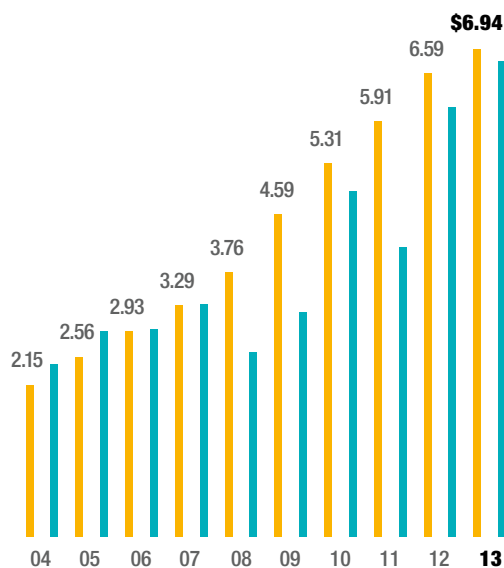
of our relevant products, strong brand, and effective customer service. In Japan, with respect to products, all citizens are covered by a comprehensive, nationally sponsored health insurance program. When we entered that market, consumers were not responsible for any copayments. Today, consumers in Japan face a 30% copayment. With such a financial burden, Japanese consumers easily understand the value of the types of products Aflac sells. In fact, I think you could argue that Japan's national health care system has elevated our products to top-of-mind status. With respect to distribution in Japan, corporate agencies and individual sales agents are still very important to us. At the same time, I think our ability to leverage and support additional distribution channels has been very beneficial to our business because these strategic alliances have broadened our opportunities to allow us to reach different segments of the population we might not be able to reach otherwise. We launched our first strategic alliance in 2001 with Dai-ichi Life, followed by the bank channel and more recently, Japan Post Holdings and Daido Life. Gradually, through our Japan Post partnership, our cancer insurance will be available at 20,000 Japan Post locations across Japan, which will be

very beneficial in the long run. For this reason, I have referred to our expanded partnership with Japan Post as a "game changer," because I see it as an agreement that further solidifies our top position in cancer insurance in Japan.

In the United States, with respect to products, I believe there will be several factors converging that will emphasize the need for products we offer. As consumers gradually begin to see more commonality in Americans' insurance coverage, it will become clearer where people need more coverage, and it is possible that out-of-pocket expenses could be much higher than they are now. In terms of distribution, we are supporting our multi-faceted distribution network in reaching out to businesses of all sizes. With respect to our career agents, we are working on several initiatives including the piloting of Aflac's proprietary exchange, which is geared to employers with less than 100 workers. Additionally, we are continuing to work with brokers on a regional and national level to give us better access to the mid- and large-case market. We continue to seek opportunities to leverage our strong brand and relevant product portfolio in the evolving health care environment.



\*Source: Eastbridge Consulting Group, Inc. U.S. Worksite/Voluntary Sales Report. Carrier Results for 2012. Avon, CT: April 2013



## EARNINGS PER DILUTED SHARE

Net and operating earnings per diluted share benefited from solid operating results. In 2013, we achieved our primary financial target of growth in operating earnings per diluted share, excluding the impact of the yen.

Operating earnings per diluted share is an internal financial measure we use to assess management's performance. Aflac defines operating earnings as the profits derived from operations before realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities, as well as other and nonrecurring items.

**Net Earnings Per Diluted Share**  
**Operating Earnings Per Diluted Share\***

\*Excludes impact of the yen

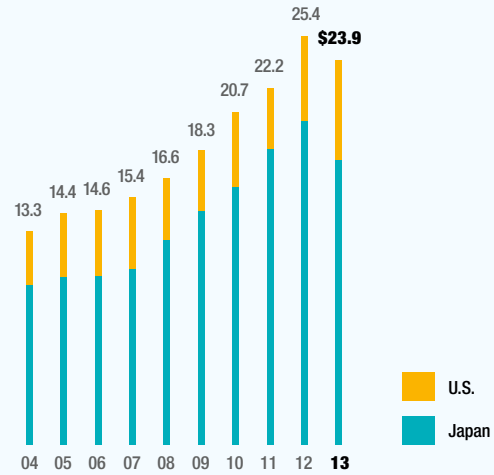
## AFLAC INCORPORATED FINANCIAL HIGHLIGHTS

For 2013, the average yen/dollar exchange rate weakened 18.2% compared with 2012, which significantly suppressed Aflac Japan's growth rate in dollar terms. The yen/dollar exchange rate has not changed this dramatically since 1986. Because more than 77% of Aflac's premiums come from Japan, where the functional currency is the yen, the company believes it is important to understand the impact of translating yen into dollars. Aflac Japan's yen-denominated income statement is translated from yen into dollars using an average exchange rate for the reporting period, and the balance sheet is translated using the exchange rate at the end of the period.

### TOTAL REVENUES

(In billions)

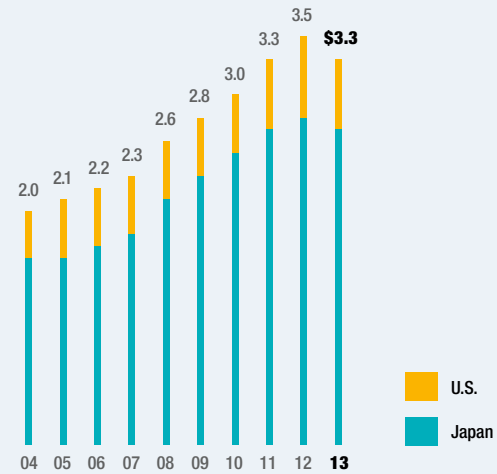
Total revenues declined 5.6% to \$23.9 billion in 2013.



### NET INVESTMENT INCOME

(In billions)

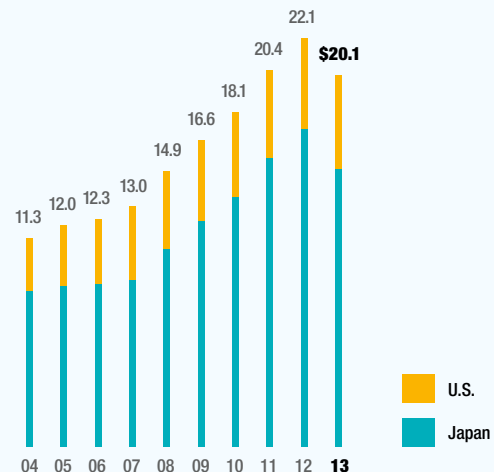
Net investment income declined 5.2% to \$3.3 billion.



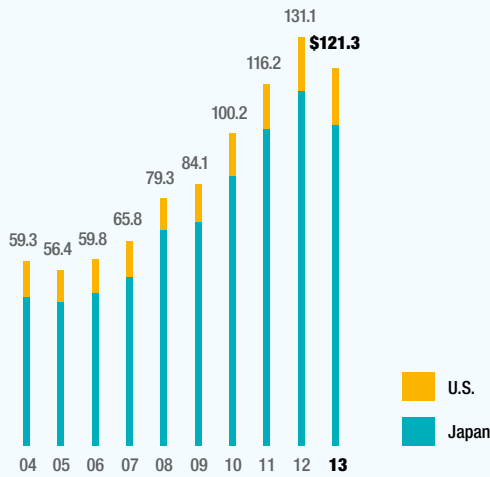
### PREMIUM INCOME

(In billions)

Premium income declined 9.1% to \$20.1 billion.



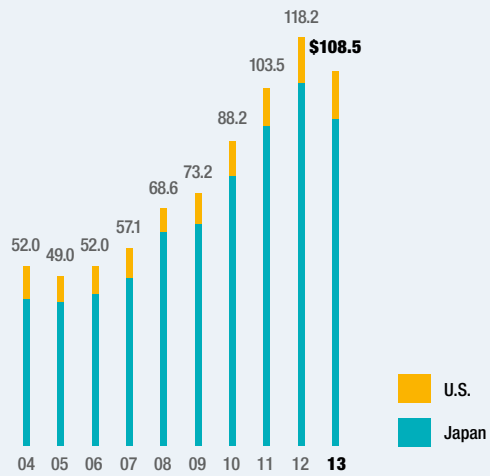
For the period ended December 31, 2013, the yen/dollar exchange rate was 17.9% weaker compared with the end of 2012. However, except for certain transactions that include the Aflac Japan dollar investment program, the company does not actually convert yen into dollars. As a result, Aflac views foreign currency as a financial reporting issue and not as an economic event for the company or its shareholders.



