UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File Number: 001-07434

Aflac Incorporated

(Exact name of registrant as specified in its charter)

Georgia		**58-1167100**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
1932 Wynnton Road	**Columbus, Georgia**	**31999**
(Address of principal executive offices)		(ZIP Code)

706.323.3431
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.10 par value per share	AFL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). þ Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	þ	Accelerated filer	☐
Non-accelerated filer	¨	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes þ No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.
508,984,904 shares of the issuer's common stock were outstanding as of April 28, 2026.

Aflac Incorporated and Subsidiaries
Quarterly Report on Form 10-Q
For the Quarter Ended March 31, 2026

Table of Contents

PART I.	FINANCIAL INFORMATION:	Page
Item 1.	Financial Statements (Unaudited)	
	Consolidated Statements of Earnings Three Months Ended March 31, 2026 and 2025	1
	Consolidated Statements of Comprehensive Income (Loss) Three Months Ended March 31, 2026 and 2025	2
	Consolidated Balance Sheets March 31, 2026, and December 31, 2025	3
	Consolidated Statements of Shareholders' Equity Three Months Ended March 31, 2026 and 2025	4
	Consolidated Statements of Cash Flows Three Months Ended March 31, 2026 and 2025	5
	Notes to the Consolidated Financial Statements	6
	Note 1. Summary of Significant Accounting Policies	6
	Note 2. Business Segment Information	8
	Note 3. Investments	12
	Note 4. Derivative Instruments	28
	Note 5. Fair Value Measurements	38
	Note 6. Deferred Policy Acquisition Costs	50
	Note 7. Policy Liabilities	51
	Note 8. Reinsurance	59
	Note 9. Notes Payable and Lease Obligations	61
	Note 10. Shareholders' Equity	66
	Note 11. Share-Based Compensation	69
	Note 12. Benefit Plans	70
	Note 13. Commitments and Contingent Liabilities	71
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	73
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	108
Item 4.	Controls and Procedures	108
PART II.	OTHER INFORMATION:	
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	110
Item 5.	Other Information	110
Item 6.	Exhibits	111
Glossary of Selected Terms		112

Items other than those listed above are omitted because they are not required or are not applicable.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Earnings

	Three Months Ended March 31,	
(In millions, except for share and per-share amounts - Unaudited)	**2026**	2025
Revenues:		
Net earned premiums, principally supplemental health insurance [1]	**$ 3,310**	$ 3,381
Net investment income	**956**	955
Net investment gains (losses)	**49**	(963)
Other income (loss)	**31**	25
Total revenues	**4,346**	3,398
Benefits and expenses:		
Benefits and claims, excluding reserve remeasurement	**1,914**	1,986
Reserve remeasurement (gains) losses	**(82)**	(41)
Total benefits and claims, net	**1,832**	1,945
Acquisition and operating expenses:		
Amortization of deferred policy acquisition costs	**221**	216
Insurance commissions	**237**	240
Insurance and other expenses	**771**	802
Interest expense	**60**	50
Total acquisition and operating expenses	**1,289**	1,308
Total benefits and expenses	**3,121**	3,253
Earnings before income taxes	**1,225**	145
Income taxes	**206**	116
Net earnings	**$ 1,019**	$ 29
Net earnings per share:		
Basic	**$ 1.99**	$ .05
Diluted	**1.98**	.05
Weighted-average outstanding common shares used in computing earnings per share (In thousands):		
Basic	**513,071**	544,707
Diluted	**514,785**	546,878
Cash dividends per share	**$ .61**	$ .58

[1] *Includes a gain (loss) of an immaterial amount for the three-month periods ended March 31, 2026 and 2025, respectively, related to remeasurement of the deferred profit liability for limited-payment contracts.*

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)

	Three Months Ended March 31,	
(In millions - Unaudited)	**2026**	2025
Net earnings	**$ 1,019**	$ 29
Other comprehensive income (loss) before income taxes:		
Unrealized foreign currency translation gains (losses) during period	**(103)**	352
Unrealized gains (losses) on fixed maturity securities:		
Unrealized holding gains (losses) on fixed maturity securities during period	**(1,100)**	(1,541)
Reclassification adjustment for (gains) losses on fixed maturity securities included in net earnings	**14**	(40)
Unrealized gains (losses) on derivatives during period	**(4)**	2
Effect of changes in discount rate assumptions during period	**1,801**	2,396
Pension liability adjustment during period	**(1)**	41
Total other comprehensive income (loss) before income taxes	**607**	1,210
Income tax expense (benefit) related to items of other comprehensive income (loss)	**158**	91
Other comprehensive income (loss), net of income taxes	**449**	1,119
Total comprehensive income (loss)	**$ 1,468**	$ 1,148

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Balance Sheets

(In millions, except for share and per-share amounts)	March 31, 2026 (Unaudited)	December 31, 2025
Assets:		
Investments and cash:		
Fixed maturity securities available-for-sale, at fair value (no allowance for credit losses in 2026 and 2025, amortized cost $62,711 in 2026 and $62,444 in 2025)	**$ 59,683**	$ 60,485
Fixed maturity securities available-for-sale - consolidated variable interest entities, at fair value (amortized cost $2,745 in 2026 and $2,819 in 2025)	**3,545**	3,636
Fixed maturity securities held-to-maturity, at amortized cost, net of allowance for credit losses of $4 in 2026 and $5 in 2025 (fair value $14,769 in 2026 and $15,476 in 2025)	**15,752**	16,120
Equity securities, at fair value	**851**	887
Commercial mortgage and other loans, net of allowance for credit losses of $457 in 2026 and $426 in 2025 (includes $7,907 in 2026 and $7,896 in 2025 of consolidated variable interest entities)	**9,770**	9,765
Other investments (includes $2,331 in 2026 and $2,320 in 2025 of consolidated variable interest entities)	**7,937**	6,622
Cash and cash equivalents	**5,654**	6,245
Total investments and cash	**103,192**	103,760
Receivables	**947**	835
Accrued investment income	**695**	718
Deferred policy acquisition costs	**8,976**	9,034
Property and equipment, at cost less accumulated depreciation	**354**	351
Other	**2,116**	1,772
Total assets	**$ 116,280**	$ 116,470
Liabilities and shareholders' equity:		
Liabilities:		
Policy liabilities:		
Future policy benefits	**$ 59,519**	$ 62,320
Unpaid policy claims	**522**	495
Unearned premiums	**1,318**	1,323
Other policyholders' funds	**5,423**	5,445
Total policy liabilities	**66,782**	69,583
Income taxes	**1,753**	1,368
Payables for return of cash collateral on loaned securities	**6,414**	3,989
Notes payable and lease obligations	**7,908**	8,409
Other	**3,462**	3,631
Total liabilities	**86,319**	86,980
Commitments and contingent liabilities (Note 13)		
Shareholders' equity:		
Common stock of $.10 par value. In thousands: authorized 1,900,000 shares in 2026 and 2025; issued 1,358,762 shares in 2026 and 1,357,909 shares in 2025	**136**	136
Additional paid-in capital	**3,064**	3,024
Retained earnings	**55,702**	54,682
Accumulated other comprehensive income (loss):		
Unrealized foreign currency translation gains (losses)	**(4,961)**	(4,847)
Unrealized gains (losses) on fixed maturity securities	**(2,665)**	(1,809)
Unrealized gains (losses) on derivatives	**(16)**	(13)
Effect of changes in discount rate assumptions	**9,458**	8,035
Pension liability adjustment	**85**	86
Treasury stock, at average cost	**(30,842)**	(29,804)
Total shareholders' equity	**29,961**	29,490
Total liabilities and shareholders' equity	**$ 116,280**	$ 116,470

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Shareholders' Equity

(In millions, except for per share amounts - Unaudited)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Equity
Balance at December 31, 2025	$ 136	$ 3,024	$ 54,682	$ 1,452	$ (29,804)	$ 29,490
Net earnings	0	0	1,019	0	0	1,019
Unrealized foreign currency translation gains (losses) during period, net of income taxes	0	0	0	(114)	0	(114)
Unrealized gains (losses) on fixed maturity securities during period, net of income taxes and reclassification adjustments	0	0	0	(856)	0	(856)
Unrealized gains (losses) on derivatives during period, net of income taxes	0	0	0	(3)	0	(3)
Effect of changes in discount rate assumptions during period, net of income taxes	0	0	0	1,423	0	1,423
Pension liability adjustment during period, net of income taxes	0	0	0	(1)	0	(1)
Dividends to shareholders [(1)] ($.00 per share)	0	0	1	0	0	1
Exercise of stock options	0	2	0	0	0	2
Share-based compensation	0	25	0	0	0	25
Purchases of treasury stock	0	0	0	0	(1,051)	(1,051)
Treasury stock reissued	0	13	0	0	13	26
Balance at March 31, 2026	$ 136	$ 3,064	$ 55,702	$ 1,901	$ (30,842)	$ 29,961

(In millions, except for per share amounts - Unaudited)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Equity
Balance at December 31, 2024	$ 136	$ 2,894	$ 52,277	$ (2,978)	$ (26,231)	$ 26,098
Net earnings	0	0	29	0	0	29
Unrealized foreign currency translation gains (losses) during period, net of income taxes	0	0	0	449	0	449
Unrealized gains (losses) on fixed maturity securities during period, net of income taxes and reclassification adjustments	0	0	0	(1,257)	0	(1,257)
Unrealized gains (losses) on derivatives during period, net of income taxes	0	0	0	2	0	2
Effect of changes in discount rate assumptions during period, net of income taxes	0	0	0	1,893	0	1,893
Pension liability adjustment during period, net of income taxes	0	0	0	32	0	32
Dividends to shareholders [(1)] ($.00 per share)	0	0	2	0	0	2
Exercise of stock options	0	4	0	0	0	4
Share-based compensation	0	8	0	0	0	8
Purchases of treasury stock	0	0	0	0	(949)	(949)
Treasury stock reissued	0	13	0	0	14	27
Balance at March 31, 2025	$ 136	$ 2,919	$ 52,308	$ (1,859)	$ (27,166)	$ 26,338

[(1)] *Dividends to shareholders are recorded in the period in which they are declared.*

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Consolidated Statements of Cash Flows

(In millions - Unaudited)	Three Months Ended March 31, 2026	2025
Cash flows from operating activities:		
Net earnings	**$ 1,019**	$ 29
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:		
Change in receivables and advance premiums	**(30)**	(37)
Capitalization of deferred policy acquisition costs	**(272)**	(246)
Amortization of deferred policy acquisition costs	**221**	216
Change in policy liabilities	**519**	(136)
Change in income tax liabilities	**224**	117
Net investment (gains) losses	**(49)**	963
Other, net	**(664)**	(317)
Net cash provided (used) by operating activities	**968**	589
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Fixed maturity securities available-for-sale	**1,563**	5,935
Equity securities	**251**	96
Fixed maturity securities held-to-maturity	**33**	0
Commercial mortgage and other loans	**454**	500
Costs of investments acquired:		
Fixed maturity securities available-for-sale	**(2,766)**	(6,624)
Equity securities	**(245)**	(101)
Commercial mortgage and other loans	**(495)**	(392)
Other investments, net	**(1,321)**	(697)
Settlement of derivatives, net	**16**	18
Cash received (pledged or returned) as collateral, net	**2,578**	984
Other, net	**176**	(78)
Net cash provided (used) by investing activities	**244**	(359)
Cash flows from financing activities:		
Purchases of treasury stock	**(1,000)**	(900)
Principal payments under debt obligations	**(400)**	0
Dividends paid to shareholders	**(304)**	(306)
Change in investment-type contracts, net	**(70)**	(58)
Treasury stock reissued	**4**	4
Other, net	**8**	(1)
Net cash provided (used) by financing activities	**(1,762)**	(1,261)
Effect of foreign exchange rate changes on cash and cash equivalents	**(41)**	33
Net change in cash and cash equivalents	**(591)**	(998)
Cash and cash equivalents, beginning of period	**6,245**	6,229
Cash and cash equivalents, end of period	**$ 5,654**	$ 5,231
Supplemental disclosures of cash flow information:		
Income taxes paid	**$ (18)**	$ (1)
Interest paid	**51**	40
Noncash interest	**10**	10
Noncash real estate acquired in satisfaction of debt	**0**	71
Noncash financing activities:		
Lease obligations	**20**	10
Treasury stock issued for:		
Associate stock bonus	**5**	5
Shareholder dividend reinvestment	**11**	11
Share-based compensation grants	**6**	7

See the accompanying Notes to the Consolidated Financial Statements.

Aflac Incorporated and Subsidiaries
Notes to the Consolidated Financial Statements
(Interim period data - Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Aflac Incorporated (the Parent Company) and its subsidiaries (collectively, the Company) primarily sell supplemental health and life insurance in Japan and the United States (U.S.). The Company's insurance business is marketed and administered through Aflac Life Insurance Japan Ltd. (ALIJ) in Japan and through American Family Life Assurance Company of Columbus (Aflac), American Family Life Assurance Company of New York (Aflac New York), Continental American Insurance Company (CAIC), Tier One Insurance Company (TOIC) and Aflac Benefits Solutions, Inc. (ABS) in the U.S. The Company's operations consist of two reportable business segments: Aflac Japan, which includes ALIJ, and Aflac U.S., which includes Aflac, Aflac New York, CAIC, TOIC, and ABS. Aflac New York is a wholly owned subsidiary of Aflac. Most of the Aflac U.S. policies are individually underwritten and marketed through independent agents. With the exception of dental and vision products administered by ABS, and certain group life insurance products, Aflac U.S. markets and administers group products through CAIC, branded as Aflac Group Insurance. Additionally, Aflac U.S. markets its consumer markets products through TOIC. The Company's insurance operations in Japan and the U.S. service the two markets for the Company's insurance business. The Parent Company, other operating business units that are not individually reportable, reinsurance activities, including reinsurance activity of Aflac Re Bermuda Ltd. (Aflac Re), and other business activities not included in Aflac Japan or Aflac U.S., as well as intercompany eliminations, are included in Corporate and other.

Basis of Presentation

The Company prepares its financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP). These principles are established primarily by the Financial Accounting Standards Board (FASB). In these Notes to the Consolidated Financial Statements, references to U.S. GAAP issued by the FASB are derived from the FASB Accounting Standards Codification™ (ASC). The unaudited consolidated financial statements include the accounts of the Parent Company, its subsidiaries, and those entities required to be consolidated under applicable accounting standards. All material intercompany accounts and transactions have been eliminated.

In the opinion of management, the accompanying unaudited consolidated financial statements of the Company contain all adjustments, consisting of normal recurring accruals, which are necessary to fairly present the consolidated balance sheets as of March 31, 2026 and December 31, 2025, and the consolidated statements of earnings, comprehensive income (loss), shareholders' equity and cash flows for the three-month periods ended March 31, 2026 and 2025. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, these financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2025 (2025 Annual Report).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates based on currently available information when recording transactions resulting from business operations. The most significant items on the Company's balance sheet that involve a greater degree of accounting estimates and actuarial determinations subject to changes in the future are the valuation of investments and derivatives, deferred policy acquisition costs (DAC), liabilities for future policy benefits (LFPB) and income taxes. These accounting estimates and actuarial determinations are sensitive to market conditions, investment yields, interest rates, mortality, morbidity, commission and other acquisition expenses and terminations by policyholders. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised and reflected in the consolidated financial statements. Although some variability is inherent in these estimates, the Company believes the amounts provided are reasonable and reflective of the best estimates of management.

Reclassifications: Certain reclassifications have been made to prior-year amounts to conform to current-year reporting classifications. These reclassifications had no impact on net earnings or total shareholders' equity.

New Accounting Pronouncements

Accounting Pronouncements Pending Adoption

ASU 2024-03 Income Statement (Topic 220) - Disaggregation of Income Statement Expenses

In November 2024, the FASB issued amendments that require disaggregated disclosure, in the notes to the financial statements, of specified information about certain costs and expenses including (1) the amounts of employee compensation, depreciation, and intangible asset amortization; (2) certain expense, gain, or loss amounts that are already required to be disclosed under current U.S. GAAP in the same disclosure as the other disaggregation requirements; (3) qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (4) the total amount of selling expenses and, in annual reporting periods, the Company’s definition of selling expenses.

The amendments are effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The adoption of this guidance has no impact on the Company’s financial position or results of operations. The Company is evaluating the impact of adoption on its disclosures.

Recent accounting guidance not discussed above is not applicable, did not have, or is not expected to have a material impact to the Company's business.

For additional information on new accounting pronouncements and recent accounting guidance and their impact, if any, on the Company's financial position, results of operations or disclosures, see Note 1 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

2. BUSINESS SEGMENT INFORMATION

The Company consists of two reportable insurance business segments: Aflac Japan and Aflac U.S., both of which sell supplemental health and life insurance. In addition, the Parent Company, other operating business units that are not individually reportable, reinsurance activities, including reinsurance activity of Aflac Re, and other business activities not included in Aflac Japan or Aflac U.S., as well as intercompany eliminations, are included in Corporate and other. The Company does not allocate corporate overhead expenses to business segments.

The Company’s reportable segments are regularly reviewed by the Company's Chief Operating Decision Maker (CODM), Senior Executive Vice President and Chief Financial Officer, in deciding how to allocate resources and in assessing performance. The Company's CODM reviews and approves the annual budget and operating forecast, which allocates resources to segments and serves as a key benchmark for tracking performance and accountability of each segment's operating results. The Company’s CODM evaluates the performance of the segments using, in comparison to the annual budget, operating forecast and historical results, a financial performance measure called pretax adjusted earnings and believes this financial performance measure to be vitally important for understanding the underlying profitability drivers and trends of the Company’s insurance business.

- **Pretax adjusted earnings** are adjusted revenues less benefits and adjusted expenses. The adjustments to both revenues and expenses account for certain items that are outside management’s control because they tend to be driven by general economic conditions and events or are related to infrequent activities not directly associated with insurance operations. The Company excludes income taxes related to operations to arrive at pretax adjusted earnings.
    - Adjusted revenues are U.S. GAAP total revenues excluding net investment gains and losses, except for amortized hedge costs/income related to foreign currency exposure management strategies and net interest income/expense from derivatives associated with certain investment strategies, which are reclassified from net investment gains (losses) and included in adjusted earnings as a component of adjusted net investment income when analyzing operations.
    - Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest from derivatives associated with notes payable but excluding any non-recurring or other items not associated with the normal course of the Company’s insurance operations and that do not reflect the Company’s underlying business performance.

Aflac Japan's adjusted revenues as a percentage of the Company's total adjusted revenues were 51% and 53% in the three-month periods ended March 31, 2026 and 2025, respectively. The percentage of the Company's total assets attributable to Aflac Japan was 76% at both March 31, 2026 and December 31, 2025.

Information regarding operations by reportable segment and Corporate and other is presented in the following tables.

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Revenues:		
Aflac Japan:		
Net earned premiums [(1)]	**$ 1,573**	$ 1,681
Adjusted net investment income	**591**	586
Other income	**8**	5
Total adjusted revenue Aflac Japan	**2,172**	2,272
Aflac U.S.:		
Net earned premiums	**1,555**	1,502
Adjusted net investment income	**201**	202
Other income	**23**	17
Total adjusted revenue Aflac U.S.	**1,779**	1,721
Corporate and other [(2)]	**292**	326
Total adjusted revenues	**4,243**	4,319
Net investment gains (losses)	**49**	(963)
Reconciling items:		
Amortized hedge costs	**15**	7
Amortized hedge income	**(18)**	(30)
Net interest (income) expense from derivatives associated with certain investment strategies	**57**	65
Total revenues	**$ 4,346**	$ 3,398

[(1)] *Includes a gain (loss) of an immaterial amount for the three-month periods ended March 31, 2026 and 2025, respectively, related to remeasurement of the deferred profit liability for limited-payment contracts.*

[(2)] *The change in value of federal historic rehabilitation and solar investments in partnerships of $5 and $8 for the three-month periods ended March 31, 2026 and 2025, respectively, is included as a reduction to net investment income. Tax credits on these investments of $5 and $7 for the three-month periods ended March 31, 2026 and 2025, respectively, have been reported as an income tax benefit in the consolidated statements of earnings. See Note 1 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report for additional information on these investments.*

(In millions)	Three Months Ended March 31, 2026	2025
Adjusted revenues:		
Aflac Japan [(1)]	**$ 2,172**	$ 2,272
Aflac U.S.	**1,779**	1,721
Corporate and other [(2)]	**292**	326
Total adjusted revenues	**4,243**	4,319
Benefits and adjusted expenses:		
Aflac Japan:		
Benefits and claims, excluding reserve remeasurement	**1,035**	1,130
Reserve remeasurement (gains) losses	**(45)**	(25)
Total benefits and claims, net	**990**	1,105
Adjusted expenses:		
Amortization of deferred policy acquisition costs	**78**	79
Insurance commissions	**95**	105
Insurance and other expenses	**250**	261
Total benefits and adjusted expenses Aflac Japan	**1,413**	1,550
Aflac U.S.:		
Benefits and claims, excluding reserve remeasurement	**770**	731
Reserve remeasurement (gains) losses	**(36)**	(15)
Total benefits and claims, net	**734**	716
Adjusted expenses:		
Amortization of deferred policy acquisition costs	**143**	137
Insurance commissions	**142**	135
Insurance and other expenses	**397**	375
Total benefits and adjusted expenses Aflac U.S.	**1,416**	1,363
Corporate and other	**292**	283
Total adjusted expenses	**$ 3,121**	$ 3,196
Pretax earnings:		
Aflac Japan [(1)]	**$ 759**	$ 722
Aflac U.S.	**363**	358
Corporate and other [(2)]	**0**	43
Pretax adjusted earnings	**1,122**	1,123
Other income (loss)	**0**	(53)
Net investment gains (losses)	**49**	(963)
Reconciling items:		
Amortized hedge costs	**15**	7
Amortized hedge income	**(18)**	(30)
Net interest (income) expense from derivatives associated with certain investment strategies	**57**	65
Impact of interest from derivatives associated with notes payable	**0**	(4)
Total earnings before income taxes	**$ 1,225**	$ 145
Income taxes applicable to pretax adjusted earnings	**$ 221**	$ 217
Effect of foreign currency translation on after-tax adjusted earnings	**(8)**	(8)

[(1)] *Includes a gain (loss) of an immaterial amount for the three-month periods ended March 31, 2026 and 2025, respectively, related to remeasurement of the deferred profit liability for limited-payment contracts.*

[(2)] *The change in value of federal historic rehabilitation and solar investments in partnerships of $5 and $8 for the three-month periods ended March 31, 2026, and 2025, respectively, is included as a reduction to net investment income. Tax credits on these investments of $5 and $7 for the three-month periods ended March 31, 2026, and 2025, respectively, have been reported as an income tax benefit in the consolidated statements of earnings. See Note 1 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report for additional information on these investments.*

Internal Reinsurance: Aflac Re is a Bermuda-domiciled insurer that reinsures certain policies issued by Aflac Japan as well as external parties and is reported as part of Corporate and other. Under the internal reinsurance transactions, Aflac Japan's net earned premiums are reduced by the amount of premiums ceded to Aflac Re. Aflac Re recorded net earned premiums of $158 million and $178 million for the three-month periods ended March 31, 2026 and 2025, respectively, related to these reinsurance transactions with Aflac Japan. These internal reinsurance transactions have no financial statement impact on a consolidated basis, except for the effect of foreign currency accounting. For additional information on these internal reinsurance transactions, see the accompanying Note 8 and Note 8 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

Total Assets: The Company's total assets were as follows:

(In millions)	**March 31, 2026**	December 31, 2025
Assets:		
Aflac Japan	**$ 88,446**	$ 88,537
Aflac U.S.	**22,587**	22,317
Corporate and other	**5,247**	5,616
Total assets	**$ 116,280**	$ 116,470

3. INVESTMENTS

Investment Holdings

The amortized cost and allowance for credit losses for the Company's investments in fixed maturity securities and the fair values of these investments as well as the fair value of the Company's investments in equity securities are presented in the following tables.

	March 31, 2026				
(In millions)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available-for-sale, carried at fair value through other comprehensive income:					
Fixed maturity securities:					
Yen-denominated:					
Japan government and agencies	$ 17,439	$ 0	$ 27	$ 4,099	$ 13,367
Municipalities	838	0	2	163	677
Mortgage- and asset-backed securities	417	0	1	43	375
Public utilities	2,467	0	85	204	2,348
Sovereign and supranational	323	0	6	20	309
Banks/financial institutions	5,374	0	139	554	4,959
Other corporate	5,346	0	277	632	4,991
Total yen-denominated	32,204	0	537	5,715	27,026
U.S. dollar-denominated:					
U.S. government and agencies	207	0	1	3	205
Municipalities	1,180	0	82	61	1,201
Mortgage- and asset-backed securities	4,410	0	245	40	4,615
Public utilities	4,241	0	438	127	4,552
Sovereign and supranational	58	0	18	0	76
Banks/financial institutions	3,788	0	480	33	4,235
Other corporate	19,250	0	2,621	679	21,192
Total U.S. dollar-denominated	33,134	0	3,885	943	36,076
Other currencies:					
Mortgage- and asset-backed securities	43	0	4	0	47
Public utilities	51	0	3	0	54
Other corporate	24	0	1	0	25
Total other currencies	118	0	8	0	126
Total securities available-for-sale	$ 65,456	$ 0	$ 4,430	$ 6,658	$ 63,228

(In millions)	December 31, 2025 Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available-for-sale, carried at fair value through other comprehensive income:					
Fixed maturity securities:					
Yen-denominated:					
Japan government and agencies	$ 18,063	$ 0	$ 41	$ 3,727	$ 14,377
Municipalities	856	0	5	145	716
Mortgage- and asset-backed securities	297	0	1	38	260
Public utilities	2,519	0	123	174	2,468
Sovereign and supranational	330	0	7	13	324
Banks/financial institutions	5,382	0	170	477	5,075
Other corporate	5,438	0	357	534	5,261
Total yen-denominated	32,885	0	704	5,108	28,481
U.S. dollar-denominated:					
U.S. government and agencies	230	0	2	2	230
Municipalities	1,185	0	83	54	1,214
Mortgage- and asset-backed securities	3,854	0	239	35	4,058
Public utilities	4,292	0	465	107	4,650
Sovereign and supranational	57	0	21	0	78
Banks/financial institutions	3,672	0	518	21	4,169
Other corporate	18,967	0	2,740	597	21,110
Total U.S. dollar-denominated	32,257	0	4,068	816	35,509
Other currencies:					
Mortgage- and asset-backed securities	44	0	4	0	48
Public utilities	52	0	4	0	56
Other corporate	25	0	2	0	27
Total other currencies	121	0	10	0	131
Total securities available-for-sale	$ 65,263	$ 0	$ 4,782	$ 5,924	$ 64,121

(In millions)	**March 31, 2026** Amortized Cost	**Allowance for Credit Losses**	**Net Carrying Amount**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Securities held-to-maturity, carried at amortized cost:						
Fixed maturity securities:						
Yen-denominated:						
Japan government and agencies	**$ 15,137**	**$ 1**	**$ 15,136**	**$ 12**	**$ 971**	**$ 14,177**
Municipalities	**230**	**0**	**230**	**0**	**13**	**217**
Public utilities	**31**	**0**	**31**	**0**	**4**	**27**
Sovereign and supranational	**342**	**3**	**339**	**2**	**8**	**333**
Other corporate	**16**	**0**	**16**	**0**	**1**	**15**
Total yen-denominated	**15,756**	**4**	**15,752**	**14**	**997**	**14,769**
Total securities held-to-maturity	**$ 15,756**	**$ 4**	**$ 15,752**	**$ 14**	**$ 997**	**$ 14,769**

(In millions)	December 31, 2025 Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities held-to-maturity, carried at amortized cost:						
Fixed maturity securities:						
Yen-denominated:						
Japan government and agencies	$ 15,461	$ 2	$ 15,459	$ 81	$ 713	$ 14,827
Municipalities	235	0	235	0	6	229
Public utilities	32	0	32	0	3	29
Sovereign and supranational	381	3	378	6	9	375
Other corporate	16	0	16	0	0	16
Total yen-denominated	16,125	5	16,120	87	731	15,476
Total securities held-to-maturity	$ 16,125	$ 5	$ 16,120	$ 87	$ 731	$ 15,476

(In millions)	**March 31, 2026** **Fair Value**	December 31, 2025 Fair Value
Equity securities, carried at fair value through net earnings:		
Equity securities:		
Yen-denominated	**$ 618**	$ 609
U.S. dollar-denominated	**233**	278
Total equity securities	**$ 851**	$ 887

For additional information on the Company's valuation methodology for fixed maturity and equity securities, see Note 5.

During the first three months of 2026 and 2025, respectively, the Company did not reclassify any investments from the held-to-maturity category to the available-for-sale category.

Contractual and Economic Maturities

The contractual and economic maturities of the Company's investments in fixed maturity securities at March 31, 2026, were as follows:

(In millions)	**Amortized Cost** [(1)]	**Fair Value**
Available-for-sale:		
Due in one year or less	$ 1,674	$ 1,744
Due after one year through five years	7,813	8,682
Due after five years through 10 years	15,925	16,516
Due after 10 years	35,174	31,249
Mortgage- and asset-backed securities	4,870	5,037
Total fixed maturity securities available-for-sale	$ 65,456	$ 63,228
Held-to-maturity:		
Due in one year or less	$ 0	$ 0
Due after one year through five years	2,819	2,824
Due after five years through 10 years	5,788	5,755
Due after 10 years	7,145	6,190
Total fixed maturity securities held-to-maturity	$ 15,752	$ 14,769

(1) *Net of allowance for credit losses*

Economic maturities are used for certain fixed maturity securities with no stated maturity where the expected maturity date is based on the combination of features in the financial instrument such as the right to call or prepay obligations or changes in coupon rates.

Investment Concentrations

The Company's process for investing in credit-related investments begins with an independent approach to underwriting each issuer's fundamental credit quality. The Company evaluates independently those factors that it believes could influence an issuer's ability to make payments under the contractual terms of the Company's instruments. This includes a thorough analysis of a variety of items including the issuer's country of domicile (including political, legal, and financial considerations); the industry in which the issuer competes (with an analysis of industry structure, end-market dynamics, and regulation); company specific issues (such as management, assets, earnings, cash generation, and capital needs); and contractual provisions of the instrument (such as financial covenants and position in the capital structure). The Company further evaluates the investment considering broad business and portfolio management objectives, including asset/liability needs, portfolio diversification, and expected income.