### TOTAL ASSETS

(In billions)

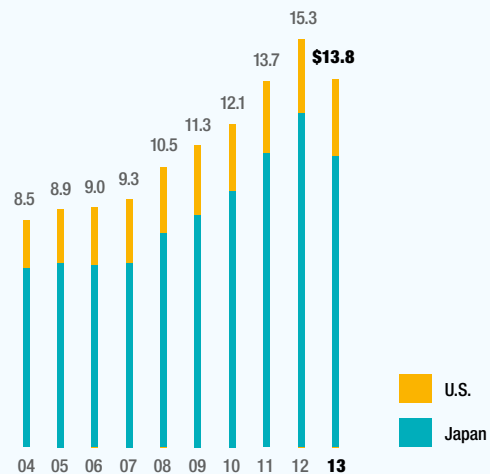
Total assets were \$121.3 billion at the end of 2013.



### TOTAL INVESTMENTS AND CASH

(In billions)

Aflac's total investments and cash declined 8.3% to \$108.5 billion at the end of 2013.



### BENEFITS AND CLAIMS

(In billions)

Aflac paid or provided for \$13.8 billion in benefits for insureds in 2013.

## Spreading Our Wings, Protecting Our Policyholders



2013 was another opportunity for Aflac Japan to spread its wings and deliver our promise to more people than ever before.

Aflac Japan's sales objective was focused exclusively on cancer and medical policies that are more profitable and less interest-rate sensitive than life insurance or annuity products. For 2013, our target was to increase cancer and medical policy sales in the range of flat to up 5%. Results for the year were at the high end of the range, coming in at an increase of 4.0%. Importantly, Aflac Japan remained the leading seller of cancer and medical insurance policies in Japan in 2013.

From a distribution standpoint, we expanded our reach in 2013. Most notable was the agreement between Aflac Japan and Japan Post Holdings signed in July 2013, further expanding our partnership that was initially established in 2008. Aflac Japan is the exclusive provider of cancer insurance distributed through post offices nationwide across Japan. We believe that in the coming years, cancer sales through Japan Post will gradually, but steadily, benefit our business.

Additionally, we formed a business partnership with Daido Life Insurance Company. Daido will sell Aflac's cancer insurance policies to members of Hojinkai, a non-profit organization associated with 900,000 small and mid-sized member businesses across Japan. We believe these new partnerships reflect the strength of the Aflac brand, our reputation for quality customer service, and the value our cancer insurance products provide.

In terms of the product side of our strategy, Aflac Japan enhanced its portfolio of products to respond to the wants and needs of Japanese consumers and our distribution channels. In August 2013, we introduced a revision to our medical product EVER. This product was designed to appeal to consumers in their 20s through their 40s, which is an age demographic where Aflac has been underpenetrated. The success of this product launch helped sales of our third sector products reach the high end of the flat to up 5% targeted range.



An employee of Aflac Japan since 1985, Tadashi Kobayashi works in Aflac Japan's education department. In addition to being an Aflac employee, he is an Aflac claimant who takes pride in sharing the life-changing financial protection Aflac products can provide when a serious illness such as cancer grips a family. Following his wife's passing several years ago after battling cancer, Mr. Tadashi has presented his story and experiences about his wife's fight against cancer to more than 15,000 people at many different venues. He says, "From the perspective of someone who experienced a family member's battle with cancer, and also as an employee of Aflac, I feel strongly about conveying the necessity of the product. When a serious illness such as cancer strikes, it takes a psychological, physical, and economic toll on a family. While we may not be able to prevent the sickness or disease, Aflac products can help financially prepare a family when they need it most so their loved one can seek the best treatment and avoid some of the associated financial worries."

## 2013 FINANCIAL HIGHLIGHTS IN YEN

- ▶ **Premium income** rose 6.8% to ¥1.46 trillion.
- ▶ **Total revenues** rose 7.8% to ¥1.73 trillion.
- ▶ **Pretax operating earnings** rose 13.6% to ¥353.9 billion.

## 2013 FINANCIAL HIGHLIGHTS IN DOLLARS

- ▶ **Premium income** declined 12.7% to \$15.0 billion.
- ▶ **Total revenues** declined 11.8% to \$17.7 billion.
- ▶ **Pretax operating earnings** declined 7.1% to \$3.6 billion.

## THE IMPACT OF THE YEN/DOLLAR EXCHANGE RATE

Aflac Japan collects premiums in yen, pays benefits and expenses in yen, and primarily holds yen-denominated assets to support yen-denominated liabilities. With the exception of certain transactions that include the Aflac Japan dollar investment program, we do not actually convert yen into dollars. Therefore, currency changes do not have a material effect on Aflac in economic terms. However, for financial reporting purposes, we translate Aflac Japan's income statement from yen into dollars using an average exchange rate, which does influence our reported financial results in dollar terms. Translating Aflac Japan's results from yen into dollars means that growth rates are magnified in dollar terms when the yen strengthens against the dollar, compared with the preceding year. Conversely, growth rates in dollar terms are lower when the yen is weaker to the dollar in comparison to the prior year. During 2013, the yen averaged 97.54 to the dollar, or 18.2% weaker than the average of 79.81 yen to the dollar in 2012, suppressing our reported results in dollar terms.

## YEN/DOLLAR EXCHANGE RATE

(Quarterly Closing Rates)



For 2013, the average yen/dollar exchange rate weakened 18.2% compared with 2012, which significantly suppressed Aflac Japan's growth rate in dollar terms. The yen/dollar exchange rate has not changed this dramatically since 1986.

Source: Bloomberg ©

## AFLAC JAPAN DISTRIBUTION CHANNELS

TRADITIONAL SALES CHANNEL		<ul style="list-style-type: none"> <li>• Aflac Japan recruited more than 1,600 new sales agencies in 2013.</li> <li>• Aflac Japan was represented by approximately 15,900 sales agencies at the end of 2013, equating to more than 126,500 licensed sales associates employed by those agencies.</li> </ul>
STRATEGIC ALLIANCES	Dai-ichi Life	<ul style="list-style-type: none"> <li>• Our alliance with Dai-ichi Life was first launched in 2001. In 2013, Dai-ichi Life sold more than 75,000 of our market-leading cancer policies.</li> </ul>
	Bank Channel	<ul style="list-style-type: none"> <li>• Aflac Japan was represented by 372 banks at the end of 2013, or more than 90% of the total number of banks in Japan.</li> </ul>
	Japan Post Group	<ul style="list-style-type: none"> <li>• Aflac Japan and Japan Post Holdings signed a new alliance agreement in July 2013. By October 2013, the number of postal outlets offering Aflac's cancer products had gone from 1,000 to 1,500, and Japan Post Holdings increased that number to nearly 3,000 in March 2014.</li> </ul>
	Daido Life	<ul style="list-style-type: none"> <li>• In September 2013, Aflac Japan and Daido Life Insurance entered into an agreement for Daido to sell Aflac's cancer insurance products in the Hojinkai market.</li> </ul>

**PRODUCTS: IN STEP WITH CONSUMERS NEEDS**

Aflac develops relevant products and sells them through expanding distribution channels, yielding new customers. The foundation of our product portfolio has been, and continues to be, supplemental health products like cancer and medical insurance that fall in Japan’s third sector insurance category. Additionally, Aflac sells various life products that fall in Japan’s first sector insurance category. Over the years, we’ve customized our products to respond to, and even anticipate, the needs of our consumers and the advances in medical treatments. By remaining focused and disciplined with this strategy, we gained greater access to potential customers in 2013.

**AFLAC JAPAN PRODUCTS**

FIRST SECTOR PRODUCTS	THIRD SECTOR PRODUCTS
<p><b>Life insurance products, including:</b></p> <ul style="list-style-type: none"> <li>▶ Life                             <ul style="list-style-type: none"> <li>• Term</li> <li>• Whole</li> <li>• Hybrid (WAYS)</li> </ul> </li> <li>▶ Child Endowment</li> <li>▶ Fixed Annuity</li> </ul>	<p><b>Supplemental insurance products, including:</b></p> <ul style="list-style-type: none"> <li>▶ Cancer</li> <li>▶ Medical</li> </ul>
<p><i>Aflac has been selling first sector life products with smaller face amounts since 1996. Starting in December 2007, banks were permitted to sell the traditional health-related products that Aflac offers to its customers, and the bank channel quickly became a larger contributor to sales.</i></p> <p><b>WAYS</b> In 2006, WAYS was introduced, and banks started selling this unique hybrid whole-life product in 2008. WAYS can be converted to a fixed annuity, medical coverage or nursing care benefits when the policyholder reaches a predetermined age.</p> <p><b>Child Endowment</b> In 2009, Aflac introduced a competitive child endowment product traditionally used in Japan that pays a lump-sum benefit at the time of a child’s entry into high school and an educational annuity for each of the four years of college.</p> <p><b>Fixed Annuity</b> In 1999, Aflac introduced a fixed annuity product to enhance our product portfolio.</p>	<p><i>The foundation of our product portfolio has been, and continues to be, supplemental health products like cancer and medical insurance.</i></p> <p><b>Cancer Insurance</b> In 1974, Aflac pioneered the cancer product in Japan, and we remain the number one provider of cancer insurance today. In 2011, Aflac Japan introduced DAYS, a revised base cancer policy that enhances outpatient and anticancer medication benefits.</p> <p><b>Medical Insurance</b> In early 2002, we first introduced EVER, a stand-alone, whole-life medical product, as a solution to help Japanese citizens with rising copayments related to Japan’s universal health care coverage. Within one year of the introduction of EVER, Aflac became the leading seller of medical insurance in Japan.</p>

Japan has contended with rising health care costs, an aging population and declining birthrate for many years. While their citizens are covered by a national health care insurance system that provides some level of insurance for its citizens, it is not designed to cover all of its citizens’ medical related expenses. Over the last three decades, more out-of-pocket health care expenses have been shifted to Japanese consumers. When Aflac entered Japan in 1974, most citizens paid no copayments. Now, most consumers pay 30% of all medical costs covered by Japan’s national health care system. On top of that, there are additional costs consumers bear, including upgrading to a private hospital room from one with multiple patients. Rising health care costs have driven the majority of Japanese consumers to seek private insurance to help bear rising out-of-pocket expenses. Aflac’s product line offers a means to fill that need by providing policies with benefits related to a significant health event.

## Kanazawa Shinkin Bank

Kanazawa Shinkin Bank strives to offer a broad array of financial services and products to their customers, including Aflac insurance. Employees of Kanazawa Shinkin Bank not only offer banking transactions, they also help identify insurance solutions that respond to customer needs throughout various stages of life, with a particular emphasis on medical insurance. The team works closely together to support one another's busy work/life schedules that include juggling busy careers and family responsibilities.



▲ **A consultative sales approach helps employees meet their** customers' financial and insurance needs.

**Teamwork** helps foster ► success among each of the branch employees.



**This particular branch** ► is operated solely by female staff members (from left to right, Ms. Tomoko Shinmura, Ms. Yuuka Tanaka, Ms. Yumi Tajima and Ms. Megumi Sakata), which is very unique in Japan and appeals to a growing market segment of decision makers: women.







▲ **A day in the life** of door-to-door sales employees at the Saitama Chuo Post Office includes making visits to consult with customers regarding financial and insurance products, including Aflac's cancer insurance called DAYS.



◀ **Employees at the Saitama Chuo Post Office** perform many duties, including selling postal products, financial products, and insurance, including Aflac's cancer policy over the counter.



## Saitama Chuo Post Office

Historically, Japanese consumers have trusted postal outlets in Japan with many important services, including postal products and delivery as well as deposit and insurance products. In recent years, postal outlets offer insurance products of Aflac, a private insurer. In July 2013, Aflac Japan and Japan Post Holdings entered into a new agreement that further strengthened their partnership initially established in 2008 to eventually increase the number of postal outlets to sell our product to 20,000 nationwide. Aflac Japan will remain the provider of cancer insurance distributed through post offices across Japan.

◀ **Mr. Shuji Otake** (center), postmaster of Saitama Chuo Post Office, is pictured with several employees involved in the many activities of the post office, including insurance sales.

## AFLAC JAPAN – KEY OPERATIONAL METRICS

	Total Policies and Riders in Force*	Annualized Premiums in Force**	New Annualized Premiums**	Total Number of Agencies and Banks Representing Aflac	Licensed Sales Associates
<b>2013</b>	<b>36,117</b>	<b>¥1,567,112</b>	<b>¥149,308</b>	<b>16,293</b>	<b>126,584</b>
2012	34,880	1,492,451	210,620	18,855	125,266
2011	33,372	1,343,663	161,033	20,146	120,744
2010	31,665	1,255,600	135,813	19,982	115,406
2009	29,934	1,200,437	122,345	19,635	110,528
2008	29,020	1,161,662	114,692	18,882	107,458
2007	28,443	1,125,561	114,636	18,461	100,810
2006	27,334	1,083,127	117,455	18,432	90,226
2005	26,014	1,027,762	128,784	17,960	81,751
2004	24,477	961,895	122,525	16,410	71,356

\*In thousands

\*\*In millions

### THE IMPORTANCE OF AFLAC'S TRUSTED BRAND

With products that deliver value to consumers in mind, our innovative advertising stands out in what has become an increasingly crowded and competitive market. Aflac has continued to enhance its strong connection with consumers through commercials featuring the Aflac Duck that have captured the attention of Japanese citizens. In doing so, we have successfully strengthened our brand, achieving overall awareness in Japan with more than nine out of 10 people knowing the Aflac brand.

In addition, Aflac Japan continues to create separate and unique spin-off characters related to the Aflac Duck to market specific products and drive sales. For example, to promote DAYS, our enhanced base cancer policy introduced in 2011, Aflac Japan created a character called the Blue Duck. Our Blue Duck character is intended to help foster peace, hope and happiness for those fighting cancer.

We also created characters to promote our Aflac Japan medical products. The first character combines the Aflac Duck with the traditional Japanese cat character called Maneki Neko to promote New EVER, the medical product introduced in 2009. These commercials featuring the cat/duck combination soared to number one status, beating out every other commercial in every industry. The latest character, Black Swan, promotes our revised New EVER medical plan introduced in August 2013. Black Swan, the arch-nemesis of the Aflac Duck, is determined to sway consumers to make unwise life decisions, including deciding against insurance. Fortunately, the Aflac Duck steps in to remind customers to make sound, positive and healthy choices in life as he also reminds them of the need for Aflac products, which provide financial protection and peace of mind.



#### ADMINISTRATIVE EFFICIENCY IMPROVES PRODUCTIVITY, SERVICE AND VALUE

We are continually striving to enhance our administrative efficiency through technology. When we began business in Japan in 1974, our systems were specifically built to administer third sector products, which are characterized by a large volume of low-premium products, and more importantly paying claims fairly and quickly. Our efficient systems allow us to give consumers quality products at affordable prices while compensating our sales force with competitive commissions. Simultaneously, we are also enhancing the total value we deliver to customers by intensifying our efforts to ensure we pay claims accurately and promptly.

#### LOOKING TO THE FUTURE

Although we are the market leader in the sale of cancer and medical insurance products in Japan, we know there are other consumers who both want and need our products, and we strive for ways to reach them, while at the same time serving our current policyholders. We focus on improving our customer service and operations to allow us to deliver our promise more effectively than ever. As Japanese consumers face ongoing challenges related to a stressed financial system, increasing medical expenses, and an aging population, it is likely the national health care system will be up against additional financial pressure. This means Japanese citizens will have to bear more of the health care burden. We believe these additional costs will prompt them to continue to pursue solutions that protect and manage their physical and financial health – and Aflac provides those solutions that can help them.

We believe Aflac is well-positioned in Japan's insurance market. As we plan our product and distribution activities for the future, we believe the competitive strengths that have propelled Aflac Japan's success will continue to benefit Aflac Japan in the future. This success will further opportunities to deliver our promise to more policyholders.



▲ *The Black Swan* advertising campaign that promotes New EVER, Aflac Japan's medical plan, was introduced in August 2013. The commercials portray Black Swan as an ominous character that tries to convince people to make impulsive decisions in life, including forgoing voluntary insurance. Black Swan is thwarted by the heroic Aflac Duck, who reminds consumers to think about what's best for them in the long term.