Investment exposures that individually exceeded 10% of shareholders' equity were as follows:

	March 31, 2026			December 31, 2025		
(In millions)	**Credit Rating**	**Amortized Cost**	**Fair Value**	Credit Rating	Amortized Cost	Fair Value
Japan National Government[1]	**A+**	**$31,756**	**$26,885**	A+	$32,618	$28,434

[1] *Japan Government Bonds (JGBs) or JGB-backed securities*

Net Investment Gains and Losses

Information regarding pretax net investment gains and losses was as follows:

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Net investment gains (losses):		
Sales and redemptions:		
Fixed maturity securities available-for-sale:		
Gross gains from sales	**$ 1**	$ 114
Gross losses from sales	**(141)**	(235)
Foreign currency gains (losses)	**126**	161
Other investments:		
Gross gains (losses) from sales and redemptions	**(2)**	1
Total sales and redemptions	**(16)**	41
Equity securities	**(14)**	(61)
Real estate owned impairments	**(24)**	0
Credit losses:		
Fixed maturity securities held-to-maturity	**1**	0
Commercial mortgage and other loans	**(50)**	(53)
Loan commitments	**2**	(2)
Reinsurance recoverables and other	**(14)**	0
Total credit losses	**(61)**	(55)
Derivatives and other:		
Derivative gains (losses)	**(95)**	(45)
Foreign currency gains (losses)	**259**	(843)
Total derivatives and other	**164**	(888)
Total net investment gains (losses)	**$ 49**	$ (963)

For the three-month period ended March 31, 2026, the Company recognized impairment losses of $24 million on real estate owned (REO) properties classified as held-and-used for the production of income. The impairments were based on the Company's evaluation of a material adverse change in occupancy and resulted in an estimated fair value of the REO properties of $179 million. The fair value was based on expected future cash flows utilizing inputs classified as Level 3 under the fair value guidance in ASC 820.

The unrealized holding losses, net of gains, included in net investment gains and losses for the three-month period ended March 31, 2026 that relate to equity securities held at the March 31, 2026 reporting date were $30 million. The unrealized holding gains, net of losses, included in net investment gains and losses for the three-month period ended March 31, 2025 that relate to equity securities held at the March 31, 2025 reporting date were $55 million.

Unrealized Investment Gains and Losses

Effect on Shareholders' Equity

The net effect on shareholders' equity of unrealized gains and losses from fixed maturity securities was as follows:

(In millions)	**March 31, 2026**	December 31, 2025
Unrealized gains (losses) on securities available-for-sale	**$ (2,228)**	$ (1,142)
Deferred income taxes	**(437)**	(667)
Shareholders' equity, unrealized gains (losses) on fixed maturity securities	**$ (2,665)**	$ (1,809)

Gross Unrealized Loss Aging

The following tables present the fair values and gross unrealized losses of the Company's available-for-sale securities for the periods ended March 31, 2026 and December 31, 2025, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	March 31, 2026					
	Total		Less than 12 months		12 months or longer	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturity securities available-for-sale:						
U.S. government and agencies:						
U.S. dollar-denominated	$ 166	$ 3	$ 130	$ 1	$ 36	$ 2
Japan government and agencies:						
Yen-denominated	12,636	4,099	5,083	305	7,553	3,794
Municipalities:						
U.S. dollar-denominated	612	61	92	6	520	55
Yen-denominated	487	163	222	13	265	150
Mortgage- and asset-backed securities:						
U.S. dollar-denominated	1,022	40	674	7	348	33
Yen-denominated	314	43	152	3	162	40
Public utilities:						
U.S. dollar-denominated	1,279	127	499	9	780	118
Yen-denominated	1,005	204	211	7	794	197
Sovereign and supranational:						
Yen-denominated	262	20	224	8	38	12
Banks/financial institutions:						
U.S. dollar-denominated	695	33	534	8	161	25
Yen-denominated	3,439	554	778	54	2,661	500
Other corporate:						
U.S. dollar-denominated	5,644	679	2,158	31	3,486	648
Yen-denominated	2,670	632	989	63	1,681	569
Total	$ 30,231	$ 6,658	$ 11,746	$ 515	$ 18,485	$ 6,143

	December 31, 2025					
	Total		Less than 12 months		12 months or longer	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturity securities available-for-sale:						
U.S. government and agencies:						
U.S. dollar-denominated	$ 37	$ 2	$ 0	$ 0	$ 37	$ 2
Japan government and agencies:						
Yen-denominated	13,521	3,727	7,966	692	5,555	3,035
Municipalities:						
U.S. dollar-denominated	630	54	8	0	622	54
Yen-denominated	520	145	234	6	286	139
Mortgage- and asset-backed securities:						
U.S. dollar-denominated	547	35	217	5	330	30
Yen-denominated	183	38	9	1	174	37
Public utilities:						
U.S. dollar-denominated	1,055	107	169	2	886	105
Yen-denominated	838	174	0	0	838	174
Sovereign and supranational:						
Yen-denominated	276	13	236	0	40	13
Banks/financial institutions:						
U.S. dollar-denominated	252	21	62	0	190	21
Yen-denominated	3,467	477	495	26	2,972	451
Other corporate:						
U.S. dollar-denominated	4,535	597	620	5	3,915	592
Yen-denominated	2,395	534	640	33	1,755	501
Total	$ 28,256	$ 5,924	$ 10,656	$ 770	$ 17,600	$ 5,154

Analysis of Securities in Unrealized Loss Positions

The unrealized losses on the Company's available-for-sale securities have been primarily related to general market factors such as changes in interest rates, foreign exchange rates, and/or the levels of credit spreads rather than specific concerns with the issuer's ability to pay interest and repay principal.

For available-for-sale securities in an unrealized loss position, the Company performs detailed analyses to identify whether the drivers of the decline in fair value are due to general market factors, such as the recent rise in interest rates, or due to credit-related factors. Identifying the drivers of the declines in fair value helps to align and allocate the Company's resources to the review and monitoring of securities with real credit-related concerns that could impact ultimate collection of principal and interest. For any significant declines in fair value determined to be non-interest rate or market-related, the Company performs a more focused review of the related issuers' specific credit profile.

For corporate issuers, the Company evaluates their assets and business profile, including industry dynamics and competitive positioning, financial statements and other available financial data. For non-corporate issuers, the Company analyzes all sources of credit support, including issuer-specific factors. The Company utilizes information available in the public domain and, for certain private placement issuers, from consultations with the issuers directly. The Company also considers ratings from Nationally Recognized Statistical Rating Organizations (NRSROs), as well as the specific characteristics of the security it owns including seniority in the issuer's capital structure, covenant protections, or other relevant features. From these reviews, the Company evaluates the issuers' continued ability to service the Company's investment through payment of interest and principal.

Assuming no credit-related factors develop and excluding any impact resulting from fluctuations in the yen/dollar exchange rate, unrealized gains and losses on available-for-sale securities are expected to diminish as investments near maturity. Based on its credit analysis, the Company believes that the issuers of its available-for-sale securities in the sectors presented in the table above have the ability to service their obligations to the Company. Further, the Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be at maturity.

However, if the Company identifies certain available-for-sale securities where the amortized cost basis exceeds the present value of the cash flows expected to be collected due to credit-related factors, an allowance for credit losses is recognized. Based on an evaluation of its securities currently in an unrealized loss position, the Company has determined that those securities should not have an allowance for credit losses as of March 31, 2026. Refer to the *Allowance for Credit Losses Methodology* section below for additional information.

As of March 31, 2026 and December 31, 2025, the Company had an immaterial amount of fixed maturity securities on nonaccrual status.

Commercial Mortgage and Other Loans

The following table presents the composition of the carrying value for commercial mortgage and other loans by property type as of the periods presented.

	March 31, 2026		December 31, 2025	
(In millions)	**Amortized Cost**	**% of Total**	Amortized Cost	% of Total
Commercial mortgage and other loans:				
Transitional real estate loans:				
Office	**$ 1,232**	**12.1 %**	$ 1,229	12.1 %
Retail	**250**	**2.4**	267	2.6
Apartments/Multi-Family	**1,422**	**13.9**	1,555	15.3
Industrial	**75**	**.7**	75	.7
Hospitality	**521**	**5.1**	522	5.1
Other	**239**	**2.3**	240	2.4
Total transitional real estate loans	**3,739**	**36.5**	3,888	38.2
Commercial mortgage loans:				
Office	**254**	**2.5**	255	2.5
Retail	**215**	**2.1**	217	2.1
Apartments/Multi-Family	**523**	**5.1**	539	5.3
Industrial	**423**	**4.1**	427	4.2
Other	**27**	**.3**	14	.1
Total commercial mortgage loans	**1,442**	**14.1**	1,452	14.2
Middle market loans	**4,498**	**44.0**	4,404	43.2
Other loans	**548**	**5.4**	447	4.4
Total commercial mortgage and other loans	**$ 10,227**	**100.0 %**	$ 10,191	100.0 %
Allowance for credit losses	**(457)**		(426)	
Total net commercial mortgage and other loans	**$ 9,770**		$ 9,765	

Commercial mortgage loans (CMLs) and transitional real estate loans (TREs) are secured by properties entirely within the U.S. (with the largest concentrations in California (22%), Texas (14%) and Florida (7%)). Middle market loans (MMLs) are issued only to companies domiciled within the U.S. and Canada.

Transitional Real Estate Loans

TREs are relatively short-term floating rate commercial mortgage loans that are secured by a first lien on the property. These loans provide funding for properties undergoing a change in their physical characteristics and/or economic profile and do not typically require any principal repayment prior to the maturity date.

As of March 31, 2026, the Company had $131 million in outstanding commitments to fund TREs. These commitments are contingent on the final underwriting and due diligence to be performed.

Commercial Mortgage Loans

CMLs are typically fixed rate loans on commercial real estate with partial repayment of principal over the life of the loan with the remaining outstanding principal being repaid upon maturity. This loan portfolio is generally considered higher quality investment grade loans.

Middle Market Loans

MMLs are typically first lien senior secured cash flow loans to small to mid-size companies for working capital, refinancing, acquisition, and recapitalization. These loans are generally considered to be below investment grade.

As of March 31, 2026, the Company had commitments of approximately $692 million to fund future MMLs. These commitments are contingent upon the availability of MMLs that meet the Company's underwriting criteria.

Other Loans

Other loans are primarily infrastructure loans. Infrastructure loans are typically senior secured, financing operating portfolios of renewable and conventional energy generation assets characterized by predictable, often contractual cash flows for loan repayment. The infrastructure loan portfolio weighted average rating is investment grade.

As of March 31, 2026, the Company had commitments of approximately $1 million to fund future other loans. These commitments are contingent upon the availability of other loans that meet the Company's underwriting criteria.

Past Due and Nonaccrual Loans

The following tables present an aging of past due and nonaccrual loans at amortized cost, before allowance for credit losses, as of the periods presented.

	March 31, 2026					
(In millions)	**Current**	**Less Than 90 Days Past Due**	**90 Days or More Past Due[(1)]**	**Total Past Due**	**Total Loans**	**Nonaccrual Status**
Transitional real estate loans	**$ 3,179**	**$ 94**	**$ 466**	**$ 560**	**$ 3,739**	**$ 576**
Commercial mortgage loans	**1,442**	**0**	**0**	**0**	**1,442**	**0**
Middle market loans	**4,367**	**33**	**98**	**131**	**4,498**	**98**
Other loans	**548**	**0**	**0**	**0**	**548**	**0**
Total	**$ 9,536**	**$ 127**	**$ 564**	**$ 691**	**$ 10,227**	**$ 674**

[(1)] *As of March 31, 2026, there were no loans that were 90 days or more past due that continued to accrue interest.*

	December 31, 2025					
(In millions)	Current	Less Than 90 Days Past Due	90 Days or More Past Due[(1)]	Total Past Due	Total Loans	Nonaccrual Status
Transitional real estate loans	$ 3,418	$ 0	$ 470	$ 470	$ 3,888	$ 545
Commercial mortgage loans	1,452	0	0	0	1,452	0
Middle market loans	4,263	58	83	141	4,404	98
Other loans	447	0	0	0	447	0
Total	$ 9,580	$ 58	$ 553	$ 611	$ 10,191	$ 643

[(1)] *As of December 31, 2025, there were no loans that were 90 days or more past due that continued to accrue interest.*

- For the three-month periods ended March 31, 2026 and 2025, the Company recognized $7 million and $1 million, respectively, of interest income on loans that were on nonaccrual status.

- Of these loans, TREs with an amortized cost of $83 million and $30 million had no credit loss allowance as of March 31, 2026 and December 31, 2025, respectively, because these loans are collateral dependent assets for which the estimated fair values of the collateral were in excess of amortized cost.

- As of March 31, 2026 and December 31, 2025, MMLs with an amortized cost of $40 million and $36 million, respectively, were on nonaccrual status without an allowance for credit losses.

Loan Modifications to Borrowers Experiencing Financial Difficulties

The Company granted certain loan modifications to borrowers experiencing financial difficulty during the first three months of 2026 and 2025. The types of modifications granted may include interest rate reductions, principal forgiveness, other-than-insignificant payment delays, term extensions or a combination of these types of modifications. The amount, timing, and extent of modifications granted are considered in determining any allowance for credit loss recorded.

Loans that have both been modified and are paid or written off during the period, resulting in an amortized cost balance of zero at the end of the period, are not included in the disclosures below.

The following tables present the amortized cost basis of modified loans to borrowers experiencing financial difficulty and the financial effect of the modifications, disaggregated by loan classification and type of modification.

	Three Months Ended March 31, 2026		
(In millions)	**Amortized Cost [(1)]**	**% of Total**	**Financial Effect**
Middle market loans:			
Principal forgiveness and term extension	$ 5	.1 %	Reduction in the amortized cost basis of $11 million and term extension of 13 months on average

[(1)] *Net of allowance for credit losses*

	Three Months Ended March 31, 2025		
(In millions)	Amortized Cost [(1)]	% of Total	Financial Effect
Middle market loans:			
Principal forgiveness	$ 1	0.0 %	Reduction in the amortized cost basis of $3 million
Term extension	33	1.0	Term extension of six months on average
Other-than-insignificant payment delays	47	1.0	Delay in principal and interest payments of 23 months on average

[(1)] *Net of allowance for credit losses*

The following tables present an aging of loans that received modifications in the 12 months preceding the period presented, at amortized cost.

	March 31, 2026			
(In millions)	**Current**	**Less Than 90 Days Past Due**	**90 Days or More Past Due**	**Nonaccrual Status**
Transitional real estate loans	**$ 263**	**$ 0**	**$ 43**	**$ 43**
Middle market loans	**68**	**9**	**0**	**0**
Total	**$ 331**	**$ 9**	**$ 43**	**$ 43**

	March 31, 2025			
(In millions)	Current	Less Than 90 Days Past Due	90 Days or More Past Due	Nonaccrual Status
Transitional real estate loans	$ 347	$ 0	$ 0	$ 0
Middle market loans	96	0	0	20
Total	$ 443	$ 0	$ 0	$ 20

The Company closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. Loans that were granted a modification in the past 12 months, as of March 31, 2026 and 2025, and subsequently defaulted in the three-month periods ended March 31, 2026 and 2025, were immaterial.

As of March 31, 2026, the Company had no outstanding commitments to lend additional funds to borrowers experiencing financial difficulty that were granted a loan modification in the current reporting period, compared with $15 million as of December 31, 2025.

Allowance for Credit Losses

The following table presents the roll forward of the allowance for credit losses by portfolio segment for loans and by accounting classification for securities.

(In millions)	Transitional Real Estate Loans	Commercial Mortgage Loans	Middle Market Loans	Other Loans and Loan Commitments	Held-to-Maturity Securities	Available-for-Sale Securities	Total
Three Months Ended March 31, 2026:							
Balance at December 31, 2025	**$ (277)**	**$ (9)**	**$ (138)**	**$ (17)**	**$ (5)**	**$ 0**	**$ (446)**
(Addition to) release of allowance for credit losses	**(17)**	**3**	**(36)**	**2**	**1**	**0**	**(47)**
Writeoffs, net of recoveries	**8**	**0**	**11**	**0**	**0**	**0**	**19**
Change in foreign exchange	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at March 31, 2026	**$ (286)**	**$ (6)**	**$ (163)**	**$ (15)**	**$ (4)**	**$ 0**	**$ (474)**
Three Months Ended March 31, 2025:							
Balance at December 31, 2024	$ (199)	$ (14)	$ (140)	$ (17)	$ (5)	$ 0	$ (375)
(Addition to) release of allowance for credit losses	(28)	(1)	(24)	(2)	0	0	(55)
Writeoffs, net of recoveries	24	0	14	0	0	0	38
Change in foreign exchange	0	0	0	0	0	0	0
Balance at March 31, 2025	$ (203)	$ (15)	$ (150)	$ (19)	$ (5)	$ 0	$ (392)

As of March 31, 2026, the Company identified TREs with an amortized cost of $139 million in anticipation of potential foreclosure or deed in lieu of foreclosure transactions. As of March 31, 2026, the Company established an allowance for credit losses of $61 million related to these loans.

As of March 31, 2026, the Company's held-to-maturity portfolio includes Japan Government and Agency securities with an amortized cost of $15.0 billion that meet the requirements for zero-credit-loss expectation and therefore have been excluded from the measurement of the allowance for credit losses.

Allowance for Credit Losses Methodology

Available-for-sale Securities

For available-for-sale securities, the Company evaluates estimated credit losses only when the amortized cost basis exceeds the present value of the cash flows expected to be collected due to credit related factors. The Company’s methodology for estimating an allowance for credit losses for available-for-sale securities utilizes the discounted cash flow model, based on past events, current market conditions and future economic conditions, as well as industry analysis and credit ratings of the securities. In addition, the Company evaluates the specific issuer’s probability of default and expected recovery of its position in the event of default based on the underlying financial condition and assets of the borrower as well as seniority and/or security of other debt holders in the issuer when developing management’s best estimate of expected cash flows.

An investment in an available-for-sale security may be impaired if the fair value falls below amortized cost. The Company regularly reviews its available-for-sale portfolio for declines in fair value. The Company's available-for-sale impairment model focuses on the ultimate collection of the cash flows from its investments and whether the Company has the intent to sell or if it is more likely than not the Company would be required to sell the security prior to recovery of its amortized cost. The determination of the amount of impairments under this model is based upon the Company's periodic evaluation and assessment of known and inherent risks associated with the respective securities. Such evaluations and assessments are revised as conditions change and new information becomes available.

When determining the Company's intention to sell a security prior to recovery of its amortized cost basis, the Company evaluates facts and circumstances such as, but not limited to, future cash flow needs, decisions to reposition its security portfolio, and risk profile of individual investment holdings. The Company performs ongoing analyses of its liquidity needs, which includes cash flow testing of its policy liabilities, debt maturities, projected dividend payments, and other cash flow and liquidity needs.

Held-to-maturity Securities, Loan Receivables, and Loan Commitments

The Company calculates its allowance for credit losses for held-to-maturity securities, loan receivables and loan commitments by grouping assets with similar risk characteristics when there is not a specific expectation of a loss for an individual asset. For held-to-maturity securities, MMLs, and MML commitments, the Company groups assets by industry, country, and key credit quality indicators. The Company groups CMLs and TREs and respective loan commitments by property type, property location and key credit quality indicators. On a quarterly basis, CMLs and TREs within a portfolio segment that share similar risk characteristics are pooled for the allowance calculation. On an ongoing basis, TREs, CMLs and other loans with dissimilar risk characteristics (i.e., loans with significant declines in credit quality), such as collateral dependent mortgage loans (i.e., when the borrower is experiencing financial difficulty, including when foreclosure is probable), are evaluated individually for credit loss.

The allowance for credit losses for held-to-maturity securities and loan receivables is estimated using a probability-of-default (PD) / loss-given-default (LGD) method, discounted for the time value of money. For held-to-maturity securities, available-for-sale securities, and loan receivables, the Company includes the change in present value due to the passage of time in the change in the allowance for credit losses. The Company’s methodology for estimating credit losses utilizes the contractual maturity date of the financial asset, adjusted when necessary to reflect the expected timing of repayment (such as prepayment options, renewal options, call options, or extension options). The Company applies reasonable and supportable forecasts of macroeconomic variables that impact the determination of PD / LGD over a two-year period for held-to-maturity securities and MMLs. The Company reverts to historical loss information over one year, following the two-year forecast period.

For the CML and TRE portfolio, the Company applies reasonable and supportable forecasts of macroeconomic variables as well as national and local real-estate market factors to estimate future credit losses where the market factors revert back to historical levels over time with the period being dependent on current market conditions, projected market conditions and difference in the current and historical market levels for each factor.

For off-balance sheet credit exposure primarily attributable to loan commitments that are not unconditionally cancellable, the Company considers the contractual period of exposure to credit risk, the likelihood that funding will occur, the risk of loss, and the current conditions and expectations of future economic conditions to estimate the allowance for credit losses.

The Company continuously monitors the estimation methodology, due to changes in portfolio composition, changes in underwriting practices and significant events or conditions and makes adjustments as necessary.

Key Credit Quality Indicators

The Company’s key credit quality indicators used in the grouping of assets are outlined by investment type below.

- For held-to-maturity securities and MMLs, the Company’s key credit quality indicator is credit ratings. The Company’s held-to-maturity portfolio is composed of investment grade securities that are senior unsecured instruments, while its MMLs generally have below-investment-grade ratings but are typically senior secured instruments. The Company monitors the credit ratings periodically, but not less frequently than quarterly.

- For TREs, the Company’s key credit quality indicators include performance of the loan and loan-to-value (LTV), which is calculated by dividing the current outstanding loan balance by the estimated property value, primarily using values at origination. Given that TREs involve properties undergoing a repositioning of their commercial profile, LTV provides the most insight into the credit risk of the loan. The Company monitors the performance of the loans periodically, but not less frequently than quarterly. The monitoring process also focuses on higher risk loans, which include those that are delinquent or for which foreclosure or deed in lieu of foreclosure is anticipated.

- For CMLs, the Company's key credit quality indicators include LTV and debt service coverage ratios (DSCR). DSCR is the most recently available net operating income of the underlying property compared to the required debt service of the loan.

- For other loans, the Company's key credit quality indicator is credit ratings. The Company monitors these credit ratings periodically, but not less frequently than quarterly.

The following tables present as of March 31, 2026 the amortized cost basis of TREs, CMLs, MMLs, and other loans by year of origination and key credit quality indicator.

Transitional Real Estate Loans							
(In millions)	2026	2025	2024	2023	2022	Prior	Total
Loan-to-Value Ratio:							
0%-59.99%	$ 0	$ 0	$ 0	$ 0	$ 317	$ 274	$ 591
60%-69.99%	0	0	0	27	394	854	1,275
70%-79.99%	0	0	0	14	628	462	1,104
80% or greater	63	0	0	0	155	551	769
Total	$ 63	$ 0	$ 0	$ 41	$ 1,494	$ 2,141	$ 3,739
Current-period gross writeoffs:	$ 0	$ 0	$ 0	$ 0	$ 8	$ 0	$ 8

Commercial Mortgage Loans								
(In millions)	2026	2025	2024	2023	2022	Prior	Total	Weighted-Average DSCR
Loan-to-Value Ratio:								
0%-59.99%	$ 0	$ 11	$ 0	$ 32	$ 0	$ 1,182	$ 1,225	2.73
60%-69.99%	13	20	0	0	0	63	96	2.02
70%-79.99%	0	0	0	0	0	32	32	1.49
80% or greater	0	0	12	0	0	77	89	1.05
Total	$ 13	$ 31	$ 12	$ 32	$ 0	$ 1,354	$ 1,442	2.55
Weighted Average DSCR	1.52	1.83	1.09	2.56	0.00	2.59		
Current-period gross writeoffs:	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	

Middle Market Loans								
(In millions)	2026	2025	2024	2023	2022	Prior	Revolving Loans	Total
Credit Ratings:								
BBB	$ 0	$ 21	$ 55	$ 37	$ 0	$ 95	$ 10	$ 218
BB	164	388	533	73	312	805	67	2,342
B	0	248	132	45	253	690	37	1,405
CCC	0	25	3	0	34	300	31	393
CC	0	5	2	0	9	67	6	89
C and lower	6	0	0	0	0	40	5	51
Total	$ 170	$ 687	$ 725	$ 155	$ 608	$ 1,997	$ 156	$ 4,498
Current-period gross writeoffs:	$ 0	$ 0	$ 0	$ 0	$ 0	$ 11	$ 0	$ 11

Other Loans								
(In millions)	2026	2025	2024	2023	2022	Prior	Revolving Loans	Total
Credit Ratings:								
A	$ 0	$ 0	$ 0	$ 0	$ 64	$ 0	$ 0	$ 64
AA	0	0	0	0	8	3	0	11
BBB	74	36	249	0	25	24	0	408
BB	0	0	0	65	0	0	0	65
Total	$ 74	$ 36	$ 249	$ 65	$ 97	$ 27	$ 0	$ 548
Current-period gross writeoffs:	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

Other Investments

The table below presents the composition of the carrying value for other investments as of the periods presented.

(In millions)	**March 31, 2026**	December 31, 2025
Other investments:		
Policy loans	**$ 205**	$ 210
Short-term investments [(1)]	**2,616**	1,373
Limited partnerships [(2)]	**4,226**	4,109
Real estate owned	**853**	902
Other	**37**	28
Total other investments	**$ 7,937**	$ 6,622

[(1)] *Includes securities lending collateral*
[(2)] *Includes tax credit investments and asset classes such as private equity and real estate funds*

As of March 31, 2026 and December 31, 2025, all REO was classified as held-and-used for the production of income. Depreciation expense on REO was $7 million and $6 million for the three-month periods ended March 31, 2026 and 2025, respectively. Additionally, as of March 31, 2026 and December 31, 2025, accumulated depreciation on REO was $46 million and $41 million, respectively.

The Company had $2.8 billion and $3.0 billion in outstanding commitments to fund investments in limited partnerships, which included $2.1 billion and $2.1 billion of unfunded commitments related to variable interest entities (VIEs) that are non-consolidated as of March 31, 2026 and December 31, 2025, respectively.

Variable Interest Entities

In the normal course of its activities, the Company invests in legal entities that are VIEs. The Company's variable interests in these VIEs are limited to the debt and equity instruments issued by them. With the exception of commitments to limited partnerships and to certain loan investments made in the normal course of business, the Company has not provided any direct or contingent obligations to fund the limited activities of these VIEs, or support related to the limited activities of these VIEs, and does not have any intention to do so in the future, nor has it provided any direct or indirect financial guarantees.

The Company's risk of loss related to its interests in any of its VIEs is typically limited to the carrying value of the related investments, and in certain cases, to any unfunded commitments held in the VIE. For certain reinsurance-related trusts, however, the Company is contractually obligated to contribute additional assets to maintain required collateral levels, potentially exposing the Company to losses exceeding the carrying value of the assets held in the trust.

For those VIEs other than certain unit trust structures, the Company's involvement is passive in nature.

VIEs - Consolidated

If the Company determines that it is the VIE's primary beneficiary, it consolidates the VIE. Creditors or beneficial interest holders of VIEs where the Company is the primary beneficiary have no recourse to the general credit of the Company except to the extent of the unfunded commitments referenced above, as the Company's obligation to each VIE is limited to the amount of its committed investment.

The following table presents the carrying value and balance sheet caption in which the assets and liabilities of consolidated VIEs are reported.

Investments in Consolidated Variable Interest Entities

(In millions)	**March 31, 2026**	December 31, 2025
Assets: (1)		
Fixed maturity securities available-for-sale	**$ 3,545**	$ 3,636
Commercial mortgage and other loans	**7,907**	7,896
Other investments (2)	**2,331**	2,320
Other assets (3)	**43**	45
Total assets of consolidated VIEs	**$ 13,826**	$ 13,897
Liabilities:		
Other liabilities (3)	**$ 806**	$ 765
Total liabilities of consolidated VIEs	**$ 806**	$ 765

(1) *As of March 31, 2026, the Company's investments in consolidated VIEs also held cash and cash equivalents of $975 million, of which $709 million was restricted.*
(2) *Consists entirely of alternative investments in limited partnerships, which represent VIEs where the Company is not the primary beneficiary and therefore are not consolidated*
(3) *Consists entirely of derivatives*

The Company is the sole investor in the consolidated VIEs listed in the table above. The Company invests in fixed maturity securities issued by VIEs that in turn hold U.S. dollar-denominated fixed maturity securities coupled with foreign currency swap agreements. The weighted-average lives of the Company's investments in these VIEs are very similar to the underlying collateral held by these VIEs. The activities of these VIEs are limited to holding invested assets and foreign currency swaps and utilizing the cash flows from these securities to service the VIEs' debt. Neither the Company nor any of its creditors are able to obtain the underlying collateral of these VIEs unless there is an event of default or other specified event. The Company is not a direct counterparty to the foreign currency swap contracts and has no control over them. The Company's loss exposure to these VIEs is limited to its original investment. These consolidated VIEs do not rely on outside or ongoing sources of funding to support their activities beyond the underlying collateral and foreign currency swap contracts, if applicable. The underlying collateral assets and funding of these consolidated VIEs are generally static in nature.

Investments in Unit Trust Structures

The Company utilizes unit trust structures in Aflac Japan to invest in various asset classes, which include CMLs, MMLs, TREs, other loans and limited partnerships. As the sole investor of these VIEs, the Company is required to consolidate these trusts. The limited partnership investments are comprised of private equity and real estate. The Company's loss exposure to these VIEs is limited to its original investments, together with any unfunded portion of the Company's commitments made in the normal course of business to fund certain loan investments and limited partnership investments, as described in the Commercial Mortgage and Other Loans and Other Investments sections of this note. Excluding these commitments, the Company does not provide financial or other support to consolidated VIEs.