## Aflac Parents House

More than 12 years ago, **Madoka Ishinoda** (left) lived on an island off the coast of Japan that wasn't equipped with a hospital. She traveled to Tokyo to give birth to her beautiful daughter **Murasaki**. Soon after Murasaki was born, she was diagnosed with a serious adrenal disease, which meant it would be necessary to continue medical treatment in Tokyo. Throughout a very difficult time, the heartwarming smiles and support of the Aflac Parents House helped provide Madoka and Murasaki with the strength to overcome the difficult treatment journey. Today, Murasaki Ishinoda (pictured two years ago) has grown up to be an energetic and brave 12-year-old girl.

The Aflac Parents House provides cheerful and spacious accommodations where pediatric patients and their families can stay together in a home-away-from-home environment while they take on the task of fighting cancer or other serious diseases. Through generous donations from Aflac Japan's sales agents, employees, and officers, three Parents House locations – two in Tokyo and one in Osaka – have helped thousands of children battling health issues, as well as the families that support them.



**Dr. Yosuke Hosoya** is a pediatric doctor at St. Luke's International Hospital in Japan. He is the first participant in a series of Japan-based pediatric cancer specialists invited to the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta through the TOMODACHI-Aflac Program to observe and share best practices related to research, care and treatment protocols of children with cancer. Aflac is proud to be a part of the TOMODACHI Initiative, which is a public and private partnership that invests in the next generation of Japanese and Americans in meaningful disciplines that strengthen relationships between the United States and Japan over the long term.





**Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta**

**Liam DeBord** and **Elizabeth Kaplan**, both age three, are just two of the many pediatric cancer patients at the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta. The Aflac Cancer Center is a national leader among childhood cancer, hematology, and blood and marrow transplant programs, serving infants through young adults. The Aflac Cancer Center is recognized as one of the largest and most renowned childhood cancer centers in the U.S., treating more than 420 newly diagnosed children in 2013 and caring for more than 2,200 children with sickle cell disease, hemophilia, and other blood disorders.



**William G. Woods, M.D.** is professor and director of the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta. The team at the Aflac Cancer Center is committed to providing a brighter future for children fighting cancer and blood disorders by continuing to deliver advanced medical treatment, family-centered care, a child-friendly environment and innovative research. Since 1995, the combined Aflac family has given more than \$88 million to the Aflac Cancer Center, transforming our culture and bringing us together as a team.

## Spreading Our Wings, Protecting Our Policyholders



The longstanding vision of Aflac U.S. is to be the leading provider of voluntary insurance at the worksite in the United States – a position we’ve held for many years.\*

***We strive to accomplish our vision by remaining true to our strategy for growth: expanding distribution channels and offering relevant products to reach more accounts and customers.*** This requires being both proactive and reactive to changes in the U.S. health care environment and workplace demographics while also leveraging our strengths.

In 2013, we identified four strategic pillars to help focus our efforts on new opportunities to spread our wings and remain the leading provider of voluntary insurance at the worksite:\*

- ▶ **Improve and expand our distribution**
- ▶ **Focus our product innovation**
- ▶ **Own our customer experience**
- ▶ **Strengthen our low-cost model**

We believe focusing on these strategic pillars will afford us the opportunity to increase our presence in the voluntary worksite markets and enhance profitability going forward.

In 2013, new annualized premium sales for Aflac U.S. were \$1.4 billion. While the result represents a decrease of 4.3% over prior year sales, we believe multiple changes and delays in the implementation of the Affordable Care Act (ACA), in addition to a stressed economy, especially in the smaller business arena, created a challenging sales environment. With more than 90% of our payroll accounts in the small business market, a general lack of optimism among small employers has resulted in many of these employers remaining guarded in their hiring outlook, thus limiting our universe of potential new policyholders. Additionally, ongoing uncertainties around health care reform implementation have prompted many businesses and consumers to delay decisions related to health care coverage. However, we believe the need for our products remains very strong, and we continue to work on helping our various distribution channels reach more businesses of all sizes. At the same time, we seek opportunities to leverage our strong brand and product portfolio in the evolving health care environment.

\*Source: Eastbridge Consulting Group, Inc. *U.S. Worksite/Voluntary Sales Report. Carrier Results for 2012.* Avon, CT: April 2013



**The Hillman family** – Jason, Elizabeth and their daughter Emily from Florissant, Missouri, found their lives turned upside down when Jason was diagnosed with a rare form of cancer. Throughout treatment, Aflac has helped the Hillman family stay on top of bills and everyday needs by paying their claims fairly and promptly while also exhibiting exceptional customer service. About her experience with Aflac Elizabeth says, “Every time I call Aflac, I get a very nice person on the phone who helps me with every question; and I can hear the smile on their face... I know that with ongoing treatment I will be speaking to Aflac many times and I don’t worry that the customer service will change. I would recommend Aflac to everyone and I am going to also apply for an Aflac accident policy. I hope we will never need it but my story shows that you never know.”



**Martina Barker** is a lead specialist in Aflac's New Business Processing Department in Columbus, Georgia. Martina strives each day to ensure that what she does as an employee positively impacts our policyholders. Martina says, "I work for a great company, and a wonderful team. Each day we are committed to making sure we spread our wings and accurately process all applications received within our SLA (Service Level Agreement). We strive to make sure the service that we provide, by issuing or pending an application, is one that our customers can be proud of."



## AFLAC U.S. PRODUCTS

INCOME-LOSS PROTECTION	ASSET-LOSS PROTECTION	SUPPLEMENTAL MEDICAL
<b>Life insurance products, including:</b> <ul style="list-style-type: none"> <li>▶ Short-Term Disability**</li> <li>▶ Life (term, whole)**</li> </ul>	<b>Supplemental insurance products, including:</b> <ul style="list-style-type: none"> <li>▶ Accident**</li> <li>▶ Cancer*</li> <li>▶ Critical Illness**</li> <li>▶ Hospital Intensive Care*</li> </ul>	<b>Supplemental insurance products, including:</b> <ul style="list-style-type: none"> <li>▶ Hospital Indemnity**</li> <li>▶ Dental**</li> <li>▶ Vision*</li> </ul>

\*Available as individual product only

\*\*Available in both individual and group products. Benefits of group and individual products may vary.

### AFLAC U.S. 2013 FINANCIAL HIGHLIGHTS:

- ▶ **Premium income** rose 3.1% to \$5.2 billion.
- ▶ **Total revenues** rose 2.9% to \$5.8 billion.
- ▶ **Pretax operating earnings** rose by 4.1% to \$1.0 billion.

### PRODUCTS EASE LIFE'S FINANCIAL BURDENS

With the uncertainty surrounding the implementation of health care reform in the U.S. and a tentative business environment, we believe people need Aflac voluntary products now more than ever. Our products provide cash benefits that can be used to help with out-of-pocket medical expenses, help cover household costs, or protect against income and asset loss. Our portfolio of group and individual products provides consumers with outstanding value, while offering businesses the opportunity to give their employees a more valuable and comprehensive selection of benefit options. We regularly evaluate the marketplace to identify opportunities to develop valuable, cost-effective products for employees at businesses of all sizes.

### AFLAC U.S. DISTRIBUTION CHANNELS

DISTRIBUTION CHANNEL	EMPLOYEE MARKET SEGMENT	PRODUCTS
Career agents	< 100 employees	Individual
Core insurance brokers (local and regional)	100 – 1,000 employees	Individual / Group (standardized)
Large insurance brokers (national)	> 1,000 employees	Group (customized)



**Jason Roberts**, an independent sales agent representing Aflac, from Dallas, Texas, has been an Aflac agent for three-and-a-half years. He became an Aflac agent because of his admiration for those who represent the very essence of what Aflac is all about. He says, “Aflac’s commitment to customer service, professionalism and its high level of integrity, all make for a company that stands above all others. I have a deep respect for those employees and departments that have made my job so much easier!”

In 2013, we sought to develop creative solutions to address the challenges our customers face by introducing four redesigned plans including new hospital plans on both an individual and group basis. For instance, the individual hospital plan now includes higher hospital confinement benefits along with new benefits for emergency room visits and physician visits. This plan is designed to provide flexible options for consumers as they deal with new coverage plans that have emerged with the implementation of the ACA.

With respect to product revisions, we also introduced a completely redesigned group short-term disability product with enhanced benefit options. Additionally, our new critical illness plan includes lump-sum benefits for cancer with an additional option for compatibility with health savings accounts.

We are creating products that respond to, and anticipate, the needs of consumers and businesses, particularly in the current health care environment. With change comes opportunity, and in the dynamic health care environment, we are positioning Aflac to provide solutions for consumers and employers while leveraging the Aflac brand to enhance our opportunities for growth.