Reinsurance-Related Trust

In connection with an assumed reinsurance transaction, assets transferred by the ceding company were placed in a trust to collateralize the Company's obligations to the ceding company. Cash and other assets placed in the trust continue to be owned by the Company; however, their use is restricted based on the terms of the transaction. The trust is a VIE, and the Company consolidates the trust as its primary beneficiary.

VIEs - Not Consolidated

The table below presents the carrying value and balance sheet caption in which the Company's investments in VIEs that are not consolidated are reported.

Investments in Variable Interest Entities Not Consolidated

(In millions)	March 31, 2026	December 31, 2025
Assets:		
Fixed maturity securities available-for-sale	**$ 7,206**	$ 6,750
Other investments [(1)]	**1,721**	1,603
Total investments in VIEs not consolidated	**$ 8,927**	$ 8,353

[(1)] *Consists entirely of alternative investments in limited partnerships*

Certain investments in VIEs that the Company is not required to consolidate are investments that are in the form of debt obligations issued by the VIEs. These fixed maturity securities include structured securities, primarily asset-backed securities. The Company's involvement in the related VIEs is limited to that of a passive investor in asset-backed securities issued by the VIEs. The Company also invests in fixed maturity securities issued by VIEs that are the primary financing vehicles used by their corporate sponsors to raise financing in the capital markets. The variable interests created by these VIEs are principally or solely a result of the debt instruments issued by them. The Company does not have the power to direct the activities that most significantly impact the entity's economic performance, nor does it have the obligation to absorb losses of the VIE entity or the right to receive benefits from the entity that could be significant to the entity. As such, the Company is not the primary beneficiary of these VIEs and therefore is not required to consolidate them.

The Company also holds equity investments in limited partnerships that have been determined to be VIEs. These partnerships primarily invest in private equity and real estate funds. The Company's maximum exposure to loss on these investments is limited to the amount of its investment and any unfunded commitments. As described in the Other Investments section of this note, the Company makes commitments to fund partnership investments in the normal course of business. Excluding these commitments, the Company did not provide financial or other support to unconsolidated VIEs. The Company is not the primary beneficiary of these VIEs and is therefore not required to consolidate them. The Company classifies these investments as other investments in the consolidated balance sheets.

Securities Lending and Pledged Securities

In the normal course of business, the Company enters into securities lending transactions. Details of the collateral by loaned security type and remaining maturity of the agreements were as follows:

Securities Lending Transactions Accounted for as Secured Borrowings

Remaining Contractual Maturity of the Agreements

	March 31, 2026				December 31, 2025			
(In millions)	**Overnight and Continuous[(1)]**	**Up to 30 days**	**30-90 days**	**Total**	Overnight and Continuous[(1)]	Up to 30 days	30-90 days	Total
Securities lending transactions:								
Fixed maturity securities:								
Japan government and agencies	**$ 0**	**$ 2,250**	**$ 2,810**	**$ 5,060**	$ 0	$ 1,591	$ 1,329	$ 2,920
Public utilities	**61**	**0**	**0**	**61**	54	0	0	54
Banks/financial institutions	**257**	**0**	**0**	**257**	150	0	0	150
Other corporate	**1,036**	**0**	**0**	**1,036**	865	0	0	865
Total borrowings	**$ 1,354**	**$ 2,250**	**$ 2,810**	**$ 6,414**	$ 1,069	$ 1,591	$ 1,329	$ 3,989
Gross amount of recognized liabilities for securities lending transactions				**$ 6,414**				$ 3,989

[(1)] *The related loaned security, under the Company's U.S. securities lending program, can be returned to the Company at the transferee's discretion; therefore, they are classified as Overnight and Continuous.*

In connection with securities lending, in addition to cash collateral received, the Company received from counterparties securities collateral of $327 million and $2.2 billion at March 31, 2026 and December 31, 2025, respectively, which may not be sold or re-pledged, unless the counterparty is in default. Such securities collateral is not reflected in the consolidated balance sheets.

The Company did not have any repurchase agreements or repurchase-to-maturity transactions outstanding as of March 31, 2026, and December 31, 2025, respectively.

Certain fixed maturity securities can be pledged as collateral as part of derivative transactions, or pledged to support state deposit requirements on certain investment programs. For additional information regarding pledged securities related to derivative transactions, see Note 4.

For additional information on the Company's investments and financial instruments, see the accompanying Notes 4 and 5 and Notes 1, 4 and 5 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

4. DERIVATIVE INSTRUMENTS

The Company's freestanding derivative instruments include:

- Foreign currency forwards
- Foreign currency options
- Foreign currency swaps
- Cross-currency swaps
- Interest rate swaps
- Interest rate swaptions (swaptions)
- Bond purchase commitments

Foreign currency forwards and options are executed for Aflac Japan in order to hedge the foreign currency exchange risk on the carrying value of certain U.S. dollar-denominated investments. The average maturity of these forwards and options can change depending on factors such as market conditions and types of investments being held. In situations where the maturity of the forwards and options is shorter than the underlying investment being hedged, the Company may enter into new forwards and options near maturity of the existing derivative in order to continue hedging the underlying investment. In forward transactions, Aflac Japan agrees with another party to buy a fixed amount of Japanese yen and sell a corresponding amount of U.S. dollars at a specified future date. The Company also uses one-sided foreign currency put options to mitigate the settlement risk on U.S. dollar-denominated assets related to extreme foreign exchange rate changes.

From time to time, Aflac Japan also executes foreign currency option transactions in a collar strategy, where Aflac Japan agrees with another party to simultaneously purchase put options and sell call options. In the purchased put transactions, Aflac Japan obtains the option to buy a fixed amount of Japanese yen and sell a corresponding amount of U.S. dollars at a specified future date. In the sold call transactions, Aflac Japan agrees to sell a fixed amount of Japanese yen and buy a corresponding amount of U.S. dollars at a specified future date. The combination of purchasing the put option and selling the call option results in no net premium being paid (i.e., a costless or zero-cost collar).

From time to time, the Company may also enter into foreign currency forwards and options to hedge the foreign currency exchange risk associated with the net investment in Aflac Japan. In these forward transactions, the Company agrees with another party to buy a fixed amount of U.S. dollars and sell a corresponding amount of Japanese yen at a specified price at a specified future date. In the option transactions, the Company may use a combination of foreign currency options to protect expected future cash flows by simultaneously purchasing Japanese yen put options (options that protect against a weakening Japanese yen) and selling Japanese yen call options (options that limit participation in a strengthening Japanese yen). The combination of these two actions create a zero-cost collar. Additionally, the Company enters into purchased options to hedge cash flows from the net investment in Aflac Japan.

The Company enters into foreign currency swaps pursuant to which it exchanges an initial principal amount in one currency for an initial principal amount of another currency, with an agreement to re-exchange the principal amounts at a future date. There may also be periodic exchanges of payments at specified intervals based on the agreed upon rates and notional amounts. Foreign currency swaps are used primarily in the consolidated VIEs held by Aflac Japan to convert foreign-denominated cash flows to Japanese yen in order to minimize cash flow fluctuations. The Company also uses foreign currency swaps to economically hedge the foreign currency exchange risk on certain fixed maturity securities denominated in other foreign currencies held by Aflac Japan, as well as to economically convert certain of its U.S. dollar-denominated senior note and subordinated debenture principal and interest obligations into Japanese yen-denominated obligations.

The Company also uses foreign currency forwards to economically hedge the foreign currency exchange risk on certain variable-rate investments denominated in other foreign currencies held by Aflac Japan.

In order to reduce investment income volatility from its variable-rate investments, the Company enters into receive–fixed, pay–floating interest rate swaps. These derivatives are cleared and settled through a central clearinghouse.

Swaptions are used to mitigate the adverse impact resulting from significant changes in the fair value of U.S. dollar-denominated available-for-sale securities due to fluctuation in interest rates. In a payer swaption, the Company pays a premium to obtain the right, but not the obligation, to enter into a swap contract where it will pay a fixed rate and receive a floating rate. Interest rate swaption collars are combinations of two swaption positions. In order to maximize the efficiency of the collars while minimizing cost, a collar strategy is used whereby the Company purchases a long payer swaption (the Company purchases an option that allows it to enter into a swap where the Company will pay the fixed rate and receive the floating rate of the swap) and sells a short receiver swaption (the Company sells an option that provides the counterparty with the right to enter into a swap where the Company will receive the fixed rate and pay the floating rate of the swap). The combination of purchasing the long payer swaption and selling the short receiver swaption results in no net premium being paid (i.e., a costless or zero-cost collar).

Bond purchase commitments result from repackaged bond structures that are consolidated VIEs whereby there is a delay in the trade date and settlement date of the bond within the structure to ensure completion of all necessary legal agreements to support the consolidated VIE that issues the repackaged bond. Additionally, bond purchase commitments are used to economically hedge interest rate risk on certain fixed income investments. Since the Company has a commitment to purchase the underlying bond at a specified price, the agreement meets the definition of a derivative. The fair value of the derivative is derived based on the current market value of the bond compared to the fixed purchase price to be paid on the settlement date.

Derivative Balance Sheet Classification

The table below summarizes the balance sheet classification of the Company's derivative instruments at fair value. The fair value amounts presented exclude income accruals. The notional amount of derivative contracts represents the basis upon which pay or receive amounts are calculated and are not reflective of exposure or credit risk.

	March 31, 2026			December 31, 2025		
(In millions)		**Asset Derivatives**	**Liability Derivatives**		Asset Derivatives	Liability Derivatives
Hedge Designation/ Derivative Type	**Notional Amount**	**Fair Value**	**Fair Value**	Notional Amount	Fair Value	Fair Value
Cash flow hedges:						
Foreign currency swaps - VIE	**$ 18**	**$ 0**	**$ 6**	$ 18	$ 0	$ 5
Total cash flow hedges	**18**	**0**	**6**	18	0	5
Net investment hedge:						
Foreign currency forwards	**2,074**	**143**	**0**	1,828	120	0
Total net investment hedge	**2,074**	**143**	**0**	1,828	120	0
Non-qualifying strategies:						
Foreign currency swaps	**49**	**0**	**0**	49	0	0
Foreign currency swaps - VIE	**2,960**	**43**	**800**	2,960	45	760
Foreign currency forwards	**1,600**	**2**	**23**	945	0	18
Foreign currency options	**26,000**	**23**	**40**	25,000	0	0
Interest rate swaps	**32,850**	**0**	**142**	36,728	14	189
Forward bond purchase commitment	**688**	**0**	**5**	0	0	0
Total non-qualifying strategies	**64,147**	**68**	**1,010**	65,682	59	967
Total derivatives	**$ 66,239**	**$ 211**	**$ 1,016**	$ 67,528	$ 179	$ 972

Cash Flow Hedge

The Company designates and accounts for certain foreign currency swaps as cash flow hedges when they meet the requirements for hedge accounting. For certain variable-rate U.S. dollar-denominated available-for-sale securities held by Aflac Japan via consolidated VIEs, foreign currency swaps are used to swap the U.S. dollar variable rate interest and principal payments to fixed rate Japanese yen interest and principal payments. The remaining maximum length of time over which these cash flows are hedged is approximately one year.

Fair Value Hedge

The Company designates and accounts for certain foreign currency forwards, options, and interest rate swaptions as fair value hedges when they meet the requirements for hedge accounting.

Foreign currency forwards and options hedge the foreign currency exchange risk associated with certain U.S. dollar-denominated available-for-sale securities held by Aflac Japan. For these derivatives and the related hedged items, gains and losses included in the assessment of hedge effectiveness are included in current earnings.

The change in the fair value of the foreign currency forwards related to changes in the difference between the spot rate and the forward price, and the change in fair value of the foreign currency option related to the time value of the option, are excluded from the assessment of hedge effectiveness and are included in current earnings.

Interest rate swaptions hedge the interest rate risk associated with certain U.S. dollar-denominated available-for-sale securities held by Aflac Japan. Gains and losses associated with these derivatives and included in the assessment of hedge effectiveness, premium amortization and time value amortization while the hedge items are still outstanding, are included in current earnings. If the interest rate swaption is terminated but the hedged item is still outstanding, the amortization of the disposal amount of the interest rate swaption is included in current earnings over the remaining life of the hedged items. When the related hedged items are redeemed, the time value gains and losses for the interest rate swaptions are included in current earnings, which is consistent with the accounting for the impact of the hedged item.

The change in the fair value of interest rate swaptions related to the time value of the swaption is excluded from the assessment of hedge effectiveness and is included in the consolidated statements of comprehensive income (loss) and amortized into earnings over its legal term.

Fair Value Hedging Relationships

The following table presents the carrying amounts of (1) assets designated and qualified as hedged items in fair value hedges of interest rate risk and (2) the related cumulative hedge adjustment included in the carrying amount. The Company had no fair value hedges of interest rate risk as of March 31, 2026 and December 31, 2025; therefore, the amounts presented in the table below are related to previous fair value hedges of interest rate risk that were discontinued.

(In millions)	**Carrying Amount of the Hedged Assets/(Liabilities)**[(1)]		**Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of Hedged Assets/(Liabilities)**	
	March 31, 2026	December 31, 2025	**March 31, 2026**	December 31, 2025
Fixed maturity securities	**$ 1,210**	$ 1,238	**$ 119**	$ 121

[(1)] *The balance includes hedging adjustment on discontinued hedging relationships of $119 in 2026 and $121 in 2025.*

Net Investment Hedge

The Company's investment in Aflac Japan is affected by changes in the foreign exchange rate. To mitigate this exposure, the Parent Company designated some of its Japanese yen-denominated liabilities (see Note 9) as non-derivative net investment hedges and certain foreign currency forwards and options as derivative net investment hedges of the foreign currency exchange risk associated with the Company's net investment in Aflac Japan.

The Company's net investment hedge was effective during the three-month periods ended March 31, 2026 and 2025, respectively.

Non-qualifying Strategies

The Company uses foreign currency swaps to economically hedge the foreign currency exchange risk associated with certain investments denominated in other foreign currencies held by Aflac Japan.

For the Company's derivative instruments in consolidated VIEs that do not qualify for hedge accounting, changes in fair value are reported in current earnings. The gain or loss in earnings includes amounts attributable to the derivatives in those investment structures. While the change in fair value of the derivative instrument is reported in current earnings, the change in the fair value of the available-for-sale securities associated with these instruments is included in accumulated other comprehensive income.

The Company uses foreign currency forwards and options to economically hedge the foreign currency exchange risk associated with certain U.S. dollar-denominated loan receivables held by Aflac Japan. These arrangements are not designated as accounting hedges because the foreign currency remeasurement gains and losses associated with the loan receivables substantially offsets gains and losses from foreign currency forwards in current period earnings.

Additionally, the Company uses foreign currency forwards to economically hedge the foreign currency exchange risk associated with certain U.S. dollar-denominated available-for-sale securities and certain investments denominated in other foreign currencies held by Aflac Japan.

The Company uses interest rate swaps to economically convert the variable rate investment income to a fixed rate on certain variable-rate investments.

The Company uses bond purchase commitments to economically hedge interest rate risk on certain fixed income investments, including certain bonds within the VIE structure.

Impact of Derivatives and Hedging Instruments

The following table summarizes the impact to earnings and other comprehensive income (loss) from all derivatives and hedging instruments.

	Three Months Ended March 31,					
	2026			2025		
(In millions)	**Net Investment Income**	**Net Investment Gains (Losses)**	**Other Comprehensive Income (Loss)**	Net Investment Income	Net Investment Gains (Losses)	Other Comprehensive Income (Loss)
Qualifying hedges:						
Cash flow hedges:						
Foreign currency swaps - VIE	**$ 0**	**$ 4**	**$ (4)**	$ 0	$ (1)	$ 2
Total cash flow hedges	**0**	**4** [(1)]	**(4)**	0	(1) [(1)]	2
Net investment hedge:						
Non-derivative hedging instruments		**0**	**105**		0	(240)
Foreign currency forwards		**11**	**47**		36	(144)
Total net investment hedge		**11**	**152**		36	(384)
Non-qualifying strategies:						
Foreign currency swaps		**1**			0	
Foreign currency swaps - VIE		**(55)**			(57)	
Foreign currency forwards		**(22)**			0	
Foreign currency options		**(18)**			(5)	
Interest rate swaps		**(11)**			(18)	
Forward bond purchase commitment		**(5)**			0	
Total non-qualifying strategies		**(110)**			(80)	
Total	**$ 0**	**$ (95)**	**$ 148**	$ 0	$ (45)	$ (382)

[(1)] *Impact of cash flow hedges reported as net investment gains (losses) includes $4 of gains reclassified from accumulated other comprehensive income (loss) into earnings during the three-month period ended March 31, 2026, and $1 of losses during the three-month period ended March 31, 2025.*

As of March 31, 2026, an immaterial amount of deferred losses on derivative instruments recorded in accumulated other comprehensive income are expected to be reclassified into earnings during the next 12 months.

Credit Risk Assumed through Derivatives

For the foreign currency swaps associated with the Company's VIE investments for which it is the primary beneficiary, the Company bears the risk of loss due to counterparty default even though it is not a direct counterparty to those contracts.

The Company is a direct counterparty to the foreign currency swaps that it has entered into in connection with certain of its senior notes and subordinated debentures; foreign currency forwards; and foreign currency options, and therefore the Company is exposed to credit risk in the event of nonperformance by the counterparties in those contracts. The risk of counterparty default for the Company's foreign currency swaps, certain foreign currency forwards, and foreign currency options is mitigated by collateral posting requirements that counterparties to those transactions must meet.

As of March 31, 2026, all of the Company's derivative agreement counterparties were investment grade.

The Company engages in over-the-counter (OTC) bilateral derivative transactions directly with unaffiliated third parties under International Swaps and Derivatives Association, Inc. (ISDA) agreements and other documentation. Most of the ISDA agreements also include Credit Support Annexes (CSAs) provisions, which generally provide for two-way collateral postings at the first dollar of exposure. The Company mitigates the risk that counterparties to transactions might be unable to fulfill their contractual obligations by monitoring counterparty credit exposure and collateral value while generally requiring that collateral be posted at the outset of the transaction. In addition, a significant portion of the derivative transactions have provisions that give the counterparty the right to terminate the transaction upon a downgrade of the Company's financial strength rating. The actual amount of payments that the Company could be required to make depends on market conditions, the fair value of outstanding affected transactions, and other factors prevailing at and after the time of the downgrade.

The Company also engages in OTC cleared derivative transactions through regulated central clearing counterparties. These positions are marked to market and margined on a daily basis (both initial margin and variation margin), and the Company has minimal exposure to credit-related losses in the event of nonperformance by counterparties to these derivatives.

Collateral posted by the Company to third parties for derivative transactions can generally be repledged or resold by the counterparties. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position by counterparty was approximately $879 million and $861 million as of March 31, 2026 and December 31, 2025, respectively. If the credit-risk-related contingent features underlying these agreements had been triggered on March 31, 2026, the Company estimates that it would be required to post a maximum of $698 million of additional collateral to these derivative counterparties. The Company is generally allowed to sell or repledge collateral obtained from its derivative counterparties, although it does not typically exercise such rights. See the Offsetting tables below for collateral posted or received as of the reported balance sheet dates.

Offsetting of Financial Instruments and Derivatives

Most of the Company's derivative instruments are subject to enforceable master netting arrangements that provide for the net settlement of all derivative contracts between the Parent Company or its subsidiaries and the respective counterparty in the event of default or upon the occurrence of certain termination events. Collateral support agreements with the master netting arrangements generally provide that the Company will receive or pledge financial collateral at the first dollar of exposure.

The Company has securities lending agreements with unaffiliated financial institutions that post collateral to the Company in return for the use of its fixed maturity and public equity securities (see Note 3). When the Company has entered into securities lending agreements with the same counterparty, the agreements generally provide for net settlement in the event of default by the counterparty. This right of set-off allows the Company to keep and apply collateral received if the counterparty failed to return the securities borrowed from the Company as contractually agreed.

The tables below summarize the Company's derivatives and securities lending transactions, and as reflected in the tables, in accordance with U.S. GAAP, the Company's policy is to not offset these financial instruments in the consolidated balance sheets.

Offsetting of Financial Assets and Derivative Assets

	March 31, 2026						
				Gross Amounts Not Offset in Balance Sheet			
(In millions)	Gross Amount of Recognized Assets	Gross Amount Offset in Balance Sheet	Net Amount of Assets Presented in Balance Sheet	Financial Instruments	Securities Collateral	Cash Collateral Received	Net Amount
Derivative assets:							
Derivative assets subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	$ 168	$ 0	$ 168	$ (23)	$ (36)	$ (102)	$ 7
Total derivative assets subject to a master netting agreement or offsetting arrangement	168	0	168	(23)	(36)	(102)	7
Derivative assets not subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	43		43				43
Total derivative assets not subject to a master netting agreement or offsetting arrangement	43		43				43
Total derivative assets	211	0	211	(23)	(36)	(102)	50
Securities lending and similar arrangements	6,358	0	6,358	0	0	(6,358)	0
Total	$ 6,569	$ 0	$ 6,569	$ (23)	$ (36)	$ (6,460)	$ 50

December 31, 2025							
				Gross Amounts Not Offset in Balance Sheet			
(In millions)	**Gross Amount of Recognized Assets**	**Gross Amount Offset in Balance Sheet**	**Net Amount of Assets Presented in Balance Sheet**	**Financial Instruments**	**Securities Collateral**	**Cash Collateral Received**	**Net Amount**
Derivative assets:							
Derivative assets subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	$ 122	$ 0	$ 122	$ (1)	$ (34)	$ (84)	$ 3
OTC - cleared	12	0	12	(12)	0	0	0
Total derivative assets subject to a master netting agreement or offsetting arrangement	134	0	134	(13)	(34)	(84)	3
Derivative assets not subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	45		45				45
Total derivative assets not subject to a master netting agreement or offsetting arrangement	45		45				45
Total derivative assets	179	0	179	(13)	(34)	(84)	48
Securities lending and similar arrangements	3,945	0	3,945	0	0	(3,945)	0
Total	$ 4,124	$ 0	$ 4,124	$ (13)	$ (34)	$ (4,029)	$ 48

Offsetting of Financial Liabilities and Derivative Liabilities

	March 31, 2026						
				Gross Amounts Not Offset in Balance Sheet			
(In millions)	Gross Amount of Recognized Liabilities	Gross Amount Offset in Balance Sheet	Net Amount of Liabilities Presented in Balance Sheet	Financial Instruments	Securities Collateral	Cash Collateral Pledged	Net Amount
Derivative liabilities:							
Derivative liabilities subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	$ 68	$ 0	$ 68	$ (23)	$ (43)	$ 0	$ 2
OTC - cleared	142	0	142	0	(19)	(119)	4
Total derivative liabilities subject to a master netting agreement or offsetting arrangement	210	0	210	(23)	(62)	(119)	6
Derivative liabilities not subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	806		806				806
Total derivative liabilities not subject to a master netting agreement or offsetting arrangement	806		806				806
Total derivative liabilities	1,016	0	1,016	(23)	(62)	(119)	812
Securities lending and similar arrangements	6,414	0	6,414	(6,358)	0	0	56
Total	$ 7,430	$ 0	$ 7,430	$ (6,381)	$ (62)	$ (119)	$ 868

(In millions)	Gross Amount of Recognized Liabilities	Gross Amount Offset in Balance Sheet	Net Amount of Liabilities Presented in Balance Sheet	Gross Amounts Not Offset in Balance Sheet: Financial Instruments	Gross Amounts Not Offset in Balance Sheet: Securities Collateral	Gross Amounts Not Offset in Balance Sheet: Cash Collateral Pledged	Net Amount
	December 31, 2025						
Derivative liabilities:							
Derivative liabilities subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	$ 19	$ 0	$ 19	$ (1)	$ (17)	$ 0	$ 1
OTC - cleared	188	0	188	(12)	(24)	(151)	1
Total derivative liabilities subject to a master netting agreement or offsetting arrangement	207	0	207	(13)	(41)	(151)	2
Derivative liabilities not subject to a master netting agreement or offsetting arrangement							
OTC - bilateral	765		765				765
Total derivative liabilities not subject to a master netting agreement or offsetting arrangement	765		765				765
Total derivative liabilities	972	0	972	(13)	(41)	(151)	767
Securities lending and similar arrangements	3,989	0	3,989	(3,945)	0	0	44
Total	$ 4,961	$ 0	$ 4,961	$ (3,958)	$ (41)	$ (151)	$ 811

For additional information on the Company's derivative and other financial instruments, see the accompanying Notes 3 and 5 and Notes 1, 3 and 5 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

5. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

U.S. GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs create three valuation hierarchy levels, as follows:

- Level 1 valuations reflect quoted market prices for identical assets or liabilities in active markets.
- Level 2 valuations reflect quoted market prices for similar assets or liabilities in an active market, quoted market prices for identical or similar assets or liabilities in non-active markets or model-derived valuations in which all significant valuation inputs are observable in active markets.
- Level 3 valuations reflect valuations in which one or more of the significant inputs are not observable in an active market.

The following tables present the fair value hierarchy levels of the Company's assets and liabilities that are measured and carried at fair value on a recurring basis.

	March 31, 2026			
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities available-for-sale, carried at fair value:				
Fixed maturity securities:				
Government and agencies	$ 12,993	$ 579	$ 0	$ 13,572
Municipalities	0	1,878	0	1,878
Mortgage- and asset-backed securities	0	2,382	2,655	5,037
Public utilities	0	6,129	825	6,954
Sovereign and supranational	0	366	19	385
Banks/financial institutions	0	9,190	4	9,194
Other corporate	0	26,073	135	26,208
Total fixed maturity securities	12,993	46,597	3,638	63,228
Equity securities	692	0	159	851
Other investments	2,616	0	0	2,616
Cash and cash equivalents	5,654	0	0	5,654
Other assets:				
Foreign currency swaps	0	43	0	43
Foreign currency forwards	0	145	0	145
Foreign currency options	0	23	0	23
Total other assets	0	211	0	211
Total assets	$ 21,955	$ 46,808	$ 3,797	$ 72,560
Liabilities:				
Other liabilities:				
Foreign currency swaps	$ 0	$ 806	$ 0	$ 806
Foreign currency forwards	0	23	0	23
Foreign currency options	0	40	0	40
Interest rate swaps	0	142	0	142
Forward bond purchase commitment	0	5	0	5
Total liabilities	$ 0	$ 1,016	$ 0	$ 1,016

(In millions)	December 31, 2025 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Securities available-for-sale, carried at fair value:				
Fixed maturity securities:				
Government and agencies	$ 13,921	$ 686	$ 0	$ 14,607
Municipalities	0	1,930	0	1,930
Mortgage- and asset-backed securities	0	2,072	2,294	4,366
Public utilities	0	6,298	876	7,174
Sovereign and supranational	0	383	19	402
Banks/financial institutions	0	9,235	9	9,244
Other corporate	0	26,239	159	26,398
Total fixed maturity securities	13,921	46,843	3,357	64,121
Equity securities	727	0	160	887
Other investments	1,373	0	0	1,373
Cash and cash equivalents	6,245	0	0	6,245
Other assets:				
Foreign currency swaps	0	45	0	45
Foreign currency forwards	0	120	0	120
Interest rate swaps	0	14	0	14
Total other assets	0	179	0	179
Total assets	$ 22,266	$ 47,022	$ 3,517	$ 72,805
Liabilities:				
Other liabilities:				
Foreign currency swaps	$ 0	$ 765	$ 0	$ 765
Foreign currency forwards	0	18	0	18
Interest rate swaps	0	189	0	189
Total liabilities	$ 0	$ 972	$ 0	$ 972

The following tables present the carrying amount and fair value categorized by fair value hierarchy level for the Company's financial instruments that are not carried at fair value.

	March 31, 2026				
(In millions)	**Carrying Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Fair Value**
Assets:					
Securities held-to-maturity, carried at amortized cost:					
Fixed maturity securities:					
Government and agencies	**$ 15,136**	**$ 14,052**	**$ 125**	**$ 0**	**$ 14,177**
Municipalities	**230**	**0**	**217**	**0**	**217**
Public utilities	**31**	**0**	**27**	**0**	**27**
Sovereign and supranational	**339**	**0**	**333**	**0**	**333**
Other corporate	**16**	**0**	**15**	**0**	**15**
Commercial mortgage and other loans	**9,770**	**0**	**0**	**9,578**	**9,578**
Other investments [(1)]	**37**	**0**	**37**	**0**	**37**
Total assets	**$ 25,559**	**$ 14,052**	**$ 754**	**$ 9,578**	**$ 24,384**
Liabilities:					
Other policyholders' funds	**$ 5,423**	**$ 0**	**$ 0**	**$ 5,358**	**$ 5,358**
Notes payable (excluding leases)	**7,822**	**0**	**6,581**	**668**	**7,249**
Total liabilities	**$ 13,245**	**$ 0**	**$ 6,581**	**$ 6,026**	**$ 12,607**

[(1)] *Excludes policy loans of $205, equity method investments of $4,226, and REO of $853, at carrying value*

	December 31, 2025				
(In millions)	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:					
Securities held-to-maturity, carried at amortized cost:					
Fixed maturity securities:					
Government and agencies	$ 15,459	$ 14,696	$ 131	$ 0	$ 14,827
Municipalities	235	0	229	0	229
Public utilities	32	0	29	0	29
Sovereign and supranational	378	0	375	0	375
Other corporate	16	0	16	0	16
Commercial mortgage and other loans	9,765	0	0	9,617	9,617
Other investments [(1)]	28	0	28	0	28
Total assets	$ 25,913	$ 14,696	$ 808	$ 9,617	$ 25,121
Liabilities:					
Other policyholders' funds	$ 5,445	$ 0	$ 0	$ 5,376	$ 5,376
Notes payable (excluding leases)	8,330	0	7,167	682	7,849
Total liabilities	$ 13,775	$ 0	$ 7,167	$ 6,058	$ 13,225

[(1)] *Excludes policy loans of $210, equity method investments of $4,109, and REO of $902, at carrying value*

Fair Value of Financial Instruments

Fixed maturity and equity securities

The fair values of the Company's public fixed maturity securities are generally based on prices provided by third-party pricing vendors. The Company utilizes internally generated valuations or broker quotes for privately issued fixed maturity securities or fixed maturity securities where there is no price available from a third-party pricing vendor.