#### **SPREADING OUR WINGS TO REACH MORE CONSUMERS**

We believe sales will benefit from our multi-faceted approach to distribution. Our goal is to be where consumers want to purchase our products.



**Jay Wink**, a health care consultant with a specialty in voluntary benefits at Trion Group, a Marsh & McLennan Agency LLC in Greensboro, North Carolina, works closely with Aflac to help tailor products help fill the gaps in their clients' core benefit packages. About his firm's choice to offer Aflac insurance, he says, "Aflac's brand provides credibility with the employees, which improves interest and acceptance. What has been most valuable to us is on site enrollment support. Aflac has worked with our clients to create a coordinated enrollment effort, communicating Aflac products, the client's core benefits package and electronic enrollment tools. This additional communication support is what our clients have valued the most. I can't leave out the written marketing material and the microsite, the material is clever, built upon the Aflac Duck!"

In this endeavor, we are continually working to enhance our sales capabilities, both through our traditional sales force and brokers who operate in local, regional and national markets. At the end of 2013, our extensive distribution network was made up of more than 76,300 licensed sales associates and brokers who sell our products.

In 2013, we initiated a pilot for a proprietary exchange in three states as a means to help solidify our leading position with small businesses that are our core market and provide them with access to richer medical benefit options. Following our assessment of the pilot program, which runs through early 2014, we will determine the best course of action for rolling out our exchange through the rest of the United States. We believe this proprietary exchange will prove beneficial to our career sales agents and small business owners alike.

Additionally, we are continuing to work with brokers on a local, regional and national basis to give us better access to the larger-case market. And as we work at enhancing relationships with larger brokers, we will also pursue opportunities to have our products on their private exchanges.

As consumers' preferences change with respect to how and where they want to buy insurance, we will enhance our distribution opportunities to maintain our leadership position and provide more solutions to help protect consumers from the financial strain of medical health events.

*We are creating products that respond to, and anticipate, the needs of consumers and businesses, particularly in the current health care environment.*



▲ In January 2013, Aflac embarked on the “Duck Out of Work” campaign in which the **Aflac Duck** was injured and followed him on his road to recovery. The campaign allowed consumers the opportunity to see how Aflac policies can help in their time of need.

#### LEVERAGING AFLAC’S STRONG BRAND

We’ve established a strong brand that’s tremendously popular with consumers, along with a reputation for paying claims fairly and promptly. We believe Aflac’s trusted market-leading brand position serves to broaden the appeal of our products to consumers throughout the United States.

The Aflac Duck has been the protagonist in one of the most successful advertising campaigns ever. Over the years, our feathered friend’s wings have extended further than any other duck, appearing in more than 70 commercials that have helped catapult Aflac into 92% brand recognition among Americans. In 2013, the “Duck Out of Work” campaign followed the Aflac Duck as he underwent a series of challenges that many people recovering from an unexpected accident or illness know all too well. The campaign took viewers through a firsthand perspective of the Aflac Duck’s recovery to shed light on how an accident may impact someone’s life and how Aflac’s insurance policies can help protect families against common financial setbacks. The fully integrated campaign also included substantial online and print advertising, featuring an interactive social media component posting strong results. Most importantly, we want to educate consumers about what our products can do to help them, particularly in this uncertain economic landscape.

## AFLAC U.S. – KEY OPERATIONAL METRICS

	Policies and Certificates in Force*	Annualized Premiums in Force**	Total New Annualized Premiums**	Licensed Sales Associates and Brokers
<b>2013</b>	<b>12,310</b>	<b>\$5,570</b>	<b>\$1,424</b>	<b>76,305</b>
2012	12,232	5,451	1,488	76,462
2011	11,732	5,188	1,476	74,802
2010	11,436	4,973	1,382	72,535
2009	11,688	4,956	1,453	75,315
2008	11,437	4,789	1,551	74,390
2007	11,116	4,510	1,558	71,258
2006	10,519	4,101	1,423	68,394
2005	9,884	3,711	1,259	63,008
2004	9,341	3,374	1,186	58,992

\*In thousands

\*\*In millions

### LOOKING TO THE FUTURE

The United States continues to provide a vast and accessible market for our products and we remain focused on maintaining our position as the leading provider of voluntary insurance at the worksite.\* We are confident in our brand and the fundamental needs of our products.

*We stand out from our competitors by upholding our promise to be there for our policyholders when they need us most by paying claims fairly, promptly and directly to our claimants.*



\*Source: Eastbridge Consulting Group, Inc. U.S. Worksite/Voluntary Sales Report. Carrier Results for 2012. Avon, CT: April 2013

## SELECTED FINANCIAL DATA

<b>For the Year</b> (In millions, except for share and per-share amounts)	<b>2013</b>	2012	2011	2010	
<b>Revenues:</b>					
Net premiums, principally supplemental health insurance	<b>\$ 20,135</b>	\$ 22,148	\$ 20,362	\$ 18,073	
Net investment income	<b>3,293</b>	3,473	3,280	3,007	
Realized investment gains (losses)	<b>399</b>	(349)	(1,552)	(422)	
Other income	<b>112</b>	92	81	74	
Total revenues	<b>23,939</b>	25,364	22,171	20,732	
<b>Benefits and expenses:</b>					
Benefits and claims, net	<b>13,813</b>	15,330	13,749	12,106	
Expenses	<b>5,310</b>	5,732	5,472	5,065	
Total benefits and expenses	<b>19,123</b>	21,062	19,221	17,171	
Pretax earnings	<b>4,816</b>	4,302	2,950	3,561	
Income taxes	<b>1,658</b>	1,436	1,013	1,233	
Net earnings	<b>\$ 3,158</b>	\$ 2,866	\$ 1,937	\$ 2,328	
<b>Share and Per-Share Amounts</b>					
Net earnings (basic)	<b>\$ 6.80</b>	\$ 6.14	\$ 4.16	\$ 4.96	
Net earnings (diluted)	<b>6.76</b>	6.11	4.12	4.92	
Items impacting net earnings, net of tax:					
Realized investment gains (losses):					
Securities transactions and impairments	<b>\$ .09</b>	\$ (.69)	\$ (1.81)	\$ (.58)	
Impact of derivative and hedging activities:					
Hedge costs related to foreign currency investments	<b>(.04)</b>	(.01)	–	–	
Other derivative and hedging activities*	<b>.49</b>	.22	(.34)	–	
Other and non-operating income (loss)	<b>.04</b>	(.01)	–	–	
Cash dividends paid	<b>\$ 1.42</b>	\$ 1.34	\$ 1.23	\$ 1.14	
Shareholders' equity	<b>31.82</b>	34.16	27.76	22.44	
Weighted-average common shares used to calculate basic EPS (In thousands)	<b>464,502</b>	466,868	466,519	469,038	
Weighted-average common shares used to calculate diluted EPS (In thousands)	<b>467,408</b>	469,287	469,370	473,085	
<b>At Year-end</b>					
<b>Assets:</b>					
Investments and cash	<b>\$ 108,459</b>	\$ 118,219	\$ 103,462	\$ 88,230	
Other	<b>12,848</b>	12,875	12,775	12,013	
Total assets	<b>\$ 121,307</b>	\$ 131,094	\$ 116,237	\$ 100,243	
<b>Liabilities and shareholders' equity:</b>					
Policy liabilities	<b>\$ 89,402</b>	\$ 97,720	\$ 94,593	\$ 82,456	
Income taxes	<b>3,718</b>	3,858	2,308	1,689	
Notes payable	<b>4,897</b>	4,352	3,285	3,038	
Other liabilities	<b>8,670</b>	9,186	3,105	2,520	
Shareholders' equity	<b>14,620</b>	15,978	12,946	10,540	
Total liabilities and shareholders' equity	<b>\$ 121,307</b>	\$ 131,094	\$ 116,237	\$ 100,243	
<b>Supplemental Data</b>					
Stock price range:	High	<b>\$ 67.62</b>	\$ 54.93	\$ 59.54	\$ 58.31
	Low	<b>48.17</b>	38.14	31.25	39.91
	Close	<b>66.80</b>	53.12	43.26	56.43
Yen/dollar exchange rate at year-end (yen)	<b>¥ 105.39</b>	¥ 86.58	¥ 77.74	¥ 81.49	
Weighted-average yen/dollar exchange rate (yen)	<b>97.54</b>	79.81	79.75	87.73	

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

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

Amounts in 2003 and 2004 have been adjusted for adoption of SFAS 123R on January 1, 2005.