The fair values of the Company's public equity securities are generally based on price quotes, including quoted market prices readily available from independent public exchange markets or established security dealer associations. The Company determines the fair values of privately issued equity securities using the following approaches or techniques:

- price quotes and valuations from third-party pricing vendors,
- in-house valuations, and
- non-binding price quotes the Company obtains from outside brokers.

The pricing data and market quotes the Company obtains from outside sources, including third-party pricing services, are reviewed internally for reasonableness. If a fair value appears unreasonable, the Company will re-examine the inputs and assess the reasonableness of the pricing data with the provider. Additionally, the Company may compare the inputs to relevant market indices and other performance measurements. Based on management's analysis, the valuation is confirmed or may be revised if there is evidence of a more appropriate estimate of fair value based on available market data. The Company has performed verification of the inputs and calculations in any valuation models, including independent validations and back testing, to confirm that the valuations represent reasonable estimates of fair value. For the periods presented, the Company has not adjusted the quotes or prices it obtains from the pricing services and brokers it uses.

For internally generated valuations, the Company utilizes valuation models developed by a third-party pricing vendor. The models and associated processes and controls are executed by Company personnel.

These models are discounted cash flow valuation models but also use information from related markets, specifically public bond markets and the credit default swap (CDS) market, to estimate expected cash flows. The models take into consideration any unique characteristics of the securities and make various adjustments to arrive at an appropriate issuer-specific loss adjusted credit curve using the most appropriate comparable security(ies) of the issuer and issuer-specific CDS spreads. This credit curve is then used with the relevant recovery rates to estimate expected cash flows and modeling of additional features, including illiquidity adjustments, if necessary, to price the security by discounting those loss adjusted cash flows. In cases where a credit curve cannot be developed from market information for the specific issuer, the valuation methodology takes into consideration other market observable inputs, including:

- the most appropriate comparable security(ies) of a guarantor and/or parent
- CDS spreads of a guarantor and/or parent
- bonds of comparable issuers with similar characteristics such as rating, geography, or sector
- CDS spreads of an appropriate index or of comparable issuers with similar characteristics such as rating, geography, or sector
- bond indices that are comparative in rating, industry, maturity, and region.

The following tables present the pricing sources for the fair values of the Company's fixed maturity and equity securities.

	March 31, 2026			
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Securities available-for-sale, carried at fair value:				
Fixed maturity securities:				
Government and agencies:				
Third-party pricing vendor	$ 12,993	$ 385	$ 0	$ 13,378
Internal	0	194	0	194
Total government and agencies	12,993	579	0	13,572
Municipalities:				
Third-party pricing vendor	0	1,664	0	1,664
Internal	0	214	0	214
Total municipalities	0	1,878	0	1,878
Mortgage- and asset-backed securities:				
Third-party pricing vendor	0	1,993	0	1,993
Internal	0	389	0	389
Broker/other	0	0	2,655	2,655
Total mortgage- and asset-backed securities	0	2,382	2,655	5,037
Public utilities:				
Third-party pricing vendor	0	3,630	0	3,630
Internal	0	2,499	0	2,499
Broker/other	0	0	825	825
Total public utilities	0	6,129	825	6,954
Sovereign and supranational:				
Third-party pricing vendor	0	76	0	76
Internal	0	290	0	290
Broker/other	0	0	19	19
Total sovereign and supranational	0	366	19	385
Banks/financial institutions:				
Third-party pricing vendor	0	5,572	0	5,572
Internal	0	3,618	0	3,618
Broker/other	0	0	4	4
Total banks/financial institutions	0	9,190	4	9,194
Other corporate:				
Third-party pricing vendor	0	21,373	0	21,373
Internal	0	4,700	0	4,700
Broker/other	0	0	135	135
Total other corporate	0	26,073	135	26,208
Total securities available-for-sale	$ 12,993	$ 46,597	$ 3,638	$ 63,228
Equity securities, carried at fair value:				
Third-party pricing vendor	$ 692	$ 0	$ 0	$ 692
Internal	0	0	22	22
Broker/other	0	0	137	137
Total equity securities	$ 692	$ 0	$ 159	$ 851

(In millions)	March 31, 2026 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Securities held-to-maturity, carried at amortized cost:				
Fixed maturity securities:				
Government and agencies:				
Third-party pricing vendor	$ 14,052	$ 125	$ 0	$ 14,177
Total government and agencies	14,052	125	0	14,177
Municipalities:				
Third-party pricing vendor	0	217	0	217
Total municipalities	0	217	0	217
Public utilities:				
Third-party pricing vendor	0	27	0	27
Total public utilities	0	27	0	27
Sovereign and supranational:				
Third-party pricing vendor	0	149	0	149
Internal	0	184	0	184
Total sovereign and supranational	0	333	0	333
Other corporate:				
Third-party pricing vendor	0	15	0	15
Total other corporate	0	15	0	15
Total securities held-to-maturity	$ 14,052	$ 717	$ 0	$ 14,769

(In millions)	December 31, 2025 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Securities available-for-sale, carried at fair value:				
Fixed maturity securities:				
Government and agencies:				
Third-party pricing vendor	$ 13,921	$ 383	$ 0	$ 14,304
Internal	0	303	0	303
Total government and agencies	13,921	686	0	14,607
Municipalities:				
Third-party pricing vendor	0	1,706	0	1,706
Internal	0	224	0	224
Total municipalities	0	1,930	0	1,930
Mortgage- and asset-backed securities:				
Third-party pricing vendor	0	1,824	0	1,824
Internal	0	248	0	248
Broker/other	0	0	2,294	2,294
Total mortgage- and asset-backed securities	0	2,072	2,294	4,366
Public utilities:				
Third-party pricing vendor	0	3,660	0	3,660
Internal	0	2,638	0	2,638
Broker/other	0	0	876	876
Total public utilities	0	6,298	876	7,174
Sovereign and supranational:				
Third-party pricing vendor	0	79	0	79
Internal	0	304	0	304
Broker/other	0	0	19	19
Total sovereign and supranational	0	383	19	402
Banks/financial institutions:				
Third-party pricing vendor	0	5,605	0	5,605
Internal	0	3,630	5	3,635
Broker/other	0	0	4	4
Total banks/financial institutions	0	9,235	9	9,244
Other corporate:				
Third-party pricing vendor	0	21,294	0	21,294
Internal	0	4,945	20	4,965
Broker/other	0	0	139	139
Total other corporate	0	26,239	159	26,398
Total securities available-for-sale	$ 13,921	$ 46,843	$ 3,357	$ 64,121
Equity securities, carried at fair value:				
Third-party pricing vendor	$ 727	$ 0	$ 0	$ 727
Internal	0	0	24	24
Broker/other	0	0	136	136
Total equity securities	$ 727	$ 0	$ 160	$ 887

	December 31, 2025			
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Securities held-to-maturity, carried at amortized cost:				
Fixed maturity securities:				
Government and agencies:				
Third-party pricing vendor	$ 14,696	$ 131	$ 0	$ 14,827
Total government and agencies	14,696	131	0	14,827
Municipalities:				
Third-party pricing vendor	0	229	0	229
Total municipalities	0	229	0	229
Public utilities:				
Third-party pricing vendor	0	29	0	29
Total public utilities	0	29	0	29
Sovereign and supranational:				
Third-party pricing vendor	0	188	0	188
Internal	0	187	0	187
Total sovereign and supranational	0	375	0	375
Other corporate:				
Third-party pricing vendor	0	16	0	16
Total other corporate	0	16	0	16
Total securities held-to-maturity	$ 14,696	$ 780	$ 0	$ 15,476

The following is a discussion of the determination of fair value of the Company's remaining financial instruments.

Derivatives

The Company uses derivative instruments to manage the risk associated with certain assets. However, the derivative instrument may not be classified in the same fair value hierarchy level as the associated asset. The significant inputs to pricing derivatives are generally observable in the market or can be derived from observable market data. When these inputs are observable, the derivatives are classified as Level 2.

The Company uses present value techniques to value non-option based derivatives. It also uses option pricing models to value option based derivatives. Key inputs are as follows:

Instrument Type	Level 2
Interest rate derivatives	Swap yield curves Basis curves Interest rate volatility [(1)]
Foreign exchange rate derivatives - Non-VIEs (forwards, swaps and options)	Foreign currency forward rates Swap yield curves Basis curves Foreign currency spot rates Foreign cross-currency basis curves Foreign currency volatility [(1)]
Foreign exchange rate derivatives - VIEs (swaps)	Foreign currency spot rates Swap yield curves Credit default swap curves Basis curves Recovery rates Foreign currency forward rates Foreign cross-currency basis curves

[(1)] *Option-based only*

The fair values of the foreign currency forwards and options are based on observable market inputs; therefore, they are classified as Level 2.

To determine the fair value of its interest rate derivatives, the Company uses inputs that are generally observable in the market or can be derived from observable market data. Interest rate swaps are cleared trades. In a cleared swap contract, the clearinghouse provides benefits to the counterparties similar to contracts listed for investment traded on an exchange since it maintains a daily margin to mitigate counterparties' credit risk. These derivatives are priced using observable inputs; accordingly, they are classified as Level 2.

For derivatives associated with VIEs where the Company is the primary beneficiary, the Company is not the direct counterparty to the swap contracts. Nevertheless, the Company has full transparency into the contracts to properly value the swaps for reporting purposes. For these derivatives, the Company utilizes valuation models developed by independent valuation analytics providers. The models are market standard discounted cash flow models and all associated processes and controls are executed by Company personnel. These models take into consideration any unique characteristics of the derivatives in determining the appropriate valuation methodology to estimate expected cash flows. The fair values of these swaps are based on observable market inputs and are classified as Level 2 within the fair value hierarchy.

For forward bond purchase commitments, the fair value of the derivative is based on the difference in the fixed purchase price and the current market value of the related bond prior to the settlement date. Since the bond is typically a public bond with readily available pricing, the derivatives associated with the forward purchase commitment are classified as Level 2 within the fair value hierarchy.

Commercial mortgage and other loans

Commercial mortgage and other loans include TREs, CMLs, MMLs and other loans. The Company's loan receivables do not have readily determinable market prices and generally lack market liquidity. Fair values for loan receivables are determined based on the present value of expected future cash flows discounted at the applicable U.S. Treasury or floating-rate benchmark yield plus an appropriate spread that considers other risk factors, such as credit and liquidity risk. The spreads are a significant component of the pricing inputs and are generally considered unobservable. Therefore, these investments are classified as Level 3 within the fair value hierarchy.

Other investments

Other investments includes short-term investments that are measured at fair value where amortized cost approximates fair value.

Other policyholders' funds

The largest component of the other policyholders' funds liability is the Company's annuity line of business in Aflac Japan. The Company's annuities have fixed benefits and premiums. For this product, the Company estimates the fair value to be equal to the cash surrender value. This is analogous to the value paid to policyholders on the valuation date if they were to surrender their policy. The Company periodically checks the cash value against discounted cash flow projections for reasonableness. The Company considers its inputs for this valuation to be unobservable and have accordingly classified this valuation as Level 3.

Notes payable

The fair values of the Company's publicly issued notes payable are determined by utilizing available sources of observable inputs from third-party pricing vendors and are classified as Level 2. The Company's private placement notes payable are valued using the same internal models that the Company uses for its Japanese yen-denominated and U.S. dollar-denominated private placement investment portfolio. The fair values for these private placements are deemed Level 2 valuations, as they are model-derived valuations that are generated internally with all significant valuation inputs being observed in active markets. The fair values of the Company's Japanese yen-denominated loans approximate their carrying values and are classified as Level 3.

Transfers between Hierarchy Levels and Level 3 Rollforward

Assets and liabilities are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available, and/or when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that a significant input can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event, or one or more significant input(s) becoming observable.

The following tables present the changes in fair value of the Company's investments carried at fair value classified as Level 3.

	Three Months Ended March 31, 2026						
	Fixed Maturity Securities					Equity Securities	
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate		Total
Balance, beginning of period	$ 2,294	$ 876	$ 19	$ 9	$ 159	$ 160	$ 3,517
Net investment gains (losses) included in earnings	2	4	0	0	6	(2)	10
Unrealized gains (losses) included in other comprehensive income (loss)	(32)	(23)	0	0	(8)	0	(63)
Purchases, issuances, sales and settlements:							
Purchases	302	10	0	0	0	1	313
Issuances	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0
Settlements	(30)	(42)	0	0	(22)	0	(94)
Transfers into Level 3	119	0	0	0	0	0	119
Transfers out of Level 3	0	0	0	(5)	0	0	(5)
Balance, end of period	$ 2,655	$ 825	$ 19	$ 4	$ 135	$ 159	$ 3,797
Changes in unrealized gains (losses) relating to Level 3 assets and liabilities still held at the end of the period included in earnings	$ 1	$ 0	$ 0	$ 0	$ 0	$ (1)	$ 0

	Three Months Ended March 31, 2025						
	Fixed Maturity Securities					Equity Securities	
(In millions)	Mortgage- and Asset-Backed Securities	Public Utilities	Sovereign and Supranational	Banks/ Financial Institutions	Other Corporate		Total
Balance, beginning of period	$ 1,156	$ 647	$ 23	$ 10	$ 231	$ 157	$ 2,224
Net investment gains (losses) included in earnings	0	0	0	0	0	1	1
Unrealized gains (losses) included in other comprehensive income (loss)	10	6	1	0	2	0	19
Purchases, issuances, sales and settlements:							
Purchases	434	110	0	0	0	3	547
Issuances	0	0	0	0	0	0	0
Sales	0	0	0	0	0	(1)	(1)
Settlements	(12)	(7)	0	0	(1)	0	(20)
Transfers into Level 3	15	0	0	0	0	0	15
Transfers out of Level 3	0	0	0	0	(95)	0	(95)
Balance, end of period	$ 1,603	$ 756	$ 24	$ 10	$ 137	$ 160	$ 2,690
Changes in unrealized gains (losses) relating to Level 3 assets and liabilities still held at the end of the period included in earnings	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1	$ 1

Fair Value Sensitivity

Level 3 Significant Unobservable Input Sensitivity

The following tables summarize the significant unobservable inputs used in the valuation of the Company's Level 3 investments carried at fair value. Included in the tables are the inputs or range of possible inputs that have an effect on the overall valuation of the financial instruments.

March 31, 2026								
(In millions)	**Fair Value**	**Valuation Technique(s)**	**Unobservable Input**	**Range**				**Weighted Average**
Assets:								
Securities available-for-sale, carried at fair value:								
Fixed maturity securities:								
Mortgage- and asset-backed securities	**$2,655**	Consensus pricing	Offered quotes	87.70	-	104.69	(a)	99.44
Public utilities	**825**	Discounted cash flow	Credit spreads	100 bps	-	477 bps	(c)	188 bps
Sovereign and supranational	**19**	Consensus pricing	Offered quotes	N/A			(b)	N/A
Banks/financial institutions	**4**	Adjusted cost	Private financials	N/A			(d)	N/A
Other corporate	**135**	Discounted cash flow	Credit spreads	75 bps	-	393 bps	(c)	208 bps
Equity securities	**159**	Adjusted cost	Private financials	N/A			(d)	N/A
Total assets	**$3,797**							

(a) Represents prices for securities where the Company receives unadjusted broker quotes and for which there is no transparency into the providers' valuation techniques
(b) Category represents a single security; range not applicable
(c) Actual or equivalent credit spreads in basis points
(d) Prices do not utilize credit spreads; therefore, range is not applicable

December 31, 2025								
(In millions)	**Fair Value**	**Valuation Technique(s)**	**Unobservable Input**	**Range**				**Weighted Average**
Assets:								
Securities available-for-sale, carried at fair value:								
Fixed maturity securities:								
Mortgage- and asset-backed securities	$2,294	Consensus pricing	Offered quotes	88.75	-	106.70	(a)	100.42
Public utilities	876	Discounted cash flow	Credit spreads	100 bps	-	391 bps	(c)	163 bps
Sovereign and supranational	19	Consensus pricing	Offered quotes	N/A			(b)	N/A
Banks/financial institutions	9	Adjusted cost	Private financials	N/A			(d)	N/A
Other corporate	159	Discounted cash flow	Credit spreads	75 bps	-	384 bps	(c)	217 bps
Equity securities	160	Adjusted cost	Private financials	N/A			(d)	N/A
Total assets	$3,517							

(a) Represents prices for securities where the Company receives unadjusted broker quotes and for which there is no transparency into the providers' valuation techniques
(b) Category represents a single security; range not applicable
(c) Actual or equivalent credit spreads in basis points
(d) Prices do not utilize credit spreads; therefore, range is not applicable

The following is a discussion of the significant unobservable inputs or valuation techniques used in determining the fair value of securities classified as Level 3.

Credit Spreads

The Company holds certain assets that are of a unique, specialized, and/or securitized nature that do not trade on a regular basis in an active market, which makes their fair values difficult to estimate. Most of these assets are managed by external asset managers and the Company utilizes these managers for their expertise when evaluating various inputs used to determine the fair values for these assets, including identifying the appropriate credit or risk spread over risk-free interest rates that incorporates the unique nature or structure of the asset in the valuations. For those assets of a similar nature but not managed by external asset managers, the Company internally estimates the spreads and risk adjustments over risk-free interest rates that reflect the unique nature or structure of the asset as well as the current pricing environment and market conditions for comparable or related investments. Credit or risk spreads are an important input needed to complete the discounted cash flow analyses used to estimate an investment's fair value. Credit or risk spreads underlying these fair values are a significant, unobservable input whose derivation is based on the Company's evaluation of a combination of the external manager's expertise and knowledge, the current pricing environment, and market conditions for the specific asset.

Offered Quotes

In circumstances where the Company's valuation model price is overridden because it implies a value that is not consistent with current market conditions, the Company will solicit bids from a limited number of brokers. The Company also receives unadjusted prices from brokers for certain of its mortgage and asset-backed securities. These quotes are non-binding but are reflective of valuation best estimates at that particular point in time. Offered quotes are an unobservable input in the determination of fair value of mortgage- and asset-backed securities, certain banks/financial institutions, certain other corporate, and equity securities investments.

Private Financials

The Company invests in the debt and equity securities of private companies operating in the cancer, healthtech, insurtech, finance, internet of things, big data and analytics sectors. Due to their private and often small, startup nature, these companies rely on capital provided by institutional and private equity investors for their ongoing operations. They do not have public securities that trade on a regular basis in an active market, which makes their fair values difficult to estimate. The Company values these investments on a cost basis with appropriate adjustments made based on monitoring private financial information provided by these companies. Adjustments to valuations are generally made as new funding tranches are executed or if the financial information provided significantly changes indicating the need for impairment. This private financial information is unobservable and is a significant determinant in the fair value of these corporate venture investments.

For additional information on the Company's investments and financial instruments, see the accompanying Notes 3 and 4 and Notes 1, 3 and 4 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

6. DEFERRED POLICY ACQUISITION COSTS

The following tables present a rollforward of deferred policy acquisition costs by reporting segment and disaggregated by product type.

	March 31, 2026											
	Aflac Japan				Aflac U.S.							
(In millions)	Cancer	Medical and Other Health	Life Insurance	Other	Accident	Disability	Critical Care	Hospital Indemnity	Dental/ Vision	Life Insurance	Other	Total
Deferred policy acquisition costs:												
Balance at December 31, 2025	**$ 2,965**	**$ 1,840**	**$ 446**	**$ 51**	**$ 909**	**$ 641**	**$1,355**	**$ 463**	**$ 87**	**$ 277**	**$ 0**	**$9,034**
Capitalization	**80**	**26**	**14**	**0**	**32**	**30**	**37**	**21**	**3**	**29**	**0**	**272**
Amortization expense	**(46)**	**(23)**	**(8)**	**(1)**	**(37)**	**(31)**	**(40)**	**(21)**	**(3)**	**(11)**	**0**	**(221)**
Foreign currency translation and other	**(62)**	**(38)**	**(9)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(109)**
Balance at March 31, 2026	**$ 2,937**	**$ 1,805**	**$ 443**	**$ 50**	**$ 904**	**$ 640**	**$1,352**	**$ 463**	**$ 87**	**$ 295**	**$ 0**	**$8,976**

	December 31, 2025											
	Aflac Japan				Aflac U.S.							
(In millions)	Cancer	Medical and Other Health	Life Insurance	Other	Accident	Disability	Critical Care	Hospital Indemnity	Dental/ Vision	Life Insurance	Other	Total
Deferred policy acquisition costs:												
Balance at December 31, 2024	$ 2,776	$ 1,833	$ 441	$ 52	$ 915	$ 636	$1,348	$ 452	$ 86	$ 219	$ 0	$8,758
Capitalization	357	85	33	3	137	127	162	90	13	98	0	1,105
Amortization expense	(188)	(99)	(33)	(3)	(143)	(122)	(155)	(79)	(12)	(40)	0	(874)
Foreign currency translation and other	20	21	5	(1)	0	0	0	0	0	0	0	45
Balance at December 31, 2025	$ 2,965	$ 1,840	$ 446	$ 51	$ 909	$ 641	$1,355	$ 463	$ 87	$ 277	$ 0	$9,034

There were no changes to the inputs, judgments, assumptions or methods used to determine amortization amounts during the three-month periods ended March 31, 2026 and 2025. For additional information on deferred policy acquisition costs, see Notes 1 and 6 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

7. POLICY LIABILITIES

Future Policy Benefits

The following tables present the changes in the present value of expected future net premiums and the present value of expected future policy benefits by reporting segment and disaggregated by product type. The present value of expected future net premiums and the present value of expected future policy benefits are presented gross of internal and external ceded reinsurance.

	March 31, 2026										
	Aflac Japan				Aflac U.S.						
(In millions)	Cancer	Medical and Other Health	Life Insurance	Other	Accident	Disability	Critical Care	Hospital Indemnity	Dental/ Vision	Life Insurance	Other
Present value of expected future net premiums:											
Balance at December 31, 2025	**$12,207**	**$10,349**	**$ 4,547**	**$ 725**	**$ 2,525**	**$ 1,685**	**$ 3,945**	**$ 1,171**	**$ 202**	**$ 1,021**	**$1,968**
Beginning balance at original discount rate	**13,201**	**11,511**	**4,772**	**800**	**2,637**	**1,726**	**4,242**	**1,231**	**208**	**1,051**	**1,835**
Effect of changes in cash flow assumptions	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Effect of actual variances from expected experience	**(147)**	**(84)**	**(14)**	**(3)**	**(23)**	**(2)**	**(29)**	**(14)**	**(2)**	**(9)**	**(16)**
Adjusted beginning of period balance	**13,054**	**11,427**	**4,758**	**797**	**2,614**	**1,724**	**4,213**	**1,217**	**206**	**1,042**	**1,819**
Issuances	**216**	**14**	**83**	**1**	**111**	**109**	**204**	**90**	**13**	**94**	**469**
Interest accrual	**86**	**68**	**26**	**4**	**27**	**18**	**44**	**12**	**2**	**11**	**27**
Net premiums collected [1]	**(314)**	**(247)**	**(179)**	**(22)**	**(119)**	**(100)**	**(143)**	**(61)**	**(10)**	**(44)**	**(50)**
Foreign currency translation	**(272)**	**(235)**	**(98)**	**(17)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Ending balance at original discount rate	**12,770**	**11,027**	**4,590**	**763**	**2,633**	**1,751**	**4,318**	**1,258**	**211**	**1,103**	**2,265**
Effect of changes in discount rate assumptions	**(1,252)**	**(1,402)**	**(303)**	**(86)**	**(148)**	**(62)**	**(360)**	**(75)**	**(9)**	**(42)**	**65**
Balance at March 31, 2026	**$11,518**	**$ 9,625**	**$ 4,287**	**$ 677**	**$ 2,485**	**$ 1,689**	**$ 3,958**	**$ 1,183**	**$ 202**	**$ 1,061**	**$2,330**
Present value of expected future policy benefits:											
Balance at December 31, 2025	**$34,987**	**$17,692**	**$ 20,894**	**$3,671**	**$ 3,184**	**$ 2,336**	**$10,845**	**$ 1,955**	**$ 438**	**$ 2,076**	**$2,444**
Beginning balance at original discount rate	**36,438**	**21,979**	**25,716**	**4,758**	**3,348**	**2,401**	**11,812**	**2,071**	**458**	**2,288**	**2,304**
Effect of changes in cash flow assumptions	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Effect of actual variances from expected experience	**(168)**	**(101)**	**(18)**	**(8)**	**(36)**	**(5)**	**(41)**	**(19)**	**(1)**	**(13)**	**(14)**
Adjusted beginning of period balance	**36,270**	**21,878**	**25,698**	**4,750**	**3,312**	**2,396**	**11,771**	**2,052**	**457**	**2,275**	**2,290**
Issuances	**221**	**15**	**85**	**2**	**116**	**115**	**215**	**95**	**14**	**100**	**474**
Interest accrual	**303**	**134**	**134**	**22**	**34**	**25**	**127**	**22**	**5**	**23**	**33**
Benefit payments	**(638)**	**(237)**	**(665)**	**(60)**	**(126)**	**(118)**	**(247)**	**(77)**	**(15)**	**(29)**	**(56)**
Foreign currency translation	**(750)**	**(452)**	**(525)**	**(98)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Ending balance at original discount rate	**35,406**	**21,338**	**24,727**	**4,616**	**3,336**	**2,418**	**11,866**	**2,092**	**461**	**2,369**	**2,741**
Effect of changes in discount rate assumptions	**(2,470)**	**(4,862)**	**(5,333)**	**(1,181)**	**(211)**	**(96)**	**(1,176)**	**(146)**	**(27)**	**(251)**	**63**
Balance at March 31, 2026	**32,936**	**16,476**	**19,394**	**3,435**	**3,125**	**2,322**	**10,690**	**1,946**	**434**	**2,118**	**2,804**
Net liability for future policy benefits	**21,418**	**6,851**	**15,107**	**2,758**	**640**	**633**	**6,732**	**763**	**232**	**1,057**	**474**
Less: reinsurance recoverable	**4,142**	**994**	**316**	**0**	**0**	**0**	**0**	**0**	**0**	**26**	**20**
Net liability for future policy benefits after reinsurance recoverable	**$17,276**	**$ 5,857**	**$ 14,791**	**$2,758**	**$ 640**	**$ 633**	**$ 6,732**	**$ 763**	**$ 232**	**$ 1,031**	**$ 454**

[1] *Net premiums collected represent the portion of gross premiums collected from policyholders that is used to fund expected future benefit payments.*

	December 31, 2025										
	Aflac Japan				Aflac U.S.						
(In millions)	Cancer	Medical and Other Health	Life Insurance	Other	Accident	Disability	Critical Care	Hospital Indemnity	Dental/ Vision	Life Insurance	Other
Present value of expected future net premiums:											
Balance at December 31, 2024	$14,184	$11,817	$ 5,156	$ 846	$ 2,497	$ 1,635	$ 3,901	$ 1,122	$ 196	$ 909	$ 826
Beginning balance at original discount rate	14,008	11,845	5,084	864	2,687	1,726	4,340	1,221	209	976	824
Effect of changes in cash flow assumptions	(661)	136	(40)	5	18	(22)	(163)	(8)	(10)	(5)	386
Effect of actual variances from expected experience	(436)	(84)	(62)	(12)	21	20	(2)	16	(10)	(32)	146
Adjusted beginning of period balance	12,911	11,897	4,982	857	2,726	1,724	4,175	1,229	189	939	1,356
Issuances	1,114	253	405	9	295	341	488	211	50	246	571
Interest accrual	364	292	110	16	110	69	177	50	9	42	73
Net premiums collected [1]	(1,379)	(1,076)	(795)	(95)	(487)	(402)	(590)	(255)	(39)	(171)	(138)
Foreign currency translation	193	146	70	13	0	0	0	0	0	0	0
Other	(2)	(1)	0	0	(7)	(6)	(8)	(4)	(1)	(5)	(27)
Ending balance at original discount rate	13,201	11,511	4,772	800	2,637	1,726	4,242	1,231	208	1,051	1,835
Effect of changes in discount rate assumptions	(994)	(1,162)	(225)	(75)	(112)	(41)	(297)	(60)	(6)	(30)	133
Balance at December 31, 2025	$12,207	$10,349	$ 4,547	$ 725	$ 2,525	$ 1,685	$ 3,945	$ 1,171	$ 202	$ 1,021	$1,968
Present value of expected future policy benefits:											
Balance at December 31, 2024	$40,781	$20,606	$ 24,265	$4,225	$ 3,127	$ 2,330	$10,701	$ 1,897	$ 441	$ 1,847	$1,288
Beginning balance at original discount rate	37,856	21,957	26,330	4,765	3,386	2,466	12,013	2,073	477	2,126	1,293
Effect of changes in cash flow assumptions	(1,130)	108	(101)	74	47	(46)	(219)	(4)	(15)	(17)	399
Effect of actual variances from expected experience	(483)	(102)	(61)	(21)	9	5	(15)	8	(13)	(53)	148
Adjusted beginning of period balance	36,243	21,963	26,168	4,818	3,442	2,425	11,779	2,077	449	2,056	1,840
Issuances	1,138	260	417	14	300	355	503	217	50	254	574
Interest accrual	1,299	564	569	91	138	99	515	87	20	87	97
Benefit payments	(2,723)	(1,044)	(1,753)	(218)	(532)	(478)	(985)	(310)	(61)	(109)	(207)
Foreign currency translation	481	236	315	53	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Ending balance at original discount rate	36,438	21,979	25,716	4,758	3,348	2,401	11,812	2,071	458	2,288	2,304
Effect of changes in discount rate assumptions	(1,451)	(4,287)	(4,822)	(1,087)	(164)	(65)	(967)	(116)	(20)	(212)	140
Balance at December 31, 2025	34,987	17,692	20,894	3,671	3,184	2,336	10,845	1,955	438	2,076	2,444
Net liability for future policy benefits	22,780	7,343	16,347	2,946	659	651	6,900	784	236	1,055	476
Less: reinsurance recoverable	4,406	1,062	0	0	0	0	0	0	0	25	11
Net liability for future policy benefits after reinsurance recoverable	$18,374	$ 6,281	$ 16,347	$2,946	$ 659	$ 651	$ 6,900	$ 784	$ 236	$ 1,030	$ 465

[1] *Net premiums collected represent the portion of gross premiums collected from policyholders that is used to fund expected future benefit payments.*

The following tables present the weighted-average interest rates and weighted-average liability duration (calculated using the original discount rate) by reporting segment and disaggregated by product type.

	March 31, 2026										
	Aflac Japan				**Aflac U.S.**						
	Cancer	**Medical and Other Health**	**Life Insurance**	**Other**	**Accident**	**Disability**	**Critical Care**	**Hospital Indemnity**	**Dental/ Vision**	**Life Insurance**	**Other**
Weighted-average interest, original discount rate [(1)]	**3.8 %**	**2.5 %**	**2.1 %**	**1.8 %**	**4.1 %**	**4.4 %**	**4.5 %**	**4.5 %**	**4.4 %**	**4.0 %**	**5.5 %**
Weighted-average interest, current discount rate [(1)]	**3.8 %**	**4.4 %**	**3.5 %**	**4.1 %**	**5.4 %**	**5.2 %**	**5.6 %**	**5.5 %**	**5.4 %**	**5.5 %**	**5.6 %**
Weighted-average liability duration (years)	**12.3**	**22.6**	**16.4**	**16.0**	**7.9**	**5.6**	**10.8**	**9.0**	**7.4**	**13.6**	**8.3**

[(1)] *The weighted-average interest rates are calculated using the reserve balances as the weights. No adjustments were made to observable market information.*

	December 31, 2025										
	Aflac Japan				**Aflac U.S.**						
	Cancer	**Medical and Other Health**	**Life Insurance**	**Other**	**Accident**	**Disability**	**Critical Care**	**Hospital Indemnity**	**Dental/ Vision**	**Life Insurance**	**Other**
Weighted-average interest, original discount rate [(1)]	3.8 %	2.5 %	2.1 %	1.8 %	4.1 %	4.4 %	4.5 %	4.5 %	4.3 %	3.9 %	5.5 %
Weighted-average interest, current discount rate [(1)]	3.1 %	3.6 %	2.8 %	3.4 %	5.2 %	5.0 %	5.4 %	5.3 %	5.2 %	5.3 %	5.4 %
Weighted-average liability duration (years)	12.3	22.9	16.2	16.2	7.8	5.6	10.8	9.0	7.5	13.5	8.6

[(1)] *The weighted-average interest rates are calculated using the reserve balances as the weights. No adjustments were made to observable market information.*

The following table presents a reconciliation of the disaggregated rollforwards above to the ending liability for future policy benefits presented in the consolidated balance sheets. The deferred profit liability for limited-payment contracts and the deferred reinsurance gain liability are presented together with the liability for future policy benefits in the consolidated balance sheets and have been included as reconciling items in the table below.

(In millions)	March 31, 2026	December 31, 2025
Balances included in future policy benefits rollforward:		
Aflac Japan		
Cancer	**$ 21,418**	$ 22,780
Medical and other health	**6,851**	7,343
Life insurance	**15,107**	16,347
Other	**2,758**	2,946
Aflac U.S.		
Accident	**640**	659
Disability	**633**	651
Critical care	**6,732**	6,900
Hospital indemnity	**763**	784
Dental/vision	**232**	236
Life insurance	**1,057**	1,055
Other	**474**	476
Corporate and other	**4,593**	4,317
Deferred profit liability	**2,061**	2,066
Deferred reinsurance gain liability	**895**	757
Intercompany eliminations [1]	**(4,695)**	(4,997)
Total	**$ 59,519**	$ 62,320

[1] Elimination entry necessary due to the internal reinsurance transactions with Aflac Re and to recapture a portion of policy liabilities ceded externally as a result of the reinsurance retrocession transaction. See Note 8 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

There were no changes to the inputs, judgments, assumptions or methods used in measuring the liability for future policy benefits during the three-month periods ended March 31, 2026 and 2025.

Discount Rate Methodology

The Company's discount rate methodology involves constructing a current discount rate curve separately for discounting cash flows used to calculate the Japan and U.S. LFPB, reflective of the characteristics of the insurance liabilities, such as currency and tenor. Discount rates are updated each reporting period and require estimation techniques (e.g., interpolation, extrapolation) for determination of points on the curve for which there is limited or no observable market data.

Discount rates are determined using upper-medium grade (low credit risk) fixed-income instrument yields that reflect the duration characteristics of the liability. Locked-in discount rates are determined separately for each issue-year cohort as a single discount rate, calculated as the weighted-average of monthly upper-medium grade (low credit risk) fixed-income instrument forward curves in the calendar year, where the weights are the annualized premiums issued for each month of the cohort. The single discount rate for each issue-year cohort is determined by solving for a rate that produces an equivalent NPR to the forward curve and will remain unchanged after the calendar year of issue.

In the Aflac Japan segment, all long-duration insurance policies are denominated in Japanese yen. A significant portion of policies are characterized by tenors exceeding the availability of liquid market data in Japan for single-A rated (as a proxy for upper-medium grade) corporate Japanese yen-denominated debt. The discount rate curve is designed to prioritize the observable inputs where available, while past the last liquid point, the data is derived based on estimation techniques consistent with the fair value guidance in ASC 820. The Aflac Japan segment's curve utilizes liquid market indices tracking publicly traded Japanese yen-denominated single-A corporate debt for the initial 10-year tenor. For the bonds within these market indices where only local ratings are available, the Company prioritizes the bonds with local ratings that are equivalent to a single-A rating based on international rating standards.

For the discount rates applicable to tenors for which the Japan single-A debt market is not liquid but there is sufficient observable market data and/or the observable market data is available for similar instruments (between 10 and 30 years), the Company estimates tenor-specific single-A credit spreads and applies them to risk-free government rates. Lastly, for the tenors where there is limited or no observable single-A or similar market data or risk-free government rates (beyond 30 years), the discount curve is derived by extrapolation of risk-free rates beyond their last liquid point following the Smith-Wilson method and grading of the estimated forward credit spread anchored by the ultimate forward rate. The ultimate forward rate is based on the economic value-based solvency regime, which is consistent with the International Association of Insurance Supervisors (IAIS) Insurance Capital Standards (ICS) (effective for Aflac Japan's 2025 fiscal year-end, which is March 31, 2026), and is adjusted for credit and inflation components.

For the Aflac U.S. segment where all long-duration insurance policies are denominated in U.S. dollars and substantially all have cash flow duration within 30 years, for which the U.S. upper-medium grade fixed-income market is liquid and observable, the Company uses data from a liquid fixed-income market index tracking single-A U.S. corporate debt. For the insignificant portion of the policies with cash flow tenors exceeding 30 years, the discount curve beyond that tenor is extrapolated following the Smith-Wilson method from year 30 to the same ultimate forward rate calculated for the Japan discount curve at year 60 and held constant thereafter. The use of the same ultimate rate for U.S. and Japan segments is based on the assumption of long-term global economic convergence.

There were no changes to the methods used to determine the discount rates during the three-month periods ended March 31, 2026 and 2025.

Cash Flow Assumptions

Cash flow assumptions include (1) mortality, (2) morbidity and (3) termination or lapses.

Mortality rate assumptions are based on industry tables and adjusted for the Company's actual or expected experience. These assumptions typically vary by age, gender, and other demographic characteristics such as smoking status.

Morbidity assumptions are based on the Company's internal data and consider emerging experience. These assumptions are reflective of the coverage and benefits provided and generally vary by age, gender, duration, and any other material policyholder characteristics. In cases where a calendar-year trend is significant, future cash flow projections may include a trend adjustment.

In Japan, separate lapse assumptions are set based on actual or expected experience. These lapse and total termination rate assumptions vary by line of business and with policyholder characteristics such as duration. In the U.S., the majority of the future cash flows are modeled using total termination rates (which include both lapse and mortality) and are adjusted for actual experience. Policy provisions, such as reaching premium paid-up status, are taken into account when setting assumptions.

The Company evaluates actual experience compared with expected experience for cash flow assumptions each quarter.

- For the three-month periods ended March 31, 2026 and 2025, the variance of actual experience from expected experience was primarily due to favorable variances in morbidity assumptions as compared to actual experience.

The Company performs a more detailed annual review of its assumptions annually during the third quarter.

- In 2025, the Company's annual assumption review process resulted in favorable changes largely due to favorable morbidity assumptions in Japan and favorable morbidity and termination assumptions in the U.S.

Favorable morbidity experience has been reflected in the annual assumptions primarily due to lower utilization of certain cancer benefits, including reduced hospitalizations and fewer first-occurrence claims influenced by COVID-19-related behavioral changes. While recognizing ongoing uncertainty, management has reviewed these trends and incorporated elements of the observed experience into its assumptions where considered appropriate.

The following table summarizes the amount of net earned premiums recognized in the consolidated statements of earnings by reporting segment and disaggregated by product type.

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Net earned premiums:		
Aflac Japan		
Cancer	**$ 816**	$ 839
Medical and other health	**495**	529
Life insurance	**298**	316
Other	**29**	32
Aflac U.S.		
Accident	**305**	311
Disability	**374**	352
Critical care	**444**	441
Hospital indemnity	**183**	184
Dental/vision	**58**	49
Life insurance	**198**	169
Other	**63**	49
Corporate and other	**182**	198
Reinsurance ceded	**(135)**	(88)
Total	**$ 3,310**	$ 3,381

The following table summarizes the amount of interest expense related to insurance contracts recognized in benefits and claims, excluding reserve remeasurement in the consolidated statements of earnings by reporting segment and disaggregated by product type.

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Interest expense:		
Aflac Japan		
Cancer	**$ 217**	$ 233
Medical and other health	**66**	66
Life insurance	**108**	114
Other	**18**	18
Aflac U.S.		
Accident	**7**	7
Disability	**7**	7
Critical care	**83**	85
Hospital indemnity	**10**	9
Dental/vision	**3**	3
Life insurance	**12**	11
Other	**6**	6
Total	**$ 537**	$ 559

The following tables present the amount of expected future gross premiums and expected future policy benefits and expenses (undiscounted and discounted at the current period discount rate) by reporting segment and disaggregated by product type. These tables are presented gross of internal and external ceded reinsurance.

Future gross premiums represent the expected amount of future premiums to be received. For limited-payment policies, the premiums are collected over a shorter period than the policy term over which benefits are provided. As a result, once the policy reaches premium paid-up status, the future gross premiums can be significantly less than the future benefit payments. Further, benefits and expenses are generally greater in the later years of a policy. These are the primary factors that result in future gross premiums lower than future benefit and expense payments for certain lines of business of the Company.

	March 31, 2026		December 31, 2025	
(In millions)	**Gross Premiums**	**Benefits and Expenses**	Gross Premiums	Benefits and Expenses
Undiscounted expected future gross premiums and expected future policy benefits and expenses:				
Aflac Japan				
Cancer	**$ 51,004**	**$ 53,308**	$ 52,505	$ 54,844
Medical and other health	**31,455**	**33,991**	32,757	35,043
Life insurance	**10,468**	**36,171**	10,781	37,340
Other	**1,297**	**6,216**	1,351	6,419
Aflac U.S.				
Accident	**8,545**	**4,638**	8,560	4,660
Disability	**5,720**	**3,055**	5,697	3,033
Critical care	**19,272**	**20,020**	19,182	19,971
Hospital indemnity	**4,812**	**3,052**	4,757	3,027
Dental/vision	**1,074**	**659**	1,081	657
Life insurance	**3,527**	**4,115**	3,326	3,948
Other	**4,191**	**4,786**	3,477	4,105
Total	**$ 141,365**	**$ 170,011**	$ 143,474	$ 173,047

	March 31, 2026		December 31, 2025	
(In millions)	**Gross Premiums**	**Benefits and Expenses**	Gross Premiums	Benefits and Expenses
Discounted expected future gross premiums and expected future policy benefits and expenses:				
Aflac Japan				
Cancer	**$ 34,767**	**$ 32,936**	$ 36,796	$ 34,987
Medical and other health	**20,742**	**16,476**	22,239	17,692
Life insurance	**8,216**	**19,394**	8,625	20,894
Other	**953**	**3,435**	1,018	3,671
Aflac U.S.				
Accident	**5,919**	**3,125**	6,002	3,184
Disability	**4,435**	**2,322**	4,478	2,336
Critical care	**11,865**	**10,690**	11,988	10,845
Hospital indemnity	**3,334**	**1,946**	3,333	1,955
Dental/vision	**737**	**434**	755	438
Life insurance	**2,469**	**2,118**	2,358	2,076
Other	**2,482**	**2,804**	2,105	2,444
Total	**$ 95,919**	**$ 95,680**	$ 99,697	$ 100,522

Loss expense as a result of NPR capping for the three-month periods ended March 31, 2026 and 2025 was immaterial.

Other Policyholders' Funds

As of March 31, 2026 and December 31, 2025, the largest component of the other policyholders' funds liability was the Company's annuity line of business in Aflac Japan. The Company's annuities have fixed benefits and premiums.

The following table presents the changes in other policyholders' funds.

(In millions)		**March 31, 2026**		December 31, 2025
Other policyholders' funds:				
Fixed annuities account balance, beginning of period [(1)]	**$**	**5,152**	$	5,221
Premiums received		**24**		97
Transfers from WAYS conversions		**79**		307
Surrenders and withdrawals		**(19)**		(64)
Benefit payments		**(136)**		(513)
Interest credited		**12**		49
Foreign currency translation and other		**(107)**		55
Fixed annuities account balance, end of period		**5,005**		5,152
Other deposit type reserves		**418**		293
Total	**$**	**5,423**	$	5,445

[(1)] *Aflac Japan fixed annuities*

The following table presents other policyholders' funds balances by range of guaranteed crediting rates.

	March 31, 2026			December 31, 2025		
(In millions)	**Range of Guaranteed Minimum Crediting Rates** [(2)]	**At Guaranteed Minimum**	**Cash Surrender Value**	Range of Guaranteed Minimum Crediting Rates [(2)]	At Guaranteed Minimum	Cash Surrender Value
Fixed annuities [(1)]	**0.5% - 2.2%**	**$5,005**	**$4,939**	0.5% - 2.2%	$5,152	$5,083

[(1)] *Aflac Japan fixed annuities*
[(2)] *Weighted-average crediting rate of 1.5% at March 31, 2026 and December 31, 2025.*

Aflac Japan's fixed annuities have guaranteed fixed crediting rates which results in the policyholders' funds balances being sufficient to cover all guaranteed benefit amounts. The reserves are adequate to fully fund future benefits at any given time.

For additional information on policy liabilities, see Notes 1 and 7 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

8. REINSURANCE

The Company periodically enters into fixed quota-share coinsurance agreements in the normal course of business, primarily to provide additional capacity for future growth, optimize capital, limit losses, and minimize exposure to significant risks. For each of its reinsurance agreements, the Company determines whether the agreement provides indemnification against loss or liability relating to insurance risk in accordance with applicable accounting standards. These reinsurance transactions are indemnity reinsurance agreements that do not relieve the Company from its obligations to policyholders. In the event that the reinsurer is unable to meet their obligations, the Company remains liable for the reinsured claims.

For certain assumed reinsurance transactions involving the reinsurance of in force blocks of business, the Company receives initial consideration for assumed reserves at inception. The consideration received is recognized in the consolidated balance sheets at fair value and a liability for future policy benefits is recorded for assumed reserves. For each of the reinsurance agreements it has entered into, the Company records either a deferred reinsurance gain liability when the consideration received exceeds the recorded reserves, or a cost of reinsurance asset when the recorded reserves exceed the consideration received. The cost of reinsurance asset balance is considered recoverable and is periodically assessed for recoverability. Inter-segment amounts associated with internal reinsurance transactions are eliminated in consolidation.

The following table reconciles direct earned premiums, direct benefits and claims, excluding reserve remeasurement gains and losses, and reserve remeasurement gains and losses to net amounts after the effect of reinsurance.

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Earned premiums:		
Direct	**$ 3,421**	$ 3,433
Ceded	**(135)**	(88)
Assumed	**24**	36
Net earned premiums	**$ 3,310**	$ 3,381
Benefits and claims, excluding reserve remeasurement:		
Direct	**$ 1,995**	$ 2,031
Ceded	**(88)**	(56)
Assumed	**7**	11
Benefits and claims, excluding reserve remeasurement	**1,914**	1,986
Reserve remeasurement (gains) losses:		
Direct	**(81)**	(41)
Ceded	**(1)**	0
Reserve remeasurement (gains) losses	**(82)**	(41)
Total benefits and claims, net	**$ 1,832**	$ 1,945

The Company reported a deferred reinsurance gain liability related to reinsurance transactions. The remaining consolidated deferred reinsurance gain liability of $294 million and $125 million as of March 31, 2026 and December 31, 2025, respectively, is included in future policy benefits in the consolidated balance sheets and it is being amortized over the expected premium period based on annualized premiums, units in force, or over the remaining expected life of the reinsurance contract based on benefit payments. The amortization is included in benefits and claims in the consolidated statements of earnings.

The Company also reported a reinsurance recoverable with a remaining balance, net of allowance for credit losses of $466 million and $161 million as of March 31, 2026 and December 31, 2025, respectively. As of March 31, 2026, the related allowance for credit losses was $17 million, compared with $4 million as of December 31, 2025. The allowance for credit losses is estimated using a PD / LGD method and the key credit quality indicator is the credit rating of the Company’s significant reinsurance counterparties. The Company uses external credit ratings focused on these reinsurers' financial strength and credit worthiness. As of March 31, 2026, the Company's significant reinsurance counterparties were rated A+. The Company monitors these credit ratings periodically, but not less frequently than quarterly.

In March 2026, Aflac Re entered into a coinsurance transaction whereby it assumed approximately $551 million of reserves associated with an in force block of individual whole life annuities from an external ceding company, which is a related party due to its affiliation with Japan Post Holdings Co., Ltd. Aflac Re received approximately $636 million in cash as consideration for assuming the reinsurance risk. The cash was placed in a trust to collateralize Aflac Re's obligations to the ceding company. Cash and any other assets placed in the trust continue to be owned by Aflac Re, but their use is restricted based on the terms of the transaction. If the fair market value of the assets in the trust is less than a contractually determined threshold, Aflac Re will be required to contribute additional assets to the trust. Refer to the *Reinsurance-Related Trust* section of Note 3 for additional information.

In January 2026, ALIJ entered into a coinsurance transaction whereby it ceded 100% of the liabilities associated with certain life insurance policies to an external reinsurer. This transaction transferred approximately $333 million of reserves associated with these policies, and ALIJ transferred approximately $236 million in cash to the reinsurer as consideration for assuming the reinsurance risk.

For additional information on reinsurance, see Notes 1 and 8 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

9. NOTES PAYABLE AND LEASE OBLIGATIONS

A summary of notes payable and lease obligations follows:

(In millions)	March 31, 2026	December 31, 2025
1.125% senior sustainability notes paid March 2026	**$ 0**	$ 400
2.875% senior notes due October 2026	**299**	299
3.60% senior notes due April 2030	**995**	995
6.90% senior notes due December 2039	**221**	221
6.45% senior notes due August 2040	**255**	255
4.00% senior notes due October 2046	**394**	394
4.750% senior notes due January 2049	**542**	542
Yen-denominated senior notes and subordinated debentures:		
.932% senior notes due January 2027 (principal amount ¥60.0 billion)	**374**	382
1.048% senior notes due March 2029 (principal amount ¥13.0 billion)	**81**	83
1.075% senior notes due September 2029 (principal amount ¥33.4 billion)	**209**	213
.500% senior notes due December 2029 (principal amount ¥12.6 billion)	**79**	80
.550% senior notes due March 2030 (principal amount ¥13.3 billion)	**83**	85
1.159% senior notes due October 2030 (principal amount ¥29.3 billion)	**182**	186
1.726% senior notes due October 2030 (principal amount ¥35.0 billion)	**218**	223
1.412% senior notes due March 2031 (principal amount ¥27.9 billion)	**174**	178
.633% senior notes due April 2031 (principal amount ¥30.0 billion)	**187**	191
.843% senior notes due December 2031 (principal amount ¥9.3 billion)	**58**	59
.750% senior notes due March 2032 (principal amount ¥20.7 billion)	**129**	131
1.990% senior notes due May 2032 (principal amount ¥18.2 billion)	**114**	116
1.320% senior notes due December 2032 (principal amount ¥21.1 billion)	**132**	134
2.003% senior notes due December 2032 (principal amount ¥23.4 billion)	**146**	149
.844% senior notes due April 2033 (principal amount ¥12.0 billion)	**75**	76
1.488% senior notes due October 2033 (principal amount ¥15.2 billion)	**94**	97
1.682% senior notes due March 2034 (principal amount ¥7.7 billion)	**48**	49
1.600% senior notes due March 2034 (principal amount ¥18.3 billion)	**114**	116
.934% senior notes due December 2034 (principal amount ¥9.8 billion)	**61**	62
.830% senior notes due March 2035 (principal amount ¥10.6 billion)	**66**	67
2.320% senior notes due May 2035 (principal amount ¥38.3 billion)	**240**	245
2.369% senior notes due June 2035 (principal amount ¥9.5 billion)	**59**	60
1.740% senior notes due March 2036 (principal amount ¥15.0 billion)	**93**	95
1.039% senior notes due April 2036 (principal amount ¥10.0 billion)	**62**	64
1.594% senior notes due September 2037 (principal amount ¥6.5 billion)	**40**	41
1.750% senior notes due October 2038 (principal amount ¥8.9 billion)	**55**	56
1.920% senior notes due March 2039 (principal amount ¥16.5 billion)	**102**	104
1.122% senior notes due December 2039 (principal amount ¥6.3 billion)	**39**	40
2.650% senior notes due May 2040 (principal amount ¥11.6 billion)	**73**	74
2.779% senior notes due June 2040 (principal amount ¥7.0 billion)	**43**	45
1.264% senior notes due April 2041 (principal amount ¥10.0 billion)	**62**	63
2.160% senior notes due March 2044 (principal amount ¥5.7 billion)	**35**	36
3.040% senior notes due May 2045 (principal amount ¥7.0 billion)	**44**	45
2.108% subordinated debentures due October 2047 (principal amount ¥60.0 billion)	**371**	379
1.560% senior notes due April 2051 (principal amount ¥20.0 billion)	**124**	127
2.144% senior notes due September 2052 (principal amount ¥12.0 billion)	**74**	76
1.958% subordinated bonds due December 2053 (principal amount ¥30.0 billion)	**187**	191
2.400% senior notes due March 2054 (principal amount ¥19.5 billion)	**121**	124
Yen-denominated loans:		
Variable interest rate loan due August 2027 (1.50% in 2026 and 1.08% in 2025, principal amount ¥11.7 billion)	**73**	75
Variable interest rate loan due August 2029 (1.60% in 2026 and 1.18% in 2025, principal amount ¥25.3 billion)	**158**	161
Variable interest rate loan due August 2032 (1.75% in 2026 and 1.33% in 2025, principal amount ¥70.0 billion)	**437**	446
Finance lease obligations payable through 2031	**9**	6
Operating lease obligations payable through 2049	**77**	73
Total notes payable and lease obligations	**$ 7,908**	$ 8,409

Amounts in the table above are reported net of debt issuance costs and issuance premiums or discounts, if applicable, that are being amortized over the life of the notes.

In March 2026, the Parent Company extinguished $400 million of 1.125% senior sustainability notes upon their maturity.

Interest expense related to the Company's notes payable, which is included in interest expense in the consolidated statements of earnings, was $59 million and $49 million for the three-month periods ended March 31, 2026 and 2025, respectively.

Senior Note Facility Agreements

The Parent Company has two separate facility agreements: a 10-year facility agreement (2035 Facility Agreement) with a Delaware trust (2035 Trust) and a 30-year facility agreement (2055 Facility Agreement) with a Delaware trust (2055 Trust). The trusts issued and sold pre-capitalized trust securities in private placements and invested the proceeds in a portfolio of principal and/or interest strips of U.S. Treasury securities (the Strips). These trusts are an off-balance sheet funding arrangement.

The 2035 Facility Agreement provides the Parent Company the right to issue and sell to the 2035 Trust from time to time up to $1.0 billion of 5.251% senior notes due August 2035 in exchange for a corresponding amount of the Strips held by the 2035 Trust.

The 2055 Facility Agreement provides the Parent Company the right to issue and sell to the 2055 Trust from time to time up to $1.0 billion of 5.991% senior notes due August 2055 in exchange for a corresponding amount of the Strips held by the 2055 Trust.

As of March 31, 2026, the Parent Company had no senior note issuances under these facility agreements. For additional information, see Note 9 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

A summary of the Company's lines of credit as of March 31, 2026 follows:

Borrower(s)	Type	Term	Expiration Date	Capacity	Amount Outstanding	Interest Rate on Borrowed Amount	Maturity Period	Commitment Fee	Business Purpose
Aflac Incorporated and Aflac	uncommitted bilateral	364 days	December 4, 2026	$100 million	$0 million	The rate quoted by the bank and agreed upon at the time of borrowing	Up to 3 months	None	General corporate purposes
Aflac Incorporated	unsecured revolving	5 years	May 13, 2030, or the date commitments are terminated pursuant to an event of default	¥100.0 billion	¥0.0 billion	A rate per annum equal to, at the Company's option, either (a) Tokyo Interbank Market Rate (TIBOR) plus an applicable margin or (b) an alternative TIBOR based on the rate offered by the agent to major banks in yen for the applicable period plus an applicable margin	No later than May 14, 2030	.28% to .45%, depending on the Parent Company's debt ratings as of the date of determination	General corporate purposes, including a capital contingency plan for the operations of the Parent Company
Aflac Incorporated and Aflac	unsecured revolving	5 years	February 13, 2031, or the date commitments are terminated pursuant to an event of default	$1.0 billion	$0.0 billion	A rate per annum equal to, at the Company's option, either, (a) Secured Overnight Financing Rate (SOFR) for U.S. dollar-denominated borrowings or TIBOR for Japanese yen-denominated borrowings, in either case adjusted for certain costs, or (b) a base rate determined by reference to the highest of (1) the federal funds rate plus 1/2 of 1%, (2) the rate of interest for such day announced by the agent as its prime rate, or (3) SOFR for an interest period of one month plus 1.00%, in each case plus an applicable margin	No later than February 13, 2031	.07% to .15%, depending on the Parent Company's debt ratings as of the date of determination	General corporate purposes, including a capital contingency plan for the operations of the Parent Company
Aflac Incorporated and Aflac	uncommitted bilateral	None specified	None specified	$50 million	$0 million	A rate per annum equal to, at the Parent Company's option, either (a) a rate determined by reference to SOFR for the interest period relevant to such borrowing or (b) the base rate determined by reference to the highest of (1) the lender's U.S. dollar short-term commercial loan rate and (2) the federal funds rate plus 1/2 of 1%	Up to 3 months	None	General corporate purposes
Aflac[(1)]	uncommitted revolving	364 days	November 30, 2026	$250 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 75 basis points per annum	No later than December 1, 2026	None	General corporate purposes
Aflac Incorporated[(1)] (Tranche 1)	uncommitted revolving	364 days	November 25, 2026	¥50.0 billion	¥0.0 billion	Three-month Japanese yen TIBOR plus 75 basis points per annum	No later than November 27, 2026	None	General corporate purposes
Aflac Incorporated[(1)] (Tranche 2)	uncommitted revolving	364 days	November 25, 2026	¥50.0 billion	¥0.0 billion	Three-month Japanese yen TIBOR plus 75 basis points per annum	No later than November 27, 2026	None	General corporate purposes
Aflac New York[(1)]	uncommitted revolving	364 days	December 1, 2026	$25 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 75 basis points per annum	No later than December 2, 2026	None	General corporate purposes
CAIC[(1)]	uncommitted revolving	364 days	December 1, 2026	$15 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 75 basis points per annum	No later than December 2, 2026	None	General corporate purposes

[(1)] *Intercompany credit agreement*

(continued)

Borrower(s)	Type	Term	Expiration Date	Capacity	Amount Outstanding	Interest Rate on Borrowed Amount	Maturity Period	Commitment Fee	Business Purpose
TOIC[1]	uncommitted revolving	364 days	December 1, 2026	$0.3 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 75 basis points per annum	No later than December 2, 2026	None	General corporate purposes
Aflac GI Holdings LLC[1]	uncommitted revolving	364 days	December 1, 2026	$30 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 75 basis points per annum	No later than December 2, 2026	None	General corporate purposes
Aflac Incorporated[1]	uncommitted revolving	364 days	December 1, 2026	$400 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 97 basis points per annum for U.S. dollar-denominated borrowings or three-month TIBOR plus 97 basis points per annum for Japanese yen-denominated borrowings	No later than December 2, 2026	None	General corporate purposes
Aflac Re[1]	uncommitted revolving	364 days	December 1, 2026	$400 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 68 basis points per annum for U.S. dollar-denominated borrowings or three-month TIBOR plus 68 basis points per annum for Japanese yen-denominated borrowings	No later than December 2, 2026	None	General corporate purposes
Aflac Asset Management LLC[1]	uncommitted revolving	364 days	December 1, 2026	$25 million	$5 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 68 basis points per annum for U.S. dollar-denominated borrowings or three-month TIBOR plus 68 basis points per annum for Japanese yen-denominated borrowings	No later than December 2, 2026	None	General corporate purposes
Aflac Global Ventures LLC[1]	uncommitted revolving	364 days	December 1, 2026	$2 million	$0 million	Three-month term SOFR plus a 10 basis point SOFR adjustment and an additional 68 basis points per annum for U.S. dollar-denominated borrowings or three-month TIBOR plus 68 basis points per annum for Japanese yen-denominated borrowings	No later than December 2, 2026	None	General corporate purposes

[1] *Intercompany credit agreement*

The Company was in compliance with all of the covenants of its notes payable and lines of credit at March 31, 2026. No events of default or defaults occurred during the three-month period ended March 31, 2026.

For additional information, see Notes 4 and 9 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

10. SHAREHOLDERS' EQUITY

Share Data: The following table is a reconciliation of the number of shares of the Company's common stock for the three-month periods ended March 31.