**Aflac Incorporated and Subsidiaries**

2009	2008	2007	2006	2005	2004	2003
\$ 16,621	\$ 14,947	\$ 12,973	\$ 12,314	\$ 11,990	\$ 11,302	\$ 9,921
2,765	2,578	2,333	2,171	2,071	1,957	1,787
(1,212)	(1,007)	28	79	262	(12)	(301)
80	36	59	52	40	34	40
18,254	16,554	15,393	14,616	14,363	13,281	11,447
11,308	10,499	9,285	9,016	8,890	8,482	7,529
4,711	4,141	3,609	3,336	3,247	3,026	2,720
16,019	14,640	12,894	12,352	12,137	11,508	10,249
2,235	1,914	2,499	2,264	2,226	1,773	1,198
738	660	865	781	743	507	430
\$ 1,497	\$ 1,254	\$ 1,634	\$ 1,483	\$ 1,483	\$ 1,266	\$ 768
\$ 3.21	\$ 2.65	\$ 3.35	\$ 2.99	\$ 2.96	\$ 2.49	\$ 1.50
3.19	2.62	3.31	2.95	2.92	2.45	1.47
\$ (1.67)	\$ (1.37)	\$ .04	\$ .10	\$ .33	\$ (.01)	\$ (.37)
—	—	—	—	—	—	—
(.01)	—	—	—	(.02)	(.03)	—
.02	—	—	—	.07	.26	—
\$ 1.12	\$ .96	\$ .80	\$ .55	\$ .44	\$ .38	\$ .30
17.96	14.23	18.08	16.93	15.89	15.04	13.04
466,552	473,405	487,869	495,614	500,939	507,333	513,220
469,063	478,815	493,971	501,827	507,704	516,421	522,138
\$ 73,192	\$ 68,550	\$ 57,056	\$ 51,972	\$ 48,989	\$ 51,955	\$ 44,050
10,914	10,781	8,749	7,833	7,372	7,371	6,914
\$ 84,106	\$ 79,331	\$ 65,805	\$ 59,805	\$ 56,361	\$ 59,326	\$ 50,964
\$ 69,245	\$ 66,219	\$ 50,676	\$ 45,440	\$ 42,329	\$ 43,556	\$ 39,240
1,653	1,201	2,531	2,462	2,577	2,445	2,187
2,599	1,721	1,465	1,426	1,395	1,429	1,409
2,192	3,551	2,338	2,136	2,133	4,320	1,480
8,417	6,639	8,795	8,341	7,927	7,576	6,648
\$ 84,106	\$ 79,331	\$ 65,805	\$ 59,805	\$ 56,361	\$ 59,326	\$ 50,964
\$ 47.75	\$ 68.81	\$ 63.91	\$ 49.40	\$ 49.65	\$ 42.60	\$ 36.91
10.83	29.68	45.18	41.63	35.50	33.85	28.00
46.25	45.84	62.63	46.00	46.42	39.84	36.18
¥ 92.10	¥ 91.03	¥ 114.15	¥ 119.11	¥ 118.07	¥ 104.21	¥ 107.13
93.49	103.46	117.93	116.31	109.88	108.26	115.95

# AFLAC INCORPORATED INVESTMENTS

Our investment portfolio fortifies the most important promise Aflac makes to policyholders – to protect them when they need us most by paying claims fairly and promptly. As such, we seek to maximize risk-adjusted returns subject to our liability profile and capital requirements. Our overall portfolio is predominantly senior fixed-maturity securities.

## INVESTMENT PORTFOLIO BACKGROUND

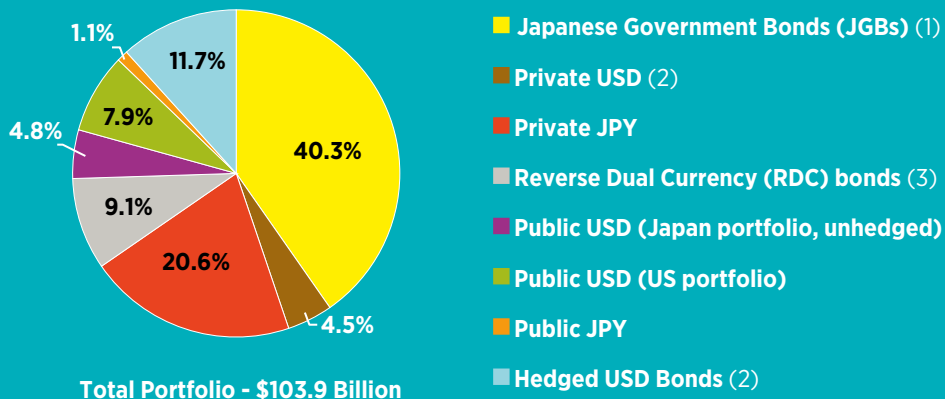
- ▶ **In Japan, our insurance products are yen-denominated and have high rates of persistency, thus yielding long duration liabilities. Therefore, we primarily invest for the long term, and the strong cash flows from our persistent book of business reinforce this long-term perspective. The percentage of the Company’s total assets attributable to Aflac Japan was 85% at December 31, 2013.**
- ▶ **Our U.S. policy liabilities have a shorter duration than in Japan, and our investment approach is tailored accordingly.**

## 2013 INVESTMENT RESULTS

2013 proved challenging as Aflac’s Global Investment Division continued to operate in a low-interest-rate environment accompanied by volatility in global financial markets, particularly U.S. interest rates. However, we were able to successfully navigate these market movements and generate consolidated net investment income of \$3.3 billion, which was lessened due to the weakening yen, but ahead of budget on a currency neutral basis. Net realized investment gains were \$399 million. On an amortized cost basis, our invested assets declined in 2013 to \$103.9 billion, reflecting the significant weakening of the yen.

**AFLAC INCORPORATED CONSOLIDATED PORTFOLIO**  
(Percentage of Total Portfolio, at Amortized Cost)

12/31/13



(1) Includes JGB RDCs  
 (2) Includes 144A-type securities  
 (3) RDCs have principal denominated in yen and pay U.S. dollar coupons



At the same time, Aflac's Global Investment Division further spread its wings by continuing its multi-year transformation project. This resulted in greater investment capabilities, the addition of key personnel in both Tokyo and New York, and the selection of a new investment technology platform.

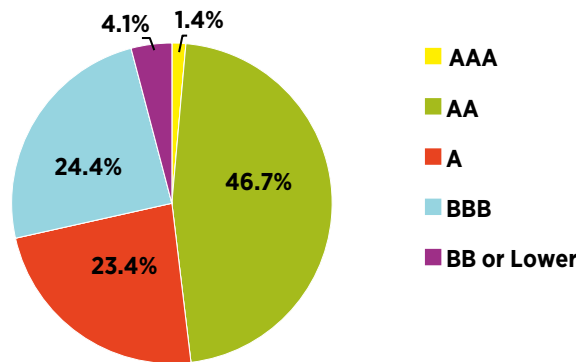
We also continued to better position our consolidated portfolio to improve the overall quality, liquidity and diversification. At year-end, 95.9% of our consolidated portfolio was investment grade and 93.5% of the debt instruments were senior. We continued to lessen our consolidated exposure to European holdings, which declined from 20.0% of total investments and cash at the end of 2012 to 16.6% at the end of 2013. Additionally, we decreased our exposure to banks and financial holdings, which declined from 17.9% of total investments and cash at the end of 2012 to 14.2% at the end of 2013. Finally, we added to our investments in publicly traded U.S. corporate bonds in the Japan portfolio during the first half of 2013, providing us with more liquid securities and exposure to quality U.S. issuers.

**INVESTMENT OUTLOOK**

As we look ahead, we will continue to evaluate our investment strategies based on the market environment and capital needs, making tactical changes consistent with our outlook. Our ability to continue to implement new strategies is based on the evolving capabilities of the Aflac Global Investment Division. We will continue to invest in our human capital and technology. At the same time we will identify investment opportunities we believe represent the best value based on market conditions while ensuring we continue to fulfill the obligation we have to our policyholders. We believe this dynamic approach is in the best interest of all our stakeholders.