(In thousands of shares)	**2026**	2025
Common stock - issued:		
Balance, beginning of period	**1,357,909**	1,356,763
Exercise of stock options and issuance of restricted shares	**853**	989
Balance, end of period	**1,358,762**	1,357,752
Treasury stock:		
Balance, beginning of period	**839,219**	806,799
Purchases of treasury stock:		
Share repurchase program	**9,013**	8,497
Other	**353**	398
Dispositions of treasury stock:		
Shares issued to AFL Stock Plan	**(160)**	(173)
Exercise of stock options	**(30)**	(41)
Other	**(163)**	(221)
Balance, end of period	**848,232**	815,259
Shares outstanding, end of period	**510,530**	542,493

Share Repurchase Program: During the first three months of 2026, the Company repurchased 9.0 million shares of its common stock for $1.0 billion as part of its share repurchase program. During the first three months of 2025, the Company repurchased 8.5 million shares of its common stock for $900 million as part of its share repurchase program. As of March 31, 2026, a remaining balance of 105.3 million shares of the Company's common stock was available for purchase under share repurchase authorizations by its board of directors.

EPS: Outstanding share-based awards are excluded from the calculation of weighted-average shares used in the computation of basic earnings per share (EPS), but are included in the calculation of weighted-average shares used in the computation of diluted EPS. Anti-dilutive share-based awards are excluded from the computation of diluted EPS.

The following table presents the approximate number of share-based awards to purchase shares, on a weighted-average basis, that were considered to be anti-dilutive and were excluded from the calculation of diluted EPS for the following periods.

	Three Months Ended March 31,	
(In thousands)	**2026**	2025
Anti-dilutive share-based awards	**269**	0

Reclassifications from Accumulated Other Comprehensive Income

The tables below are reconciliations of accumulated other comprehensive income by component for the following periods.

Changes in Accumulated Other Comprehensive Income

	Three Months Ended March 31, 2026					
(In millions)	**Unrealized Foreign Currency Translation Gains (Losses)**	**Unrealized Gains (Losses) on Fixed Maturity Securities**	**Unrealized Gains (Losses) on Derivatives**	**Effect of Changes in Discount Rate Assumptions**	**Pension Liability Adjustment**	**Total**
Balance at December 31, 2025	**$ (4,847)**	**$ (1,809)**	**$ (13)**	**$ 8,035**	**$ 86**	**$ 1,452**
Other comprehensive income (loss) before reclassification	**(114)**	**(867)**	**0**	**1,423**	**(1)**	**441**
Amounts reclassified from accumulated other comprehensive income (loss)	**0**	**11**	**(3)**	**0**	**0**	**8**
Net current-period other comprehensive income (loss)	**(114)**	**(856)**	**(3)**	**1,423**	**(1)**	**449**
Balance at March 31, 2026	**$ (4,961)**	**$ (2,665)**	**$ (16)**	**$ 9,458**	**$ 85**	**$ 1,901**

All amounts in the table above are net of tax.

	Three Months Ended March 31, 2025					
(In millions)	**Unrealized Foreign Currency Translation Gains (Losses)**	**Unrealized Gains (Losses) on Fixed Maturity Securities**	**Unrealized Gains (Losses) on Derivatives**	**Effect of Changes in Discount Rate Assumptions**	**Pension Liability Adjustment**	**Total**
Balance at December 31, 2024	$ (4,998)	$ 24	$ (20)	$ 2,006	$ 10	$ (2,978)
Other comprehensive income (loss) before reclassification	449	(1,225)	1	1,893	33	1,151
Amounts reclassified from accumulated other comprehensive income (loss)	0	(32)	1	0	(1)	(32)
Net current-period other comprehensive income (loss)	449	(1,257)	2	1,893	32	1,119
Balance at March 31, 2025	$ (4,549)	$ (1,233)	$ (18)	$ 3,899	$ 42	$ (1,859)

All amounts in the table above are net of tax.

The tables below summarize the amounts reclassified from each component of accumulated other comprehensive income into net earnings for the following periods.

Reclassifications Out of Accumulated Other Comprehensive Income

(In millions)	Three Months Ended March 31, 2026	
Details about Accumulated Other Comprehensive Income Components	**Amount Reclassified from Accumulated Other Comprehensive Income**	**Affected Line Item in the Statements of Earnings**
Unrealized gains (losses) on available-for-sale securities	**$ (14)**	Net investment gains (losses)
	3	Tax (expense) or benefit[1]
	$ (11)	Net of tax
Unrealized gains (losses) on derivatives	**$ 4**	Net investment gains (losses)
	(1)	Tax (expense) or benefit[1]
	$ 3	Net of tax
Amortization of defined benefit pension items:		
Actuarial gains (losses)	**$ 0**	Acquisition and operating expenses[2]
Prior service (cost) credit	**0**	Acquisition and operating expenses[2]
	0	Tax (expense) or benefit[1]
	$ 0	Net of tax
Total reclassifications for the period	**$ (8)**	Net of tax

[1] Based on 21% tax rate
[2] These accumulated other comprehensive income components are included in the computation of net periodic benefit cost (see Note 12 for additional details).

(In millions)	Three Months Ended March 31, 2025	
Details about Accumulated Other Comprehensive Income Components	**Amount Reclassified from Accumulated Other Comprehensive Income**	**Affected Line Item in the Statements of Earnings**
Unrealized gains (losses) on available-for-sale securities	$ 40	Net investment gains (losses)
	(8)	Tax (expense) or benefit[1]
	$ 32	Net of tax
Unrealized gains (losses) on derivatives	$ (1)	Net investment gains (losses)
	0	Tax (expense) or benefit[1]
	$ (1)	Net of tax
Amortization of defined benefit pension items:		
Actuarial gains (losses)	$ 1	Acquisition and operating expenses[2]
Prior service (cost) credit	0	Acquisition and operating expenses[2]
	0	Tax (expense) or benefit[1]
	$ 1	Net of tax
Total reclassifications for the period	$ 32	Net of tax

[1] Based on 21% tax rate
[2] These accumulated other comprehensive income components are included in the computation of net periodic benefit cost (see Note 12 for additional details).

11. SHARE-BASED COMPENSATION

The Company has outstanding share-based awards under the Aflac Incorporated Long-Term Incentive Plan (as Amended and Restated February 14, 2017), as further amended on August 9, 2022 (the Plan). Share-based awards are designed to reward employees for their long-term contributions to the Company and provide incentives for them to remain with the Company. The number and frequency of share-based awards are based on competitive practices, operating results of the Company, government regulations, and other factors.

The Plan allows for a maximum number of shares issuable over its term of 75 million shares, including 38 million shares that may be awarded in respect of awards other than options or stock appreciation rights. If any awards granted under the Plan are forfeited or are terminated before being exercised or settled for any reason other than tax forfeiture, then the shares underlying the awards will again be available under the Plan. As of March 31, 2026, approximately 31.8 million shares were available for future grants under the Plan.

The Plan allows awards to Company employees as follows:

- Stock options
  - Incentive stock options
  - Non-qualifying stock options
- Performance-based restricted stock awards and units (performance-based restricted stock)
- Restricted stock awards and units (restricted stock)
- Stock appreciation rights

Non-employee directors are eligible for grants of non-qualifying stock options, restricted stock, and stock appreciation rights.

Share-based awards granted to U.S.-based grantees are settled with authorized but unissued Company stock, while those issued to Japan-based grantees are settled with treasury shares.

Vesting Schedules

Stock options and stock appreciation rights have an expiration date of no later than 10 years from the grant date. Generally, the vesting period for share-based awards is the requisite service period, which is typically three years for employees and one year for non-employee directors. Vesting for employees is generally on a ratable basis over the three years, typically subject to continued employment.

For performance-based restricted stock, vesting is also contingent on certain performance conditions typically achieved over three years.

The Compensation Committee of the board of directors has the discretion to determine vesting schedules.

Stock Options

The following table provides information on stock options outstanding and exercisable at March 31, 2026.

	Stock Option Shares (in thousands)	Weighted-Average Remaining Term (in years)	Aggregate Intrinsic Value (in millions)	Weighted-Average Exercise Price Per Share
Outstanding	229	1.4	$ 16	$ 38.48
Exercisable	229	1.4	16	38.48

The Company received cash from the exercise of stock options in the amount of $3 million and $5 million during the first three months of 2026 and 2025, respectively. The tax benefit realized as a result of stock option exercises and restricted stock releases was $27 million in the first three months of 2026, compared with $29 million in the first three months of 2025.

Performance-Based Restricted Stock

In 2026, the Company granted 289 thousand shares of performance-based stock, which are contingent on the achievement of the Company's financial performance metrics and certain market conditions. On the date of grant, the Company estimated the fair value of performance-based restricted stock with market conditions using a Monte Carlo simulation model. The model discounts the value of the stock at the assumed vesting date based on a risk-free interest rate. Based on estimates of actual performance versus the vesting thresholds, the calculated fair value percentage pay-out estimate will be updated each quarter. Actual performance, including modification for relative total shareholder return, may result in the ultimate award of 0% to 200% of the initial number of performance-based restricted stock issued, with the potential for no award if the Company's performance goals are not achieved.

The Company uses third-party analyses to assist in developing the assumptions used in, as well as calibrating, a Monte Carlo simulation model. The Company is responsible for determining the assumptions used in estimating the fair value of its share-based compensation awards.

Restricted Stock

The value of restricted stock is based on the fair market value of the Company's common stock at the date of grant. The following table summarizes restricted stock activity during the three-month period ended March 31, 2026.

(In thousands of shares)	Shares	Weighted-Average Grant-Date Fair Value Per Share
Restricted stock at December 31, 2025	1,867	$ 86.15
Granted in 2026	884	119.95
Canceled in 2026	(12)	100.18
Vested in 2026	(1,064)	74.68
Restricted stock at March 31, 2026	1,675	$ 102.57

As of March 31, 2026, total compensation cost not yet recognized in the Company's consolidated financial statements related to restricted stock was $97 million, of which $52 million (1.4 million shares) was related to performance-based restricted stock. The Company expects to recognize these amounts over a weighted-average period of approximately 1.7 years. There are no other contractual terms covering restricted stock once vested.

For additional information on the Company's long-term share-based compensation plans and the types of share-based awards, see Note 12 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

12. BENEFIT PLANS

The Company has funded defined benefit plans in Japan and the U.S.; however, future benefits under the U.S. plan were frozen effective January 1, 2024. In January 2025, the Company purchased a nonparticipating single premium group annuity contract from an external insurer to settle its obligations under the U.S. defined pension plan and paid to the insurer the related annuity premium. As a result, the Company recognized a settlement charge of $55 million in the first quarter of 2025. Effective April 1, 2025, the external insurer began making annuity payments to plan participants, and substantially all of the outstanding benefit obligations under the plan were transferred to the external insurer and/or the Pension Benefit Guaranty Corporation. Therefore, the Company is no longer responsible for those obligations.

The Company also maintains non-qualified, unfunded supplemental retirement plans that provide defined pension benefits in excess of limits imposed by federal tax law for certain Japanese, U.S. and former employees. However, future benefits under the Company's Supplemental Executive Retirement Plan and Retirement Plan for Senior Officers were frozen effective January 1, 2024, provided that actively employed participants may continue to accrue service toward eligibility for early retirement benefits or delayed early retirement benefits.

Pension expenses are included in acquisition and operating expenses in the consolidated statements of earnings, which includes other components of net periodic pension costs (other than service costs) of $1 million and $57 million for the three-month periods ended March 31, 2026 and 2025, respectively. Total net periodic benefit cost includes the following components:

	Three Months Ended March 31,			
	Pension Benefits			
	Japan		U.S.	
(In millions)	**2026**	2025	**2026**	2025
Components of net periodic benefit cost:				
Service cost	**$ 2**	$ 3	**$ 0**	$ 0
Interest cost	**2**	2	**2**	8
Expected return on plan assets	**(3)**	(2)	**0**	(5)
Amortization of net actuarial (gain) loss	**0**	0	**0**	(1)
Settlement (gain) loss	**0**	0	**0**	55
Net periodic benefit cost (credit)	**$ 1**	$ 3	**$ 2**	$ 57

During the three months ended March 31, 2026, Aflac Japan contributed approximately $6 million (using the weighted-average Japanese yen/U.S. dollar exchange rate for the three-month period ended March 31, 2026) to the Japanese funded defined benefit plan, and Aflac U.S. did not make a contribution to the U.S. funded defined benefit plan.

For additional information regarding the Company's Japanese and U.S. benefit plans, see Note 13 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

13. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is a defendant in various lawsuits and receives various regulatory inquiries considered to be in the normal course of business. Members of the Company's senior legal and financial management teams review litigation and regulatory inquiries on a quarterly and annual basis and the Company updates the related estimates, accruals, and disclosures, if any, based on such reviews. For litigation and regulatory matters where it is probable that a loss has been incurred, and the amount of that loss can be reasonably estimated, the Company establishes accruals for loss contingencies. Where a loss may be reasonably possible but not probable, or is probable but not reasonably estimable, no accrual is recorded. The final results of any litigation or regulatory inquiries cannot be predicted with certainty. Although some of this litigation is pending in states where large punitive damages, bearing little relation to the actual damages sustained by plaintiffs, have been awarded in recent years, the Company believes the outcome of pending litigation will not have a material adverse effect on its financial position, results of operations, or cash flows.

Cyber Incident

As previously disclosed, the Company identified an incident involving unauthorized access to a limited number of its systems in the U.S. on June 12, 2025. The Company promptly initiated its cybersecurity incident response protocols and believes it contained the unauthorized access within hours. The Company's systems were not affected by ransomware, and the Company remained able to serve its policyholders and underwrite policies, review claims, and otherwise service customers as usual. In December 2025, the Company determined that personal information associated with approximately 22.65 million individuals was involved. The Company remains in communication with regulators and has pending disputes related to the June 2025 incident. The Company believes that the potential amount of loss cannot be reasonably estimated at this time.

Outsourcing Agreements and Other Commitments

In March 2026, the Company renewed an outsourcing agreement with a technology and consulting company that provides for mainframe computer operations, distributed mid-range server computer operations, and related support for Aflac Japan. The agreement has a remaining term of four years with an aggregate remaining cost of ¥42.7 billion ($267 million using the March 31, 2026 foreign exchange rate).

For additional information on certain outsourcing agreements, see Note 15 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report. For details on certain investment commitments, see the accompanying Note 3.

Guaranty Fund Assessments

The U.S. insurance industry has a policyholder protection system that is monitored and regulated by state insurance departments. These life and health insurance guaranty associations are state entities (in all 50 states as well as Puerto Rico and the District of Columbia) created to protect policyholders of an insolvent insurance company. All insurance companies (with limited exceptions) licensed to sell life or health insurance in a state must be members of that state's guaranty association. Under state guaranty association laws, certain insurance companies can be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of impaired or insolvent insurance companies that write the same line or similar lines of business.

Guaranty fund assessments for the three-month periods ended March 31, 2026 and 2025 were immaterial.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)

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. Aflac Incorporated (the Parent Company) and its subsidiaries (collectively with the Parent Company, the Company) desire to take advantage of these provisions. This report 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 or furnished to 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 the ones listed below or similar words, as well as specific projections of future results, generally qualify as forward-looking. The Company undertakes no obligation to update such forward-looking statements, except as may be required by law.

• expect	• anticipate	• believe	• goal	• objective	• strategy
• may	• should	• estimate	• intend	• project	• future
• will	• assume	• potential	• target	• outlook	• continue

The Company cautions readers that the following factors, in addition to other factors mentioned from time to time, could cause actual results to differ materially from those contemplated by the forward-looking statements:

- difficult conditions in global capital markets and the economy, including inflation
- defaults and credit downgrades of investments
- global fluctuations in interest rates and exposure to significant interest rate risk
- concentration of business in Japan
- limited availability of acceptable Japanese yen-denominated investments
- foreign currency fluctuations in the yen/dollar exchange rate
- differing interpretations applied to investment valuations
- significant valuation judgments in determination of expected credit losses recorded on the Company's investments
- decreases in the Company's financial strength or debt ratings
- decline in creditworthiness of other financial institutions
- the Company's ability to attract and retain qualified sales associates, brokers, employees, and distribution partners
- deviations in actual experience from pricing and reserving assumptions
- ability to continue to develop and implement improvements in information technology systems and on successful execution of revenue growth and expense management initiatives
- interruption in telecommunication, information technology and other operational systems, or a failure to maintain the security, confidentiality, integrity or privacy of sensitive data residing on such systems, and uncertainty regarding the impact of the incident involving unauthorized access to the Company's network in June 2025
- subsidiaries' ability to pay dividends to the Parent Company
- inherent limitations to risk management policies and procedures
- operational risks of third-party vendors
- tax rates applicable to the Company may change
- failure to comply with restrictions on policyholder privacy and information security
- extensive regulation and changes in law or regulation by governmental authorities
- competitive environment and ability to anticipate and respond to market trends
- catastrophic events, including, but not limited to, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, war or other military action, major public health issues, terrorism or other acts of violence, and damage incidental to such events
- ability to protect the Aflac brand and the Company's reputation
- ability to effectively manage key executive succession
- changes in accounting standards
- level and outcome of litigation or regulatory inquiries
- allegations or determinations of worker misclassification in the United States

MD&A OVERVIEW

MD&A is intended to inform the reader about matters affecting the financial condition and results of operations of Aflac Incorporated and its subsidiaries for the three-month periods ended March 31, 2026 and 2025, respectively. Results of operations for interim periods are not necessarily indicative of results for the entire year. As a result, the following discussion should be read in conjunction with the consolidated financial statements and notes that are included in the Company's annual report on Form 10-K for the year ended December 31, 2025 (2025 Annual Report). In this MD&A, amounts may not foot due to rounding.

This MD&A is divided into the following sections:

	Page
Executive Summary	75
Results of Operations	76
Investments	94
Hedging Activities	99
Policy Liabilities	102
Benefit Plans	103
Policyholder Protection	103
Liquidity and Capital Resources	103
Critical Accounting Estimates	108

EXECUTIVE SUMMARY

Company Overview

Aflac Incorporated (the Parent Company) and its subsidiaries (collectively, the Company) provide financial protection to millions of policyholders and customers in Japan and the United States (U.S.). The Company's principal business is supplemental health and life insurance products with the goal to provide customers the best value in supplemental insurance products in Japan and the U.S. The Company's insurance business consists of two reporting segments: Aflac Japan and Aflac U.S. The Parent Company's primary insurance subsidiaries are Aflac Life Insurance Japan Ltd. in Japan (Aflac Japan) and American Family Life Assurance Company of Columbus (Aflac); Continental American Insurance Company (CAIC), branded as Aflac Group Insurance (AGI); American Family Life Assurance Company of New York (Aflac New York); Tier One Insurance Company (TOIC) and Aflac Benefits Solutions, Inc. (ABS), which provides a platform for Aflac Dental and Vision in the U.S. (collectively, Aflac U.S.). The Parent Company, other operating business units that are not individually reportable, reinsurance activities, including reinsurance activity of Aflac Re Bermuda Ltd. (Aflac Re), and other business activities not included in Aflac Japan or Aflac U.S., as well as intercompany eliminations, are included in Corporate and other.

Performance Highlights

Total revenues were $4.3 billion in the first quarter of 2026, compared with $3.4 billion in the first quarter of 2025, primarily due to net investment gains of $49 million in the first quarter of 2026 compared with net investment losses of $963 million in the first quarter of 2025.

Net earnings were $1.0 billion, or $1.98 per diluted share, in the first quarter of 2026, compared with $29 million, or $.05 per diluted share, in the first quarter of 2025.

Net earnings in the first quarter of 2026 included net investment gains of $49 million, compared with net investment losses of $963 million in the first quarter of 2025. Net investment gains in the first quarter of 2026 included $164 million of net gains from certain derivative and foreign currency gains or losses; offset by an increase in credit loss allowances of $61 million; $24 million of impairments; $16 million of net losses from sales and redemptions; and a $14 million loss from a decrease in the fair value of equity securities.

Adjusted earnings[(1)] in the first quarter of 2026 were $901 million, or $1.75 per diluted share, compared with $906 million, or $1.66 per diluted share, in the first quarter of 2025. The average yen/dollar exchange rate[(2)] for the three-month period ended March 31, 2026 was 156.87, or 2.8% weaker than the average rate of 152.40 for the same period in 2025. The weaker yen/dollar exchange rate negatively impacted adjusted earnings per diluted share by $.02.

Shareholders' equity was $30.0 billion, or $58.69 per share, at March 31, 2026, compared with $29.5 billion, or $56.85 per share, at December 31, 2025.

Shareholders' equity at March 31, 2026 included a cumulative increase of $9.5 billion from the effect of changes in discount rate assumptions on insurance reserves, compared with a corresponding cumulative increase of $8.0 billion at December 31, 2025, and a net unrealized loss on investment securities and derivatives of $2.7 billion, compared with a net unrealized loss of $1.8 billion at December 31, 2025. Shareholders' equity at March 31, 2026 also included an unrealized foreign currency translation loss of $5.0 billion, compared with an unrealized foreign currency translation loss of $4.8 billion at December 31, 2025. The annualized return on average shareholders' equity in the first quarter of 2026 was 13.7%.

Shareholders' equity excluding accumulated other comprehensive income (adjusted book value[(1)]) was $28.1 billion, or $54.96 per share, at March 31, 2026, compared with $28.0 billion, or $54.06 per share, at December 31, 2025. Adjusted book value excluding foreign currency remeasurement[(1)] was $21.8 billion, or $42.71 per share, at March 31, 2026, compared with $22.1 billion, or $42.66 per share, at December 31, 2025. The annualized adjusted return on equity excluding foreign currency remeasurement[(1)] in the first quarter of 2026 was 16.4%.

In the first three months of 2026, Aflac Incorporated repurchased $1.0 billion, or 9.0 million of its common shares. At March 31, 2026, the Company had 105.3 million remaining shares authorized for repurchase.

[(1)] See the Results of Operations section of this MD&A for a definition of this non-U.S. GAAP financial measure.
[(2)] Yen/dollar exchange rates are based on the published MUFG Bank, Ltd. telegraphic transfer middle rate (TTM).

Cyber Incident

As previously disclosed, the Company identified an incident involving unauthorized access to a limited number of its systems in the U.S. on June 12, 2025. The Company promptly initiated its cybersecurity incident response protocols and believes it contained the unauthorized access within hours. The Company's systems were not affected by ransomware, and the Company remained able to serve its policyholders and underwrite policies, review claims, and otherwise service customers as usual.

The Company is aware of the exfiltration of certain data including claims information, health information, social security numbers and/or other personal information relating to customers, beneficiaries, employees, agents, and other individuals in the Company’s U.S. business. In December 2025, the Company completed a detailed review of the potentially impacted files and determined that personal information associated with approximately 22.65 million individuals was involved. As of the date of this filing, the Company has completed the notification process to impacted individuals and regulatory authorities as required by applicable laws.

Based on the information currently available, as of the date of this report, the Company does not believe that the incident is reasonably likely to have a material impact on the Company’s financial condition or results of operations. The Company continues to assess the financial impact of the cybersecurity incident, including how much of the financial impact will be covered by insurance. As a result of the cybersecurity incident, the Company has incurred certain costs and may, depending on future developments, incur additional costs, including but not limited to: costs to provide credit monitoring, identity theft protection, and Medical Shield to impacted individuals and maintain a call center related to the provision of such services; incident response costs; expenses arising from potential litigation, governmental investigations, or enforcement actions; expenses related to compliance, finance, and legal advisory services; elevated cybersecurity insurance premiums; and costs incurred in meeting evolving legal and regulatory requirements concerning cybersecurity governance, monitoring, and disclosure.

RESULTS OF OPERATIONS

The Company earns its revenues principally from insurance premiums and investments. The Company’s operating expenses primarily consist of insurance benefits provided and reserves established for anticipated future insurance benefits, general business expenses, commissions and other costs of selling and servicing its products. Profitability for the Company depends principally on its ability to price its insurance products at a level that enables the Company to earn a margin over the costs associated with providing benefits and administering those products. Profitability also depends on, among other items, actuarial and policyholder behavior experience on insurance products, and the Company's ability to attract and retain customer assets, generate and maintain favorable investment results, effectively deploy capital and utilize tax capacity, and manage expenses.

This document includes references to the Company’s financial performance measures which are not calculated in accordance with United States generally accepted accounting principles (U.S. GAAP) (non-U.S. GAAP). The financial measures exclude items that the Company believes may obscure the underlying fundamentals and trends in insurance operations because they tend to be driven by general economic conditions and events or related to infrequent activities not directly associated with insurance operations.

Due to the size of Aflac Japan, where the functional currency is the Japanese yen, fluctuations in the yen/dollar exchange rate can have a significant effect on reported results. In periods when the Japanese yen weakens, translating Japanese yen into U.S. dollars results in fewer U.S. dollars being reported. When the Japanese yen strengthens, translating Japanese yen into U.S. dollars results in more U.S. dollars being reported. Consequently, Japanese yen weakening has the effect of suppressing current period results in relation to the comparable prior period, while Japanese yen strengthening has the effect of magnifying current period results in relation to the comparable prior period. A significant portion of the Company’s business is conducted in Japanese yen and never converted into U.S. dollars but translated into U.S. dollars for U.S. GAAP reporting purposes, which results in foreign currency impact to earnings, cash flows and book value on a U.S. GAAP basis. Management evaluates the Company's financial performance both including and excluding the impact of foreign currency translation to monitor, respectively, cumulative currency impacts and the currency-neutral operating performance over time. The average yen/dollar exchange rate is based on the published MUFG Bank, Ltd. telegraphic transfer middle rate (TTM).

The Company defines the non-U.S. GAAP financial measures included in this document as follows:

- **Adjusted earnings** are adjusted revenues less benefits and adjusted expenses. Adjusted earnings per share (basic or diluted) are the adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. The adjustments to both revenues and expenses account for certain items that are outside of management’s control because they tend to be driven by general economic conditions and events or are related to infrequent activities not directly associated with insurance operations. Adjusted revenues are U.S. GAAP total revenues excluding adjusted net investment gains and losses. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest from derivatives associated with notes payable but excluding any non-recurring or other items not associated with the normal course of the Company’s insurance operations and that do not reflect the Company's underlying business performance. Management uses adjusted earnings and adjusted earnings per diluted share to evaluate the financial performance of the Company’s insurance operations on a consolidated basis and believes that a presentation of these financial measures is vitally important to an understanding of the underlying profitability drivers and trends of the Company’s insurance business. The most comparable U.S. GAAP financial measures for adjusted earnings and adjusted earnings per share (basic or diluted) are net earnings and net earnings per share, respectively.

- **Adjusted net investment gains and losses** are net investment gains and losses adjusted for i) amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity, ii) net interest income/expense from foreign currency and interest rate derivatives associated with certain investment strategies, which are both reclassified to net investment income, and iii) the impact of interest from derivatives associated with notes payable, which is reclassified to interest expense as a component of total adjusted expenses. The Company considers adjusted net investment gains and losses important as it represents the remainder amount that is considered outside management’s control, while excluding the components that are within management’s control and are accordingly reclassified to net investment income and interest expense. The most comparable U.S. GAAP financial measure for adjusted net investment gains and losses is net investment gains and losses.

- **Amortized hedge costs/income** represent costs/income incurred or recognized as a result of using foreign currency derivatives to hedge certain foreign currency exchange risks in the Company's Japan segment or in Corporate and other. These amortized hedge costs/income are estimated at the inception of the derivatives based on the specific terms of each contract and are recognized on a straight-line basis over the contractual term of the derivative. The Company believes that amortized hedge costs/income measure the periodic currency risk management costs/income related to hedging certain foreign currency exchange risks and are an important component of net investment income. There is no comparable U.S. GAAP financial measure for amortized hedge costs/income.

- **Adjusted earnings excluding current period foreign currency impact** are computed using the average foreign exchange rate for the comparable prior-year period, which eliminates fluctuations driven solely by foreign exchange rate changes. Adjusted earnings per diluted share excluding current period foreign currency impact is adjusted earnings excluding current period foreign currency impact divided by the weighted average outstanding diluted shares for the period presented. The Company considers adjusted earnings excluding current period foreign currency impact and adjusted earnings per diluted share excluding current period foreign currency impact important because a significant portion of the Company's business is conducted in Japan and foreign exchange rates are outside management’s control; therefore, the Company believes it is important to understand the impact of translating foreign currency (primarily Japanese yen) into U.S. dollars. The most comparable U.S. GAAP financial measures for adjusted earnings excluding current period foreign currency impact and adjusted earnings per diluted share excluding current period foreign currency impact are net earnings and net earnings per share, respectively.

- **Adjusted book value** is the U.S. GAAP book value (representing total shareholders’ equity), less accumulated other comprehensive income as recorded on the U.S. GAAP balance sheet. Adjusted book value per common share is adjusted book value at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value and adjusted book value per common share important as they exclude accumulated other comprehensive income, which fluctuates due to market movements that are outside management’s control. The most comparable U.S. GAAP financial measures for adjusted book value and adjusted book value per common share are total book value and total book value per common share, respectively.

- **Adjusted book value excluding foreign currency remeasurement** is the U.S. GAAP book value (representing total shareholders' equity), less accumulated other comprehensive income as recorded on the U.S. GAAP balance sheet and excluding the cumulative (beginning January 1, 2021) foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. Adjusted book value excluding foreign currency remeasurement per common share is adjusted book value excluding foreign currency remeasurement at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share important as they exclude both accumulated other comprehensive income and the cumulative foreign currency remeasurement gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measures for adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share are total book value and total book value per common share, respectively.

- **Adjusted return on equity** is annualized adjusted earnings divided by average shareholders' equity, excluding accumulated other comprehensive income. Management uses adjusted return on equity to evaluate the financial performance of the Company's insurance operations on a consolidated basis and believes that a presentation of this financial measure is vitally important to an understanding of the underlying profitability drivers and trends of the Company's insurance business. The Company considers adjusted return on equity important as it excludes components of accumulated other comprehensive income, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity is return on equity as determined using annualized net earnings and average total shareholders' equity.

- **Adjusted return on equity excluding foreign currency remeasurement** is annualized adjusted earnings divided by average shareholders' equity, excluding both accumulated other comprehensive income and the cumulative (beginning January 1, 2021) foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The Company considers adjusted return on equity excluding foreign currency remeasurement important because it excludes both accumulated other comprehensive income and the cumulative foreign currency remeasurement gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity excluding foreign currency remeasurement is return on equity as determined using annualized net earnings and average total shareholders' equity.