**CREDIT RATINGS ON DEBT AND PERPETUAL SECURITIES**  
(at Amortized Cost)

12/31/13



**Total Portfolio - \$103.9 Billion**

## INVESTOR FACTS

### AFLAC'S TOTAL RETURN TO SHAREHOLDERS

2013 marked the 31<sup>st</sup> consecutive year Aflac Incorporated increased its annual dividend. Including reinvested cash dividends, Aflac's total return to shareholders was 28.9% in 2013. Aflac's share price increased 25.8% from the 2012 year-end price of \$53.12 to the 2013 year-end price of \$66.80. This compares with a total shareholder return of 63.5% for the S&P Life & Health Index, 32.4% for the S&P 500, and 29.7% for the Dow Jones Industrial Average.

- ▶ Over the last five years, Aflac's total return to shareholders, including reinvested dividends, was 67.4%.
- ▶ Over the last 10 years, Aflac's total return to shareholders, including reinvested dividends, was 126.0%.

### AFL SHAREHOLDER MIX\*

Number of registered shareholders . . . . . 86,905  
 Percentage of outstanding AFL shares owned by institutional investors . . . . . 65%  
 Percentage of outstanding AFL shares owned by individual investors . . . . . 35%  
*(includes director, employee and sales force ownership of approximately 4%)*

*\*Approximate, as of 12/31/13*

### FIRST SHAREHOLDERS

Cost of 100 shares purchased in 1955 when Aflac was founded . . . . . \$1,110  
 Number of shares those 100 shares grew into  
 (after 28 stock dividends and splits) . . . . . 187,980 shares  
 Value at 12/31/13 (excluding reinvested dividends) . . . . . \$12.0 million  
 Dividends paid in 2013 . . . . . \$266,932

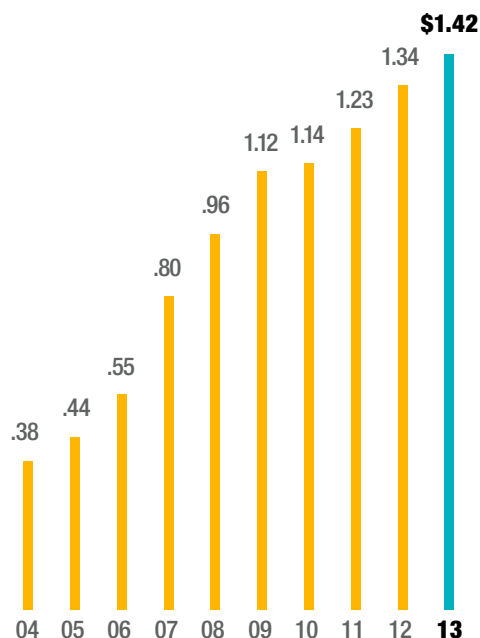
### AFLAC FINANCIAL STRENGTH\*

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

*\*Ratings as of 3/1/14*

### Visit [aflac.com](http://aflac.com) and click on *Investors* to access the following:

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



### ANNUAL CASH DIVIDENDS PAID PER SHARE

Aflac has increased its annual dividend for 31 consecutive years. Total cash dividends paid in 2013 rose 6.0% over 2012.

## COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN\*



\*\$100 invested on December 31, 2008, in stock or index, including reinvestment of dividends. Fiscal year ending December 31. Copyright © 2014 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All rights reserved.

## COMPARISON OF TEN-YEAR CUMULATIVE TOTAL RETURN\*



\*\$100 invested on December 31, 2003, in stock or index, including reinvestment of dividends. Fiscal year ending December 31. Copyright © 2014 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All rights reserved.

## BOARD OF DIRECTORS



**Daniel P. Amos**, 62, chairman and chief executive officer of Aflac and Aflac Incorporated, has been with the company full-time since 1973. He was named president of Aflac in 1983 and chief operating officer in 1987. He became chief executive officer of Aflac Incorporated in 1990 and was named chairman in 2001. He has been a member of Aflac Incorporated's board since 1983.



**John Shelby Amos II**, 61, Alabama/West Florida state sales coordinator for Aflac U.S., has served in a variety of sales positions with the company for the past 39 years. He was first elected to Aflac Incorporated's board in 1983.



**Paul S. Amos II**, 38, president of Aflac, joined Aflac in 2002 as state sales coordinator of Georgia-North Territory. He was promoted to executive vice president in 2005 and assumed additional responsibilities as chief operating officer of Aflac U.S. in 2006. He was promoted to president of Aflac in 2007. In 2013, he assumed reporting responsibilities for Aflac Japan and Aflac's Global Investment Division. He joined Aflac Incorporated's board in 2007.



**W. Paul Bowers**, 57, is chairman, president and chief executive officer of Georgia Power Co.; executive vice president of the Southern Company. Prior to being named to his current position, he was chief financial officer of the Southern Company. He has held executive leadership positions over operations and an international subsidiary. He was elected to Aflac Incorporated's board in 2013.



**Kriss Cloninger III**, 66, president, chief financial officer, and treasurer of Aflac Incorporated, joined Aflac in 1992 as senior vice president and chief financial officer after working with Aflac as a consulting actuary since 1977. He was named president of Aflac Incorporated and elected to its board in 2001.



**Elizabeth Hudson**, 64, executive vice president of communications for the National Geographic Society, previously held similar positions with iVillage, the Reader's Digest Association and NBC. She also was previously a director in Spencer Stuart's Media & Communication Practice. She joined Aflac Incorporated's board in 1990.



**Douglas W. Johnson**, 70, certified public accountant and retired Ernst & Young LLP audit partner, has spent the majority of his career auditing companies in the life, health and property/casualty segments of the insurance industry. He joined Aflac Incorporated's board in 2003.



**Robert B. Johnson**, 69, senior advisor, Porter Novelli, was formerly chairman and CEO of the One America Foundation (an organization that promotes dialogue and solidarity among Americans of all races). He previously served in President Clinton's White House as an assistant to the president and director of the president's initiative for One America. He has been on Aflac Incorporated's board since 2002.



**Charles B. Knapp**, 67, is interim dean of the University of Georgia's Terry College of Business and president emeritus of the University of Georgia. Earlier in his career he served as U.S. deputy assistant secretary of labor in the Carter Administration. He also served as executive vice president and chief financial officer of Tulane University. He joined Aflac Incorporated's board in 1990.



**E. Stephen Purdom, M.D.**, 66, is the former executive vice president of insurance operations for Aflac U.S. He previously served on the board of advisors for Emory University Medical School and as chief of staff at Doctors Hospital in Columbus, Georgia. He was first elected to Aflac Incorporated's board in 1987.



**Barbara K. Rimer, DrPH**, 65, Alumni Distinguished Professor and Dean of the University of North Carolina Gillings School of Global Public Health, was previously director of the Division of Cancer Control and Population Sciences at the National Cancer Institute. She is a former director of Cancer Control Research and professor of Community and Family Medicine at the Duke University School of Medicine. She was elected to the Institute of Medicine in 2008 and was appointed chair of the President's Cancer Panel in 2011. She joined Aflac Incorporated's board in 1995.



**Melvin T. Stith**, 66, professor of marketing and dean emeritus of the Martin J. Whitman School of Management at Syracuse University, was also previously dean and Jim Moran Professor of Business Administration at Florida State University. Since 1977, he has maintained his role as professor of marketing and business after serving in the U.S. Military Intelligence Command and achieving the rank of Captain. He was elected to Aflac Incorporated's board in 2012.



**D. Gary Thompson**, 67, retired executive vice president of Wachovia Corporation and retired chief executive officer of Georgia Banking, Wachovia Bank, N.A., currently serves on the board of directors for Georgia Power Company, a subsidiary of the Southern Company. He was elected to Aflac Incorporated's board in 2005.



**Takuro Yoshida**, 61, president of Nippon Tochi-Tatemono Co., Ltd., also served as executive vice president and operating officer of Nippon Tochi-Tatemono Co., Ltd., in 2009. From 2005 through early 2009, he served in various positions, including executive director, senior operating officer, central branch manager and operating officer of Mizuho Bank, Ltd., part of Mizuho Financial Group, Inc., which was formed in a merger between his former employer, Dai-ichi Kangyo Bank, Ltd., and two other banks. He held various positions at Dai-ichi Kangyo Bank, Ltd., which he joined in 1976. He was first elected to Aflac Incorporated's Board in 2010.

## EXECUTIVE MANAGEMENT

**Daniel P. Amos** (see facing page)

**Kriss Cloninger III** (see facing page)

**Paul S. Amos** (see facing page)



**Kenneth S. Janke**, 55, president of Aflac U.S.; executive vice president; deputy chief financial officer of Aflac Incorporated, joined Aflac Incorporated as manager of Investor Relations in 1985 and was promoted to senior vice president in 1993. In 2010, he was promoted to executive vice president; deputy chief financial officer of Aflac Incorporated, and in 2013 assumed the additional role of president, Aflac U.S. Prior to joining Aflac, he served as director of Corporate Services for the National Association of Investors Corporation (NAIC).



**Thomas R. Giddens**, 59, executive vice president and director of Sales, joined Aflac in 1983 as assistant vice president before serving in the field for more than 20 years. He served as director of Sales from December 2010 to June 2012, and was promoted to his current position in April 2013. He currently serves on the boards of the Georgia Chamber of Commerce, Children's Healthcare of Atlanta, and the Aflac Credit Union.



**Eric M. Kirsch**, 53, executive vice president and global chief investment officer, joined Aflac in 2011 and is responsible for overseeing the company's investment efforts including Aflac's investment portfolio and its investment team. He is a Chartered Financial Analyst and former Chairman of the Stable Value Investment Association. Eric is also a Trustee of the Jersey Shore University Medical Center Foundation.



**Daniel Lebish**, 59, executive vice president and chief operating officer of Aflac Group Insurance, joined Aflac in August 2013 and is responsible for the day-to-day operating activities, performance goals and strategic initiatives of Aflac Group Insurance. Prior to Aflac, he was executive vice president at Highmark Blue Cross Blue Shield, serving as CEO of two of their national subsidiaries, HM Insurance Group and United Concordia Dental. He spent the first 15 years of his career in executive positions in the health care delivery market.



**Joey M. Loudermilk**, 60, executive vice president of Legal and Governmental Relations; corporate general counsel, joined Aflac in 1983 as head of the Legal Department. He is also responsible for Aflac's Governmental Relations Department and is treasurer of Aflac Incorporated's Political Action Committee.



**Audrey Boone Tillman**, 49, executive vice president, Corporate Services, joined Aflac in 1996 in the Legal Division. In her position, she has oversight of the office of the Corporate Secretary and the company's Communications Division. She also oversees the operations of the Facilities and Strategic Sourcing & Procurement Divisions; Communicorp; and the Travel & Meetings Division.



**Teresa L. White**, 47, executive vice president and chief operating officer of Aflac, joined Aflac in 1998. She has served in various leadership roles within Administration and Sales Support leading to her promotion to 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. Teresa is an alumnus of Leadership Columbus, and is a Fellow of the Life Management Institute.



**Michael W. Zuna**, 45, executive vice president and chief marketing officer, joined Aflac in 2009 as vice president of Marketing. He was promoted to senior vice president; chief marketing officer in 2010 and to his current position in June 2012. In his current role, he is responsible for overseeing the marketing strategies at Aflac.



**Tohru Tonoike**, 63, president and chief operating officer of Aflac Japan, worked for Dai-ichi Kangyo Bank prior to joining Aflac Japan in February 2007. Dai-ichi Kangyo Bank later merged with two other banks to form the Mizuho Financial Group. In 2005, he became president and representative director of Dai-ichi Kangyo Asset Management Company, another division of the Mizuho Financial Group. He served on the Aflac Board of Directors from November 2004 through January 2007.



**Charles D. Lake II**, 52, president of Aflac International; chairman of Aflac Japan, joined Aflac in 1999. Prior to his current position, he served as vice chairman and president of Aflac Japan. Before joining Aflac, he was director of Japan Affairs at the office of the U.S. Trade Representative in the executive office of the president, and he practiced law in Washington, D.C.



**Masahiko Furutani**, 56, deputy president of Aflac Japan, joined Aflac in April 2012. He previously served as general manager at Mizuho Corporate Bank and as general manager, senior vice president and executive director at Mizuho Bank.



**Koji Ariyoshi**, 60, executive vice president; director of Sales and Marketing, Aflac Japan, joined Aflac as senior vice president responsible for sales planning in 2008. Since then, he has managed various departments, including Retail Marketing, Alliance Management and Hojinkai Promotion. He was promoted to his current position in January 2012. Before joining Aflac, he worked for Alico Japan as vice president and for AXA Life Insurance as senior vice president.



**Susan R. Blanck**, 47, executive vice president and corporate actuary, joined Aflac's Actuarial Department in 1993. She has served in various leadership positions leading to her promotion to her current position where she works on Aflac Japan's strategic marketing and corporate initiatives as well as Japan product development, while continuing in her capacity as corporate actuary. She is a fellow of the Society of Actuaries and a member of the American Academy of Actuaries.



**Hiroshi Yamauchi**, 62, executive vice president of Aflac Japan, joined Aflac in 1976 and served in the Actuarial Department as section manager and assistant general manager. He was promoted to general manager in the Policy Maintenance Department in 1998 and to vice president in 1999, then to first senior vice president in 2002. He was promoted to his current position in January 2012.



**Jun Isonaka**, 56, first senior vice president of Aflac Japan, joined Aflac in 1980 and served as general manager in various marketing and sales departments from 1999 through 2001. He was promoted to vice president in 2002 and to senior vice president in January 2007. He became chief administrative officer in January 2010 and was promoted to his current position in January 2012.



**Masatoshi Koide**, 54, first senior vice president of Aflac Japan, originally joined Aflac in November 1998 and stayed 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.

## GLOSSARY OF SELECTED TERMS

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

**Benefit Ratio** – Incurred claims plus the change in reserves for future policy benefits, as a percentage of total revenues

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

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

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

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

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

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

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

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

**Perpetual Securities** – Financial instruments that have characteristics of both stocks and bonds. These investments are subordinate to senior bonds, but rank higher than equities and generally rank higher than preferred stock. A perpetual security does not have a stated maturity date, but instead

typically has what is sometimes referred to as an economic maturity. An *economic maturity* is a date at which a perpetual security is expected to be redeemed by the issuer

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

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

**Realized Investment Gains and Losses** – Securities transactions, impairments, and derivative and hedging activities that generate a securities' value at more than book value, which is a gain; or less than book value, which is a loss

**Return on Average Invested Assets** – Net investment income as a percentage of average cash and investments at amortized cost

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

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

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

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

## CONTACT INFORMATION

<b>Aflac Worldwide Headquarters</b> 1932 Wynnton Rd. Columbus, GA 31999	tel: 706.323.3431	<b>aflac.com</b>
<b>Shareholders</b> in the U.S. with questions about individual stock accounts	tel: 706.596.3581 or 800.227.4756 Email: shareholder@aflac.com	
<b>Institutional investors</b> with questions about the company	<b>Robin Y. Wilkey</b> <i>Senior Vice President, Investor and Rating Agency Relations</i> tel: 706.596.3264 or 800.235.2667 <b>David A. Young</b> <i>Second Vice President, Investor and Rating Agency Relations</i> tel: 706.596.3264 or 800.235.2667	
<b>Rating agencies</b> with questions about the company	<b>Delia H. Moore</b> <i>Director, Rating Agency and Investor Relations</i> tel: 706.596.3264 or 800.235.2667	
<b>Individual/retail shareholders</b> with questions about the company	<b>Daniel A. Bellware</b> <i>Senior Manager, Investor Relations</i> tel: 706.596.3264 or 800.235.2667	
<b>Information requests</b> such as Form 10-K, quarterly earnings releases and other financial materials	<b>Investor Relations</b> tel: 706.596.3264 or 800.235.2667	
<b>Policyholders/claimants</b>	tel: 800.992.3522 (en Español, tel: 800.742.3522)	
<b>Aflac Japan</b> Shinjuku Mitsui Building 2-1-1, Nishishinjuku Shinjuku-ku, Tokyo 163-0456, Japan	<b>Ichiro Murakami</b> <i>General Manager, Aflac Japan Investor Relations</i> tel: 011.81.3.3344.0481	<b>aflac.co.jp</b>

*This 2013 Year in Review contains forward-looking statements based on expectations, estimates and projections as of the date of this report. These cautionary statements by their nature are subject to risks, uncertainties and assumptions, and are influenced by various factors. As a consequence, actual results may differ materially from those expressed in the forward-looking statements. Aflac undertakes no obligation to update such forward-looking statements. For more information, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Information" in Aflac's Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission.*

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