- **U.S. dollar-denominated investment income excluding foreign currency impact** represents amounts excluding foreign currency impact on U.S. dollar-denominated investment income using the average foreign exchange rate for the comparable prior year period. The Company considers U.S. dollar-denominated investment income excluding foreign currency impact important as it eliminates the impact of foreign currency changes on the Aflac Japan segment results, which are outside management's control. The most comparable U.S. GAAP financial measure for U.S. dollar-denominated investment income excluding foreign currency impact is the corresponding net investment income amount from the U.S. dollar denominated investments translated to yen.

The following table is a reconciliation of items impacting adjusted earnings and adjusted earnings per diluted share to the most directly comparable U.S. GAAP financial measures of net earnings and net earnings per diluted share, respectively.

Reconciliation of Net Earnings to Adjusted Earnings

	In Millions		Per Diluted Share	
	Three Months Ended March 31,			
	2026	2025	**2026**	2025
Net earnings	**$ 1,019**	$ 29	**$ 1.98**	$ .05
Items impacting net earnings:				
Adjusted net investment (gains) losses [(1)]	**(103)**	924	**(.20)**	1.69
Other and non-recurring (income) loss	**0**	53	**.00**	.10
Income tax (benefit) expense on items excluded from adjusted earnings	**(15)**	(100)	**(.03)**	(.18)
Adjusted earnings	**901**	906	**1.75**	1.66
Current period foreign currency impact [(2)]	**8**	N/A	**.02**	N/A
Adjusted earnings excluding current period foreign currency impact	**$ 909**	$ 906	**$ 1.77**	$ 1.66

[(1)] See reconciliation of net investment (gains) losses to adjusted net investment (gains) losses below.
[(2)] Prior period foreign currency impact reflected as "N/A" to isolate change for current period only.

Reconciling Items

Net Investment Gains and Losses

The following table is a reconciliation of items impacting adjusted net investment (gains) losses to the most directly comparable U.S. GAAP financial measure of net investment (gains) losses.

Reconciliation of Net Investment (Gains) Losses to Adjusted Net Investment (Gains) Losses

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Net investment (gains) losses	**$ (49)**	$ 963
Items impacting net investment (gains) losses:		
Amortized hedge costs	**(15)**	(7)
Amortized hedge income	**18**	30
Net interest income (expense) from derivatives associated with certain investment strategies	**(57)**	(65)
Impact of interest from derivatives associated with notes payable	**0**	4
Adjusted net investment (gains) losses	**$ (103)**	$ 924

The Company's investment strategy is to invest primarily in fixed maturity securities to provide a reliable stream of investment income, which is one of the drivers of the Company's profitability. This investment strategy incorporates asset-liability matching to align the expected cash flows of the portfolio to the needs of the Company's liability structure. The Company does not purchase securities with the intent of generating investment gains or losses. However, investment gains and losses may be realized as a result of changes in the financial markets and the creditworthiness of specific issuers, tax planning strategies, and/or general portfolio management and rebalancing. The realization of investment gains and losses is independent of the underwriting and administration of the Company's insurance products.

Net investment gains and losses excluded from adjusted earnings include the following:

- Securities Transactions
- Credit Losses
- Changes in the Fair Value of Equity Securities
- Certain Derivative and Foreign Currency Activities.

Securities Transactions, Credit Losses and Changes in the Fair Value of Equity Securities

Securities transactions include gains and losses from sales and redemptions of investments where the amount received is different from the amortized cost of the investment. Credit losses include losses for held-to-maturity securities, available-for-sale securities, loan receivables, loan commitments and reinsurance recoverables. Changes in the fair value of equity securities are the result of gains or losses driven by fluctuations in market prices.

Certain Derivative and Foreign Currency Activities

The Company's freestanding derivative instruments include:

- Foreign currency forwards
- Foreign currency options
- Foreign currency swaps
- Cross-currency swaps
- Interest rate swaps
- Interest rate swaptions (swaptions)
- Bond purchase commitments

Gains and losses are recognized as a result of valuing these derivatives, net of the effects of hedge accounting.

The Company also excludes from adjusted earnings the accounting impacts of foreign currency remeasurement associated with changes in the foreign currency exchange rate.

For additional information regarding net investment gains and losses, including details of reported amounts for the periods presented, see Notes 3 and 4 of the Notes to the Consolidated Financial Statements.

Other and Non-recurring Items

The U.S. insurance industry has a policyholder protection system that provides funds for the policyholders of insolvent insurers. The system can result in periodic charges to the Company as a result of insolvencies/bankruptcies that occur with other companies in the life insurance industry. Some states permit member insurers to recover assessments paid through full or partial premium tax offsets. These charges neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance, but result from external situations not controlled by the Company. The Company excludes any charges associated with U.S. guaranty fund assessments and the corresponding tax benefit or expense from adjusted earnings.

In Japan, the government also requires the insurance industry to contribute to a policyholder protection corporation that provides funds for the policyholders of insolvent insurers; however, these costs are calculated and administered differently than in the U.S. In Japan, these costs are not directly related to specific insolvencies or bankruptcies, but are rather a regular operational cost for an insurance company. Based on this structure, the Company does not remove the Japan policyholder protection expenses from adjusted earnings.

The Company considers the costs associated with the early redemption of its debt to be unrelated to the underlying fundamentals and trends in its insurance operations. Additionally, these costs are driven by changes in interest rates subsequent to the issuance of the debt, and the Company considers these interest rate changes to represent economic conditions not directly associated with its insurance operations.

In January 2025, as part of the U.S. defined benefit plan freeze effective January 1, 2024, the Company purchased a nonparticipating single premium group annuity contract from an external insurer to settle its obligations under the plan and paid to the insurer the related annuity premium. As a result, the Company recognized a settlement charge of $55 million in the first quarter of 2025. The settlement charge was both unusual and non-recurring; therefore, the Company excluded the settlement charge from adjusted earnings.

Foreign Currency Translation

Aflac Japan’s premiums and a significant portion of its investment income are received in Japanese yen, and its claims and most expenses are paid in Japanese yen. Aflac Japan purchases Japanese yen-denominated assets and U.S. dollar-denominated assets, which may be hedged to Japanese yen, to support Japanese yen-denominated policy liabilities. Japanese yen-denominated income statement accounts are translated to U.S. dollars using the weighted average yen/dollar foreign exchange rate for the reporting period, except realized gains and losses on securities transactions which are translated at the foreign exchange rate on the trade date of each transaction. Japanese yen-denominated balance sheet accounts are translated to U.S. dollars using the spot yen/dollar exchange rate at the end of the reporting period.

In recent periods, the Japanese yen has weakened against the U.S. dollar. Although the Company is unable to predict the timing or extent of future movements of the yen/dollar exchange rate, the Company maintains hedging strategies (see the Hedging Activities section of this MD&A) that are intended to mitigate the impacts of Japanese yen fluctuation on the Company’s financial position and results of operations. See the risk factor entitled “The Company is exposed to foreign currency fluctuations in the yen/dollar exchange rate” in Item 1A. Risk Factors of the 2025 Annual Report for more information.

Income Taxes

The Company's combined U.S. and Japanese effective income tax rate on pretax earnings was 16.8% for the three-month period ended March 31, 2026, compared with 80.3% for the same period in 2025. The combined effective tax rate differs from the U.S. statutory rate primarily due to the exclusion of foreign currency translation gains and losses on certain Aflac Japan U.S. dollar-denominated investments held in the Delaware Statutory Trust.

For additional information, see Note 10 of the Notes to the Consolidated Financial Statements and the Critical Accounting Estimates - Income Taxes section of Item 7. MD&A in the 2025 Annual Report. The effective tax rate continues to be subject to future tax law changes both in the U.S. and in foreign jurisdictions. See the risk factor entitled "Tax rates applicable to the Company may change" in Item 1A. Risk Factors of the 2025 Annual Report for more information.

Reconciliation of Book Value to Adjusted Book Value (Excluding Foreign Currency Remeasurement)

The following table is a reconciliation of items impacting adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share to the most directly comparable U.S. GAAP financial measures of book value and book value per common share, respectively.

(In millions, except for share and per-share amounts)	**March 31, 2026**	December 31, 2025
U.S. GAAP book value	**$ 29,961**	$ 29,490
Items impacting U.S. GAAP book value:		
Unrealized foreign currency translation gains (losses)	**(4,961)**	(4,847)
Unrealized gains (losses) on securities and derivatives	**(2,681)**	(1,822)
Effect of changes in discount rate assumptions	**9,458**	8,035
Pension liability adjustment	**85**	86
Total accumulated other comprehensive income	**1,901**	1,452
Adjusted book value	**28,060**	28,038
Foreign currency remeasurement gains (losses)	**6,253**	5,910
Adjusted book value excluding foreign currency remeasurement	**21,807**	22,128
Number of shares outstanding at end of period	**510,530**	518,690
U.S. GAAP book value per common share	**$ 58.69**	$ 56.85
Items impacting U.S. GAAP book value per common share:		
Unrealized foreign currency translation gains (losses) per common share	**(9.72)**	(9.34)
Unrealized gains (losses) on securities and derivatives per common share	**(5.25)**	(3.51)
Effect of changes in discount rate assumptions per common share	**18.53**	15.49
Pension liability adjustment per common share	**.17**	.17
Total accumulated other comprehensive income per common share	**3.72**	2.80
Adjusted book value per common share	**54.96**	54.06
Foreign currency remeasurement gains (losses) per common share	**12.25**	11.39
Adjusted book value excluding foreign currency remeasurement per common share	**42.71**	42.66

Reconciliation of Return on Equity to Adjusted Return on Equity (Excluding Foreign Currency Remeasurement)

The following table is a reconciliation of items impacting adjusted return on equity excluding foreign currency remeasurement to the most directly comparable U.S. GAAP financial measure of return on equity.

	Three Months Ended March 31,	
	2026	2025
U.S. GAAP return on equity - net earnings [1]	**13.7 %**	.4 %
Impact of excluding unrealized foreign currency translation gains (losses)	**(2.3)**	.0
Impact of excluding unrealized gains (losses) on securities and derivatives	**(1.1)**	.0
Impact of excluding effect of changes in discount rate assumptions	**4.2**	.0
Impact of excluding pension liability adjustment	**.0**	.0
Impact of excluding accumulated other comprehensive income	**.8**	.0
U.S. GAAP return on equity less accumulated other comprehensive income	**14.5**	.4
Differences between adjusted earnings and net earnings [2]	**(1.7)**	12.2
Adjusted return on equity - reported	**12.8**	12.7
Impact of excluding gains (losses) associated with foreign currency remeasurement [3]	**3.6**	2.9
Adjusted return on equity excluding foreign currency remeasurement	**16.4**	15.6

[1] *U.S. GAAP return on equity is calculated by dividing net earnings (annualized) by average shareholders' equity.*
[2] *See separate reconciliation of net earnings to adjusted earnings above.*
[3] *Impact of gains/losses associated with foreign currency remeasurement is calculated by excluding the cumulative (beginning January 1, 2021) foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The impact is the difference of adjusted return on equity - reported compared with adjusted return on equity, excluding from shareholders' equity, gains/losses associated with foreign currency remeasurement.*

RESULTS OF OPERATIONS BY SEGMENT

U.S. GAAP financial reporting requires that a company report financial and descriptive information about operating segments in its annual and interim period financial statements. Furthermore, the Company is required to report a measure of segment profit or loss, certain revenue and expense items, and segment assets. The Company's insurance business consists of two segments: Aflac Japan and Aflac U.S. Aflac Japan is the principal contributor to consolidated earnings. In addition, the Parent Company, other business units that are not individually reportable, reinsurance activities, including reinsurance activity of Aflac Re, and other business activities not included in Aflac Japan or Aflac U.S., as well as intercompany eliminations, are included in Corporate and other. See Item 1. Business in the 2025 Annual Report for a summary of each segment's products and distribution channels.

Consistent with U.S. GAAP guidance for segment reporting, pretax adjusted earnings is the Company's U.S. GAAP measure of segment performance. The Company believes that a presentation of this measure is vitally important to an understanding of the underlying profitability drivers and trends of its business. Additional performance measures used to evaluate the financial condition and performance of the Company's segments are listed below.

- Operating Ratios
- New Annualized Premium Sales
- New Money Yield
- Return on Average Invested Assets
- Portfolio Book Yield
- Average Weekly Producer
- Premium Persistency

For additional information on the Company’s performance measures included in this MD&A, see the Glossary of Selected Terms found directly following Part II. Other Information. See Note 2 of the Notes to the Consolidated Financial Statements for the reconciliation of segment results to the Company's consolidated U.S. GAAP results and additional information.

AFLAC JAPAN SEGMENT

Aflac Japan Pretax Adjusted Earnings

Changes in Aflac Japan's pretax adjusted earnings and profit margins are primarily affected by morbidity, mortality, expenses, persistency and investment yields. The following table presents a summary of operating results for Aflac Japan.

Aflac Japan Summary of Operating Results

	In Dollars		In Yen	
	Three Months Ended March 31,		Three Months Ended March 31,	
(In millions of dollars and billions of yen)	**2026**	2025	**2026**	2025
Net earned premiums [(1)]	**$ 1,573**	$ 1,681	**¥ 247**	¥ 256
Net investment income: [(2)]				
Yen-denominated investment income	**197**	224	**31**	34
U.S. dollar-denominated investment income	**409**	369	**64**	56
Net investment income	**606**	593	**95**	90
Amortized hedge costs	**15**	7	**2**	1
Adjusted net investment income	**591**	586	**93**	89
Other income (loss)	**8**	5	**1**	1
Total adjusted revenues	**2,172**	2,272	**341**	346
Benefits and claims:				
Benefits and claims, excluding reserve remeasurement	**1,035**	1,130	**162**	172
Reserve remeasurement (gains) losses	**(45)**	(25)	**(7)**	(4)
Total benefits and claims, net	**990**	1,105	**155**	169
Adjusted expenses:				
Amortization of deferred policy acquisition costs	**78**	79	**12**	12
Insurance commissions	**95**	105	**15**	16
Insurance and other expenses	**250**	261	**39**	40
Total adjusted expenses	**423**	445	**66**	68
Total benefits and adjusted expenses	**1,413**	1,550	**222**	236
Pretax adjusted earnings	**$ 759**	$ 722	**¥ 119**	¥ 110
Weighted-average yen/dollar exchange rate	**156.87**	152.40	**—**	—
Percentage change over previous period:				
Net earned premiums	**(6.4) %**	(7.4) %	**(3.8) %**	(5.0) %
Adjusted net investment income	**.9**	(9.6)	**4.0**	(7.6)
Total adjusted revenues	**(4.4)**	(8.1)	**(1.7)**	(5.7)
Total benefits and claims, net	**(10.4)**	(9.2)	**(7.9)**	(6.8)
Total adjusted expenses	**(4.9)**	.0	**(2.2)**	2.5
Pretax adjusted earnings	**5.1**	(10.9)	**8.3**	(8.7)

[(1)] *Includes a gain (loss) of an immaterial amount for the three-month periods ended March 31, 2026 and 2025, respectively, related to remeasurement of the deferred profit liability for limited-payment contracts.*

[(2)] *Net interest income/expense from derivatives associated with certain investment strategies of $(53) and $(58) for the three-month periods ended March 31, 2026 and 2025, respectively, have been reclassified from net investment gains (losses) and included in adjusted earnings as a component of net investment income.*

For the three-month period ended March 31, 2026, operating results in yen terms compared to the same period in the previous year were as follows:

- Net earned premiums decreased primarily due to approximately ¥4 billion related to an external reinsurance transaction established in the first quarter of 2026 and approximately ¥3 billion from limited-pay products reaching premium paid-up status.
- Adjusted net investment income increased primarily due to higher fixed rate income from U.S. dollar-denominated investments and higher variable net investment income.
- Total adjusted revenues decreased primarily due to the decrease in net earned premiums, partially offset by the increase in adjusted net investment income.
- Total benefits and claims decreased primarily reflecting the impact of assumption updates performed in the third quarter of 2025 and higher reserve remeasurement gains.

- Total adjusted expenses decreased primarily due to an increase in the capitalization of deferred policy acquisition costs resulting from higher sales.
- Pretax adjusted earnings increased primarily due to the decreases in total benefits and claims and total adjusted expenses, partially offset by the decrease in total adjusted revenues.

Annualized premiums in force decreased 2.5% to ¥1.17 trillion as of March 31, 2026, compared with ¥1.20 trillion as of March 31, 2025. The decrease in annualized premiums in force in yen was driven primarily by limited-pay products reaching premium paid-up status. Annualized premiums in force, translated into U.S. dollars at respective period-end foreign exchange rates, were $7.3 billion at March 31, 2026, compared with $8.0 billion at March 31, 2025.

As of March 31, 2026, Aflac Japan had approximately 22 million individual policies in force in Japan, including approximately 14 million cancer policies in force.

Aflac Japan's investment portfolios include U.S. dollar-denominated securities and reverse dual-currency securities (Japanese yen-denominated fixed maturity securities with dollar coupon payments). In years when the Japanese yen strengthens in relation to the U.S. dollar, translating Aflac Japan's U.S. dollar-denominated investment income into Japanese yen lowers growth rates for net investment income, total adjusted revenues, and pretax adjusted earnings in Japanese yen terms. In years when the Japanese yen weakens, translating U.S. dollar-denominated investment income into Japanese yen magnifies growth rates for net investment income, total adjusted revenues, and pretax adjusted earnings in Japanese yen terms.

The following table illustrates the effect of translating Aflac Japan’s U.S. dollar-denominated investment income and related items into Japanese yen by comparing certain segment results with those that would have been reported had foreign exchange rates remained unchanged from the comparable period in the prior year. Amounts excluding foreign currency impact on U.S. dollar-denominated investment income were determined using the average foreign exchange rate for the comparable prior year period. See non-U.S. GAAP financial measures defined above.

Aflac Japan Percentage Changes Over Previous Period
(Japanese Yen Operating Results)
For the Periods Ended March 31,

	Including Foreign Currency Changes		**Excluding Foreign Currency Changes**	
	Three Months		Three Months	
	2026	2025	**2026**	2025
Adjusted net investment income	**4.0 %**	(7.6) %	**1.9 %**	(9.0) %
Total adjusted revenues	**(1.7)**	(5.7)	**(2.2)**	(6.1)
Pretax adjusted earnings	**8.3**	(8.7)	**6.6**	(9.8)

The following table presents a summary of operating ratios in Japanese yen terms for Aflac Japan followed by a discussion of the significant drivers of changes in operating ratios in Japanese yen compared to the same period in the previous year.

	Three Months Ended March 31,	
Ratios to total adjusted revenues:	**2026**	2025
Total benefits and claims, net	**45.6 %**	48.7 %
Adjusted expenses:		
Amortization of deferred policy acquisition costs	**3.6**	3.5
Insurance commissions	**4.4**	4.6
Insurance and other expenses	**11.5**	11.5
Total adjusted expenses	**19.5**	19.6
Pretax adjusted earnings	**35.0**	31.8
Ratios to total premiums:		
Total benefits and claims, net	**62.9 %**	65.8 %
Adjusted expenses:		
Amortization of deferred policy acquisition costs	**4.9**	4.7

- For the three-month period ended March 31, 2026, the total benefits and claims to total premiums ratio decreased primarily due to lower benefits reflecting the impact of assumption updates performed in the third quarter of 2025 and higher reserve remeasurement gains.
- For the three-month period ended March 31, 2026, the total adjusted expense ratio decreased slightly primarily due to the decrease in total adjusted expenses, mostly offset by the decrease in total adjusted revenues.
- In total, the pretax adjusted profit margin increased in the three-month period ended March 31, 2026 primarily due to the lower benefit ratio.

The following table presents Aflac Japan's premium persistency on a 12-month rolling basis as of March 31.

	2026	2025
Premium persistency	**92.8 %**	93.8 %

Aflac Japan Sales

The following table presents Aflac Japan’s new annualized premium sales for the periods ended March 31.

	In Dollars		**In Yen**	
	Three Months		Three Months	
(In millions of dollars and billions of yen)	**2026**	2025	**2026**	2025
New annualized premium sales	**$ 113**	$ 93	**¥ 17.7**	¥ 14.1
Increase (decrease) over prior period	**21.7 %**	10.1 %	**25.5 %**	12.6 %

The increase in new annualized premium sales on a Japanese yen basis in the first quarter of 2026 was driven primarily by strong sales of *Anshin* Palette, the new medical insurance product launched in December 2025, as well as *Miraito* and *Tsumitasu*.

The following table details the contributions to Aflac Japan's new annualized premium sales by major insurance product for the periods ended March 31.

	Three Months	
	2026	2025
Cancer	**54.1 %**	59.7 %
Medical and other health	**23.5**	15.3
Life insurance:		
Tsumitasu	**16.1**	17.2
Ordinary life [(1)]	**4.7**	5.2
WAYS	**.7**	1.8
Other	**.9**	.8
Total	**100.0 %**	100.0 %

[(1)] *Includes term life, whole life and child endowment*

The foundation of Aflac Japan's product portfolio has been, and continues to be, third sector products, which include cancer, medical and other products. With continued cost pressure on Japan’s health care system, the Company expects the need for third sector products will continue to rise in the future and that the cancer and medical insurance products Aflac Japan provides will continue to be an important part of its product portfolio. Additionally, the Company believes that sales of first sector products, including *Tsumitasu and* WAYS, position Aflac Japan for potential future long-term sales opportunities by marketing these products to a younger demographic as well as potential cross-selling opportunities of Aflac Japan's third sector products.

The following table details the contributions to Aflac Japan's new annualized premium sales by agency type for the three-month periods ended March 31.

	2026	2025
Independent corporate and individual	**52.4 %**	52.8 %
Affiliated corporate [(1)]	**44.6**	43.8
Bank	**3.0**	3.4
Total	**100.0 %**	100.0 %

[(1)] *Includes Japan Post Group, Dai-ichi Life and Daido Life*

During the three-month period ended March 31, 2026, Aflac Japan recruited 82 new sales agencies. At March 31, 2026, Aflac Japan was represented by approximately 6,200 sales agencies, with approximately 111,000 licensed sales associates employed by those agencies. The number of sales agencies has declined in recent years due to Aflac Japan's focus on supporting agencies with strong management frameworks, high productivity and more producing agents.

At March 31, 2026, Aflac Japan had agreements to sell its products at 357 banks, approximately 90% of the total number of banks in Japan.

Aflac Japan Investments

The level of investment income in Japanese yen is affected by available cash flow from operations, the timing of investing the cash flow, yields on new investments, the effect of yen/dollar exchange rates on U.S. dollar-denominated investment income and other factors.

As part of the Company's portfolio management and asset allocation process, Aflac Japan primarily invests in Japanese yen- and U.S. dollar-denominated investments. Aflac Japan's Japanese yen-denominated investments primarily consist of Japan Government Bonds (JGBs), public and private fixed maturity securities and equity securities. Aflac Japan's U.S. dollar-denominated investments include fixed maturity investments, loan receivables, and growth assets, including alternative investments in limited partnerships or similar investment vehicles. Aflac Japan invests in both publicly traded and privately originated U.S. dollar-denominated investment-grade and below-investment-grade fixed maturity securities and loan receivables, and has entered into foreign currency derivatives to economically hedge the foreign currency exchange risk on the fair value of a portion of the U.S. dollar-denominated investments.

The following table details the investment purchases for Aflac Japan.

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Yen-denominated:		
Fixed maturity securities:		
Japan government and agencies	**$ 258**	$ 4,125
Private placements	**127**	0
Other fixed maturity securities	**150**	21
Equity securities	**274**	157
Other investments	**13**	10
Total yen-denominated	**822**	4,313
U.S. dollar-denominated:		
Fixed maturity securities:		
Other fixed maturity securities	**1,027**	1,662
Infrastructure debt	**10**	41
Commercial mortgage and other loans:		
Transitional real estate loans	**65**	11
Middle market loans	**267**	268
Other loans	**41**	33
Other investments	**85**	81
Total U.S. dollar-denominated	**1,495**	2,096
Other currencies:		
Fixed maturity securities:		
Infrastructure debt	**0**	52
Commercial mortgage and other loans:		
Other loans	**0**	26
Other investments	**3**	1
Total other currencies	**3**	79
Total Aflac Japan purchases	**$ 2,320**	$ 6,488

See the Investments section of this MD&A for further discussion of these investment programs, and see Notes 3 and 4 of the Notes to the Consolidated Financial Statements and Notes 1, 3 and 4 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report for more information regarding loans and loan receivables.

The following table presents the results of Aflac Japan's investment yields for the periods ended and as of March 31.

	Three Months	
	2026	2025
Total purchases for the period (in millions) [1]	**$ 2,219**	$ 6,396
New money yield [1],[2]	**4.97 %**	3.30 %
Return on average invested assets [3]	**3.05**	3.00
Portfolio book yield, including U.S. dollar-denominated investments, end of period [1],[2]	**3.30 %**	3.22 %

[1] *Includes fixed maturity securities, commercial mortgage and other loans, equity securities, and excludes alternative investments in limited partnerships*
[2] *Reported on a gross yield basis; excludes investment expenses, external management fees and amortized hedge costs*
[3] *Net of investment expenses and amortized hedge costs, year-to-date number reflected on a quarterly average basis*

The increase in the Aflac Japan new money yield in the three-month period ended March 31, 2026 was primarily due to higher allocations to higher yielding asset classes. See Notes 3, 4 and 5 of the Notes to the Consolidated Financial Statements and the Investments and Hedging Activities sections of this MD&A for additional information on the Company's investments and hedging strategies.

AFLAC U.S. SEGMENT

Aflac U.S. Pretax Adjusted Earnings

Changes in Aflac U.S. pretax adjusted earnings and profit margins are primarily affected by morbidity, mortality, expenses, persistency and investment yields. The following table presents a summary of operating results for Aflac U.S.

Aflac U.S. Summary of Operating Results

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Net earned premiums	**$ 1,555**	$ 1,502
Adjusted net investment income [1]	**201**	202
Other income	**23**	17
Total adjusted revenues	**1,779**	1,721
Benefits and claims:		
Benefits and claims, excluding reserve remeasurement	**770**	731
Reserve remeasurement (gains) losses	**(36)**	(15)
Total benefits and claims, net	**734**	716
Adjusted expenses:		
Amortization of deferred policy acquisition costs	**143**	137
Insurance commissions	**142**	135
Insurance and other expenses	**397**	375
Total adjusted expenses	**682**	647
Total benefits and adjusted expenses	**1,416**	1,363
Pretax adjusted earnings	**$ 363**	$ 358
Percentage change over previous period:		
Net earned premiums	**3.5 %**	1.8 %
Adjusted net investment income	**(.5)**	(1.9)
Total adjusted revenues	**3.4**	1.3
Total benefits and claims, net	**2.5**	4.4
Total adjusted expenses	**5.4**	(1.7)
Pretax adjusted earnings	**1.4**	.6

[1] *Net interest income/expense from derivatives associated with certain investment strategies of $(5) and $(6) for the three-month periods ended March 31, 2026 and 2025, respectively, have been reclassified from net investment gains (losses) and included in adjusted earnings as a component of net investment income.*

For the three-month period ended March 31, 2026, operating results compared to the same period in the previous year were as follows:

- Net earned premiums increased primarily due to improved sales.
- Adjusted net investment income decreased slightly primarily due to lower floating rate income.
- Total adjusted revenues increased primarily due to the increase in net earned premiums.
- Total benefits and claims increased primarily due to higher incurred claims for certain group products largely associated with the growth in net earned premiums, partially offset by higher reserve remeasurement gains.
- Total adjusted expenses increased primarily due to higher variable expenses associated with the growth in net earned premiums.
- Pretax adjusted earnings increased primarily due to the increase in total adjusted revenues, partially offset by the increases in total adjusted expenses and total benefits and claims.

Annualized premiums in force increased 4.6% to $6.8 billion at March 31, 2026, compared with $6.5 billion at March 31, 2025.

The following table presents a summary of operating ratios for Aflac U.S. followed by a discussion of the significant drivers of changes in operating ratios compared to the same period in the previous year.

	Three Months Ended March 31,	
Ratios to total adjusted revenues:	**2026**	2025
Total benefits and claims	**41.3 %**	41.6 %
Adjusted expenses:		
Amortization of deferred policy acquisition costs	**8.0**	8.0
Insurance commissions	**8.0**	7.8
Insurance and other expenses	**22.3**	21.8
Total adjusted expenses	**38.3**	37.6
Pretax adjusted earnings	**20.4**	20.8
Ratios to total premiums:		
Total benefits and claims	**47.2 %**	47.7 %
Adjusted expenses:		
Amortization of deferred policy acquisition costs	**9.2**	9.1

- For the three-month period ended March 31, 2026, the total benefits and claims to total premiums ratio decreased primarily due to higher net earned premiums as well as higher reserve remeasurement gains.
- For the three-month period ended March 31, 2026, the total adjusted expense ratio increased primarily due to higher total adjusted expenses associated with the growth in net earned premiums.
- In total, the pretax adjusted profit margin decreased in the three-month period ended March 31, 2026, primarily due to the higher expense ratio, partially offset by the lower benefit ratio.

The following table presents premium persistency for Aflac U.S. on a 12-month rolling basis as of March 31.

	2026	2025
Premium persistency	**79.3 %**	79.3 %

Aflac U.S. Sales

The following table presents Aflac's U.S. new annualized premium sales for the periods ended March 31.

	Three Months	
(In millions)	**2026**	2025
New annualized premium sales	**$ 318**	$ 309
Increase (decrease) over prior period	**2.9 %**	3.5 %

The increase in new annualized premium sales for Aflac U.S. in the first quarter of 2026 was primarily driven by sales of group products.

The following table details the contributions to Aflac's U.S. new annualized premium sales by major insurance product category for the periods ended March 31.

	Three Months	
	2026	2025
Accident	**19.8 %**	21.1 %
Disability	**22.0**	22.8
Critical care[1]	**20.3**	21.8
Hospital indemnity	**13.5**	15.0
Dental/vision	**7.7**	6.8
Life	**16.7**	12.5
Total	**100.0 %**	100.0 %

[1] *Includes cancer, critical illness, and hospital intensive care products*

In the first quarter of 2026, the Aflac U.S. sales force included an average of approximately 5,000 U.S. agents, including brokers, who were actively producing business on a weekly basis. The Company believes that this average weekly producer equivalent metric allows sales management to monitor progress and needs, as well as serve as a leading indicator of future production capacity.

Aflac U.S. Investments

The level of investment income is affected by available cash flow from operations, the timing of investing the cash flow, yields on new investments and other factors.

As part of the Company's portfolio management and asset allocation process, Aflac U.S. invests in fixed maturity securities, loan receivables and growth assets, including equity securities and alternative investments in limited partnerships. Aflac U.S. invests in both publicly traded and privately originated investment-grade and below-investment-grade fixed maturity securities and loan receivables.

The following table details the investment purchases for Aflac U.S.

	Three Months Ended March 31,	
(In millions)	**2026**	2025
U.S. dollar-denominated:		
Fixed maturity securities:		
Other fixed maturity securities	**$ 545**	$ 433
Infrastructure debt	**0**	2
Equity securities	**0**	6
Commercial mortgage and other loans:		
Transitional real estate loans	**6**	2
Commercial mortgage loans	**13**	0
Middle market loans	**51**	40
Other loans	**50**	10
Other investments:		
Limited partnerships	**39**	14
Other	**15**	0
Total U.S. dollar-denominated	**719**	507
Other currencies:		
Other investments	**1**	0
Total other currencies	**1**	0
Total Aflac U.S. purchases	**$ 720**	$ 507

See Note 3 of the Notes to the Consolidated Financial Statements and Notes 1 and 3 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report for more information regarding loans and loans receivables.

The following table presents the results of Aflac's U.S. investment yields for the periods ended and as of March 31.

	Three Months	
	2026	2025
Total purchases for period (in millions) [(1)]	**$ 680**	$ 493
New money yield [(1),(2)]	**6.23 %**	6.61 %
Return on average invested assets [(3)]	**4.74**	4.80
Portfolio book yield, end of period [(1),(2)]	**5.46 %**	5.56 %

[(1)] *Includes fixed maturity securities, commercial mortgage and other loans, equity securities, and excludes alternative investments in limited partnerships*
[(2)] *Reported on a gross yield basis; excludes investment expenses and external management fees*
[(3)] *Net of investment expenses, year-to-date number reflected on a quarterly average basis*

The decrease in the Aflac U.S. new money yield in the three-month period ended March 31, 2026 was primarily due to lower rates on fixed and floating rate assets. See Notes 3 and 5 of the Notes to the Consolidated Financial Statements and the Investments section of this MD&A for additional information on the Company's investments.

CORPORATE AND OTHER

Changes in the pretax adjusted earnings of Corporate and other are primarily affected by reinsurance activity and net investment income. The following table presents a summary of operating results for Corporate and other.

Corporate and Other Summary of Operating Results

	Three Months Ended March 31,	
(In millions)	**2026**	2025
Net earned premiums	**$ 182**	$ 198
Net investment income (loss) [(1)]	**91**	96
Amortized hedge income	**18**	30
Adjusted net investment income	**109**	126
Other income	**1**	2
Total adjusted revenues	**292**	326
Benefits and claims:		
Benefits and claims, excluding reserve remeasurement	**110**	125
Reserve remeasurement (gains) losses	**(1)**	(1)
Total benefits and claims, net	**109**	124
Adjusted expenses:		
Interest expense	**58**	45
Other adjusted expenses	**125**	114
Total adjusted expenses	**183**	159
Total benefits and adjusted expenses	**292**	283
Pretax adjusted earnings	**$ 0**	$ 43
Percentage change over previous period:		
Net earned premiums	**(8.1) %**	20.0 %
Adjusted net investment income	**(13.5)**	59.5
Total adjusted revenues	**(10.4)**	32.0
Total benefits and claims, net	**(12.1)**	15.9
Total adjusted expenses	**15.1**	11.2
Pretax adjusted earnings	**(100.0)**	1533.3

(1) *The change in value of federal historic rehabilitation and solar investments in partnerships of $5 and $8 for the three-month periods ended March 31, 2026 and 2025, respectively, is included as a reduction to net investment income. Tax credits on these investments of $5 and $7 for the three-month periods ended March 31, 2026 and 2025, respectively, have been reported as an income tax benefit in the consolidated statements of earnings. See Note 1 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report for additional information on these investments.*

For the three-month period ended March 31, 2026, operating results compared to the same period in the previous year were as follows:

- Net earned premiums and total benefits and claims decreased primarily due to reinsurance activity.
- Adjusted net investment income decreased primarily due to lower amortized hedge income.
- Total adjusted revenues decreased primarily due to the decreases in adjusted net investment income and net earned premiums.
- Total adjusted expenses increased primarily due to higher interest expense and higher costs pertaining to business operations.
- Pretax adjusted earnings decreased primarily due to lower total adjusted revenues and higher total adjusted expenses, partially offset by lower total benefits and claims.

The Parent Company invests in partnerships that specialize in rehabilitating historic structures or the installation of solar equipment in order to receive federal historic rehabilitation and solar tax credits. These investments are classified as limited partnerships and included in other investments in the consolidated balance sheets. The change in value of each investment is reported as a reduction to net investment income. Tax credits generated by these investments are reported as an income tax benefit in the consolidated statements of earnings.

INVESTMENTS

The Company's investment strategy utilizes disciplined asset and liability management while seeking long-term risk-adjusted investment returns and the delivery of stable income within regulatory and capital objectives, and preserving shareholder value.

In attempting to optimally balance these objectives, the Company seeks to maintain on behalf of Aflac Japan a diversified portfolio of Japanese yen-denominated investment assets, a U.S. dollar-denominated investment portfolio hedged back to Japanese yen and a portfolio of unhedged U.S. dollar-denominated assets. As part of the Company's portfolio management and asset allocation process, Aflac U.S. invests in fixed maturity securities and growth assets, including equity securities and alternative investments in limited partnerships. Aflac U.S. invests in both publicly traded and privately originated investment-grade and below-investment-grade fixed maturity securities and loans.

For additional information concerning the Company's investments, see Notes 3, 4, and 5 of the Notes to the Consolidated Financial Statements.

The following tables detail investments by segment.

Investment Securities by Segment

	March 31, 2026			
(In millions)	Aflac Japan	Aflac U.S.	Corporate and Other	Total
Fixed maturity securities available-for-sale, at fair value	$ 43,812	$ 12,535	$ 6,881	$ 63,228
Fixed maturity securities held-to-maturity, at amortized cost [(1)]	15,752	0	0	15,752
Equity securities	640	2	209	851
Commercial mortgage and other loans: [(1)]				
Transitional real estate loans	2,747	603	103	3,453
Commercial mortgage loans	873	563	0	1,436
Middle market loans	3,879	456	0	4,335
Other loans	408	123	15	546
Other investments:				
Policy loans	166	39	0	205
Short-term investments [(2)]	1,688	325	603	2,616
Limited partnerships	3,351	573	302	4,226
Real estate owned	734	119	0	853
Other	0	37	0	37
Investment in affiliate [(3)]	0	1,156	(1,156)	0
Total investments	74,050	16,531	6,957	97,538
Cash and cash equivalents	2,149	750	2,755	5,654
Total investments and cash	$ 76,199	$ 17,281	$ 9,712	$ 103,192

[(1)] *Net of allowance for credit losses*
[(2)] *Includes securities lending collateral*
[(3)] *For consolidated reporting, Aflac U.S.'s investment in Aflac Re is eliminated in Corporate and other.*

	December 31, 2025			
(In millions)	Aflac Japan	Aflac U.S.	Corporate and Other	Total
Fixed maturity securities available-for-sale, at fair value	$ 44,782	$ 12,426	$ 6,913	$ 64,121
Fixed maturity securities held-to-maturity, at amortized cost [(1)]	16,120	0	0	16,120
Equity securities	632	2	253	887
Commercial mortgage and other loans: [(1)]				
Transitional real estate loans	2,818	658	135	3,611
Commercial mortgage loans	878	565	0	1,443
Middle market loans	3,827	439	0	4,266
Other loans	373	57	15	445
Other investments:				
Policy loans	172	38	0	210
Short-term investments [(2)]	596	223	554	1,373
Limited partnerships	3,273	536	300	4,109
Real estate owned	777	125	0	902
Other	0	28	0	28
Investment in affiliate [(3)]	0	1,164	(1,164)	0
Total investments	74,248	16,261	7,006	97,515
Cash and cash equivalents	2,025	829	3,391	6,245
Total investments and cash	$ 76,273	$ 17,090	$ 10,397	$ 103,760

[(1)] *Net of allowance for credit losses*
[(2)] *Includes securities lending collateral*
[(3)] *For consolidated reporting, Aflac U.S.'s investment in Aflac Re is eliminated in Corporate and other.*

The Company has invested in a variety of commercial mortgage loans (CMLs) and other loans including transitional real estate loans (TREs). The Company's TRE and CML investments are collateralized by commercial real estate, including some office properties. The Company considers these investments to be well diversified by geography and among property types. Further, the Company believes that the portfolio is generally well positioned with exposures concentrated in high quality underlying properties with institutional investors who are experienced in managing their assets during periods of market volatility.

While generally resilient, the Company's investments in TREs and CMLs have been affected by conditions in the commercial real estate market, with a greater impact on mortgages secured by office properties. The Company invested in certain TREs and CMLs that are currently in default of interest or maturity payments. The Company works with the affected borrowers to resolve specific situations through loan continuance with potential modifications, through loan sales, or through the process of foreclosure or deed in lieu of foreclosure. In recent years, the Company has taken possession, through foreclosure or deed in lieu of foreclosure, of certain commercial real estate properties, which secured defaulted loans. Properties acquired by the Company through foreclosure and deed in lieu of foreclosure are reported as real estate owned (REO) in other investments in the Company's consolidated balance sheets.

In the three-month period ended March 31, 2026, the Company did not complete any foreclosure or deed in lieu of foreclosure transactions.

In the three-month period ended March 31, 2025, the Company completed foreclosure or deed in lieu of foreclosure on TREs collateralized with commercial real estate properties with an amortized cost of $87 million. As a result of the amortized cost of the TREs exceeding the estimated fair value of the collateral upon consummating the foreclosures or deed in lieu of foreclosure transactions, the Company recognized a net loss of $16 million in net investment gains (losses) for the three-month period ended March 31, 2025.

The Company utilizes third-party asset managers to source, underwrite and manage each loan, as well as any resulting REO. The Company closely monitors the activities of these managers. In the event that a loan workout is necessary, the Company believes these external managers have the experience and resources to manage the process to maximize recovery.

The Company also monitors its commercial mortgage and other loan investments internally on an ongoing basis, including a review of loans' credit quality indicators and payment status as current, past due, restructured or under foreclosure. See Note 3 of the Notes to the Consolidated Financial Statements for further information concerning credit quality indicators, information on loans that are on nonaccrual status, and REO obtained through foreclosure or deed in lieu of foreclosure. See also Item 1A. Risk Factors in the 2025 Annual Report for a discussion of risk factors associated with the Company's investments.

The ratings of the Company's securities referenced in the table below are based on the ratings designations provided by major rating organizations such as Moody's, Standard & Poor's and Fitch or, if not rated, are determined based on the Company's internal analysis of such securities. When the ratings issued by the rating agencies differ, the Company utilizes the second lowest rating when three or more rating agency ratings are available or the lowest rating when only two rating agency ratings are available.

The distributions of fixed maturity securities the Company owns, by credit rating, were as follows:

Composition of Fixed Maturity Securities by Credit Rating

	March 31, 2026		December 31, 2025	
	Amortized Cost	**Fair Value**	Amortized Cost	Fair Value
AAA	**1.4 %**	**1.5 %**	1.1 %	1.1 %
AA	**6.6**	**7.1**	6.6	7.1
A	**68.7**	**65.5**	69.0	66.0
BBB	**21.8**	**24.2**	21.9	24.2
BB or lower	**1.5**	**1.7**	1.4	1.6
Total	**100.0 %**	**100.0 %**	100.0 %	100.0 %

As of March 31, 2026, the Company's direct and indirect exposure to securities in its investment portfolio that were guaranteed by third parties was immaterial both individually and in the aggregate.

The following table presents the 10 largest unrealized loss positions in the Company's portfolio as of March 31, 2026.

(In millions)	**Credit Rating**	**Amortized Cost**	**Fair Value**	**Unrealized Loss**
Japan National Government	A+	$ 31,756	$ 26,885	$ (4,871)
Urban Renaissance Agency	A+	153	84	(69)
JPMorgan Chase & Co.	A+	192	149	(43)
KLM Royal Dutch Airlines	B+	125	84	(41)
Lubrizol Corporation	AA	214	174	(40)
Mitsubishi Estate Co Ltd.	A	125	87	(38)
Prologis LP	A	142	105	(37)
West Japan Railway Company	A+	100	63	(37)
Japan Expressway Holding and Debt	A+	226	189	(37)
Tokyo Gas Co Ltd	A+	94	58	(36)

Generally, declines in fair values can be a result of changes in interest rates, yen/dollar exchange rate, and changes in net spreads driven by a broad market move or a change in the issuer's underlying credit quality. The Company believes these issuers have the ability to continue making timely payments of principal and interest. See the Unrealized Investment Gains and Losses section in Note 3 of the Notes to the Consolidated Financial Statements for further discussions of unrealized losses related to the Company's investments.

Below-Investment-Grade Securities

The Company's portfolio of below-investment-grade securities includes fixed maturity securities purchased while the issuer was rated investment grade plus other loans and bonds invested in as part of an allocation to that segment of the market. The following is the Company's below-investment-grade exposure.

Below-Investment-Grade Investments

	March 31, 2026			
(In millions)	Par Value	Amortized Cost [1]	Fair Value	Unrealized Gain (Loss)
Investcorp Capital Limited	$ 219	$ 219	$ 206	$ (13)
Hella KG Hueck and Co.	138	137	125	(12)
Telecom Italia SpA	125	125	157	32
KLM Royal Dutch Airlines	125	125	84	(41)
IKB Deutsche Industriebank AG	81	46	64	18
Anpac Spa (Project Neptune)	37	35	33	(2)
Carbonfree Chile Series A	36	33	30	(3)
Paramount Global	35	27	21	(6)
Amarok Parent LLC	25	22	25	3
Other Issuers	87	86	80	(6)
Subtotal [2]	908	855	825	(30)
High yield corporate bonds	482	375	465	90
Middle market loans	4,306	4,117	4,006	(111)
Grand Total	$ 5,696	$ 5,347	$ 5,296	$ (51)

[1] *Net of allowance for credit losses*
[2] *Securities initially purchased as investment grade, but have subsequently been downgraded to below investment grade*

The Company maintains an allocation to higher yielding corporate bonds within the Aflac Japan and Aflac U.S. portfolios. Most of these securities were rated below-investment-grade at the time of purchase, but the Company also purchased several that were rated investment grade which, because of market pricing, offer yields commensurate with below-investment-grade risk profiles. The objective of this allocation was to enhance the Company's yield on invested assets and further diversify credit risk. All investments in this program must have a minimum rating at purchase of low BB using the Company's above described rating methodology and are managed by the Company's internal credit portfolio management team.

The Company invests in middle market loans primarily to U.S. corporate borrowers, most of which have below-investment-grade ratings. The objectives of this program include enhancing the yield on invested assets, achieving further diversification of credit risk, and mitigating the risk of rising interest rates and hedge costs through the acquisition of floating rate assets.

Fixed Maturity Securities by Sector

The Company maintains diversification in investments by sector to avoid concentrations to any one sector, thus managing exposure risk. The following table shows the distribution of fixed maturities by sector classification.

	March 31, 2026				
(In millions)	Amortized Cost [1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% of Total
Government and agencies	**$ 32,782**	**$ 40**	**$ (5,073)**	**$ 27,749**	**40.4 %**
Municipalities	**2,248**	**84**	**(237)**	**2,095**	**2.8**
Mortgage- and asset-backed securities	**4,870**	**250**	**(83)**	**5,037**	**6.0**
Public utilities	**6,790**	**526**	**(335)**	**6,981**	**8.4**
Electric	5,349	414	(218)	5,546	6.6
Natural Gas	894	62	(87)	868	1.1
Other	547	50	(30)	567	.7
Sovereign and supranational	**720**	**26**	**(28)**	**718**	**.9**
Banks/financial institutions	**9,162**	**619**	**(587)**	**9,194**	**11.2**
Banking	5,142	335	(320)	5,158	6.3
Insurance	1,870	161	(82)	1,949	2.3
Other	2,150	123	(185)	2,087	2.6
Other corporate	**24,636**	**2,899**	**(1,312)**	**26,223**	**30.3**
Basic Industry	2,023	310	(116)	2,219	2.5
Capital Goods	2,926	336	(122)	3,141	3.6
Communications	2,612	426	(97)	2,940	3.2
Consumer Cyclical	1,892	183	(66)	2,009	2.3
Consumer Non-Cyclical	5,768	727	(283)	6,211	7.1
Energy	2,383	410	(27)	2,766	2.9
Other	980	36	(137)	879	1.2
Technology	3,238	217	(187)	3,268	4.0
Transportation	2,814	254	(277)	2,790	3.5
Total fixed maturity securities	**$ 81,208**	**$ 4,444**	**$ (7,655)**	**$ 77,997**	**100.0 %**

[1] *Net of allowance for credit losses*

Securities by Type of Issuance

The Company has investments in both publicly and privately issued securities. The Company's ability to sell either type of security is a function of overall market liquidity which is impacted by, among other things, the amount of outstanding securities of a particular issuer or issuance, trading history of the issue or issuer, overall market conditions, and idiosyncratic events affecting the specific issue or issuer.

The following table details investment securities by type of issuance.

Investment Securities by Type of Issuance

(In millions)	March 31, 2026 Amortized Cost [1]	March 31, 2026 Fair Value	December 31, 2025 Amortized Cost [1]	December 31, 2025 Fair Value
Publicly issued securities:				
Fixed maturity securities	**$ 65,287**	**$ 62,258**	$ 65,522	$ 63,559
Equity securities	**691**	**691**	726	726
Total publicly issued	**65,978**	**62,949**	66,248	64,285
Privately issued securities: [2]				
Fixed maturity securities [3]	**15,921**	**15,739**	15,861	16,038
Equity securities	**160**	**160**	161	161
Total privately issued	**16,081**	**15,899**	16,022	16,199
Total investment securities	**$ 82,059**	**$ 78,848**	$ 82,270	$ 80,484

[1] *Net of allowance for credit losses*
[2] *Primarily consists of securities held by Aflac Japan*
[3] *Excludes Rule 144A securities*

The following table details the Company's reverse dual-currency securities.

Reverse Dual-Currency Securities[1]

(Amortized cost, in millions)	March 31, 2026	December 31, 2025
Privately issued reverse dual-currency securities	**$ 3,134**	$ 3,196
Publicly issued collateral structured as reverse dual-currency securities	**876**	895
Total reverse dual-currency securities	**$ 4,010**	$ 4,091
Reverse dual-currency securities as a percentage of total investment securities	**4.9 %**	5.0 %

[1] *Principal payments in Japanese yen and interest payments in U.S. dollars*

Aflac Japan has a portfolio of privately issued securities to better match liability characteristics and secure higher yields than those available on Japanese government or other public corporate bonds. Aflac Japan's investments in Japanese yen-denominated privately issued securities consist primarily of non-Japanese issuers, are rated investment grade at purchase and have longer maturities, thereby allowing the Company to improve asset/liability matching and overall investment returns. These securities are generally either privately negotiated arrangements or issued under medium-term note programs and have standard documentation commensurate with credit ratings of the issuer, except when internal credit analysis indicates that additional protective and/or event-risk covenants were required. Many of these investments have protective covenants appropriate to the specific investment. These may include a prohibition of certain activities by the borrower, maintenance of certain financial measures, and specific conditions impacting the payment of the Company's notes.

HEDGING ACTIVITIES

The Company uses derivative contracts to hedge foreign currency exchange risk and interest rate risk. The Company uses various strategies, including derivatives, to manage these risks. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk in the 2025 Annual Report for more information about market risk and the Company's use of derivatives.

See Note 4 of the Notes to the Consolidated Financial Statements for:

- A description of the Company's derivatives, hedging strategies and underlying risk exposure.
- Information about the notional amount and fair market value of the Company's derivatives.
- Impact on earnings and other comprehensive income (loss) from various qualifying and non-qualifying hedging relationships.

Foreign Currency Exchange Risk Hedge Program

The Company has deployed the following hedging strategies to mitigate exposure to foreign currency exchange risk:

- Aflac Japan hedges U.S. dollar-denominated investments back to Japanese yen (see *Aflac Japan's U.S. Dollar-Denominated Hedge Program* below).
- Aflac Japan maintains certain unhedged U.S. dollar-denominated securities, which serve as an economic currency hedge of a portion of the Company's investment in Aflac Japan, while utilizing foreign currency options to mitigate against significant movements in the yen/dollar exchange rate (see *Aflac Japan's U.S. Dollar-Denominated Hedge Program* below).
- Aflac Japan economically hedges the foreign currency exchange risk on certain of its investments that are denominated in other foreign currencies.
- The Parent Company designates Japanese yen-denominated liabilities (notes payable and loans) as non-derivative hedging instruments and designates certain foreign currency forwards and options as derivative hedges of the Company's net investment in Aflac Japan *(*see *Enterprise Corporate Hedging Program* below*).*
- The Parent Company enters into forward and option contracts to protect the value of Aflac Japan in U.S. dollar terms by hedging foreign currency exchange risk related to dividend payments by Aflac Japan and reduce enterprise-wide hedge costs *(*see *Enterprise Corporate Hedging Program* below*).*

The following table presents metrics related to the Company's Foreign Currency Exchange Risk Hedge Program, including associated amortized hedge costs/income, for the periods ended March 31. See the Results of Operations section of this MD&A for the Company's definition of amortized hedge costs/income.

	Three Months	
	2026	2025
Aflac Japan:		
FX Forwards		
FX forward notional at end of period (in billions) [(1)]	**$ 1.2**	$ 0.2
Amortized hedge income (cost) for period (in millions)	**$ (7)**	$ 0
FX Options		
FX option notional at the end of period (in billions) [(1)]	**$ 26.0**	$ 24.2
Amortized hedge income (cost) for period (in millions)	**$ (8)**	$ (7)
Corporate and other (Parent Company):		
FX Forwards		
FX forward notional at end of period (in billions) [(1)]	**$ 2.1**	$ 2.7
Amortized hedge income (cost) for period (in millions)	**$ 18**	$ 30
FX Options		
FX option notional at the end of period (in billions) [(1)]	**$ 0.0**	$ 0.0
Amortized hedge income (cost) for period (in millions)	**$ 0**	$ 0

[(1)] *Notional is reported net of any offsetting positions within Aflac Japan or the Parent Company, respectively.*

Amortized hedge costs/income can fluctuate based upon many factors, including the derivative notional amount, the length of time of the derivative contract, implied volatility, changes in both U.S. and Japan interest rates, and the cross-currency basis. Amortized hedge costs/income have fluctuated in recent periods due to changes in the previously mentioned factors.

Aflac Japan's U.S. Dollar-Denominated Hedge Program (U.S. Dollar Program)

Aflac Japan buys U.S. dollar-denominated investments, typically corporate bonds, and hedges them back to Japanese yen with foreign currency forwards and options to hedge foreign currency exchange risk. This economically creates Japanese yen assets that match Japanese yen liabilities during the life of the derivative. The currency risk being hedged is generally based on fair value of hedged investments. The following table summarizes the U.S. dollar-denominated investments held by Aflac Japan.

(In millions)	March 31, 2026 Amortized Cost [(1)]	March 31, 2026 Fair Value	December 31, 2025 Amortized Cost [(1)]	December 31, 2025 Fair Value
Available-for-sale securities:				
Fixed maturity securities	**$ 13,164**	**$ 15,597**	$ 12,618	$ 15,075
Equity securities	**22**	**24**	22	24
Commercial mortgage and other loans:				
Transitional real estate loans (floating rate)	**2,747**	**2,776**	2,818	2,849
Commercial mortgage loans	**873**	**804**	878	811
Middle market loans (floating rate)	**3,879**	**3,773**	3,827	3,751
Other loans	**244**	**243**	204	209
Other investments	**4,196**	**4,196**	3,136	3,136
Total U.S. Dollar Program	**25,125**	**27,413**	23,503	25,855
Available-for-sale securities:				
Fixed maturity securities - economically converted to yen	**1,596**	**2,356**	1,632	2,398
Total U.S. dollar-denominated investments in Aflac Japan	**$ 26,721**	**$ 29,769**	$ 25,135	$ 28,253

[(1)] *Net of allowance for credit losses*

The U.S. Dollar Program includes all U.S. dollar-denominated investments held by Aflac Japan other than the investments in certain consolidated variable interest entities (VIEs) where the instrument is economically converted to Japanese yen as a result of a derivative in the consolidated VIE. The Company uses foreign currency forwards to hedge foreign currency exchange risk on certain U.S. dollar-denominated investments held by Aflac Japan and one-sided foreign currency put options to mitigate the risk of a decline in the value of U.S. dollar-denominated assets (in Japanese yen terms) related to extreme foreign exchange rate changes. From time to time, Aflac Japan also maintains a collar program on a portion of its U.S. Dollar Program to mitigate against more extreme moves in foreign exchange rates. As of March 31, 2026, none of the Company's foreign currency options hedging Aflac Japan's U.S. dollar-denominated assets were in-the-money.

Foreign currency derivatives used for hedging are periodically settled, which results in cash receipt or payment at inception, maturity or early termination. The following table presents the settlements associated with the Company's foreign currency derivatives used for hedging Aflac Japan's U.S. dollar-denominated investments.

(In millions)	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Net cash inflows (outflows)	**$ (19)**	$ (7)

In addition to the U.S. Dollar Program, Aflac Japan utilizes foreign currency forwards to economically hedge the foreign currency exchange risk on certain of its variable-rate investments denominated in other foreign currencies. As of March 31, 2026, the Company had foreign currency forwards on other foreign currency-denominated investments with a fair value of $130 million.

Aflac Japan also utilizes foreign currency swaps to economically hedge the foreign currency exchange risk on certain of its fixed maturity securities denominated in other foreign currencies. As of March 31, 2026, the Company had foreign currency swaps on other foreign currency-denominated investments with a fair value of $47 million.

Enterprise Corporate Hedging Program

The Company has designated certain Japanese yen-denominated liabilities and foreign currency forwards and options of the Parent Company as accounting hedges of its net investment in Aflac Japan. The Company's consolidated Japanese yen-denominated net asset position was partially hedged at $7.0 billion as of March 31, 2026, with hedging instruments comprised of $4.9 billion of Japanese yen-denominated debt and $2.1 billion of foreign currency forwards, compared with $6.8 billion as of December 31, 2025, with hedging instruments comprised of $5.0 billion of Japanese yen-denominated debt and $1.8 billion of foreign currency forwards.

The Company makes its accounting designation of net investment hedge at the beginning of each quarter. If the total of the designated Parent Company non-derivative and derivative notional is equal to or less than the Company's net investment in Aflac Japan, the hedge is deemed to be effective, and the foreign currency exchange effect on the Japanese yen-denominated liabilities and the change in estimated fair value of the derivatives are included in unrealized foreign currency translation gains (losses) in the consolidated statements of comprehensive income (loss). The Company's net investment hedge was effective during the three-month periods ended March 31, 2026 and 2025, respectively. For additional information on the Company's net investment hedging strategy, see Note 4 of the Notes to the Consolidated Financial Statements.

In order to economically mitigate risks associated with the enterprise-wide exposure to the Japanese yen and the level and volatility of hedge costs, the Parent Company enters into foreign currency forward and option contracts. By buying U.S. dollars and selling Japanese yen, the Parent Company is effectively lowering its overall economic exposure to the Japanese yen. In addition to reducing Japanese yen exposure from dividend payments by Aflac Japan to the Parent Company, this strategy also reduces enterprise-wide hedge costs. This activity is reported in Corporate and other. The Company continually evaluates the program’s efficacy.

As part of the Company’s reinsurance platform, Aflac Re enters into foreign currency forwards with the Parent Company, and may enter into such forwards with third parties, to economically manage the currency mismatch between Aflac Re's assets, which are mostly denominated in U.S. dollars, and its liabilities, which are mostly denominated in Japanese yen, in order to support and optimize Bermuda Monetary Authority (BMA) capital requirements. For additional information on the Company's reinsurance platform, see Note 8 of the Notes to the Consolidated Financial Statements and the Liquidity and Capital Resources section of this MD&A and Note 8 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

For additional discussion of the risks associated with the foreign currency exposure refer to the Currency Risk section in Item 7A., Quantitative and Qualitative Disclosures about Market Risk, and Item 1A, specifically to the Risk Factors titled “The Company is exposed to foreign currency fluctuations in the yen/dollar exchange rate" and “Lack of availability of acceptable yen-denominated investments could adversely affect the Company's results of operations, financial position or liquidity" in the 2025 Annual Report.

Interest Rate Risk Hedge Program

Aflac Japan and Aflac U.S. use interest rate swaps from time to time to mitigate the risk of investment income volatility for certain variable-rate investments. Additionally, to manage interest rate risk associated with its U.S. dollar-denominated investments held by Aflac Japan, from time to time the Company utilizes interest rate swaptions.

See Note 4 of the Notes to the Consolidated Financial Statements for additional information on the Company's hedging activities.

POLICY LIABILITIES

The following table presents policy liabilities by segment and in total.

(In millions)	**March 31, 2026**	December 31, 2025	% Change
Aflac Japan	**$ 56,025**	$ 59,292	(5.5)% [1]
Aflac U.S.	**11,181**	11,378	(1.7)
Corporate and other	**4,453**	4,088	8.9
Intercompany eliminations [2]	**(4,877)**	(5,175)	5.8
Total	**$ 66,782**	$ 69,583	(4.0)%

(1) *Aflac Japan’s policy liabilities decreased 3.5% in yen during the three months ended March 31, 2026.*
(2) *Elimination entry necessary due to the internal reinsurance transactions with Aflac Re and to recapture of a portion of policy liabilities ceded externally as a result of the reinsurance retrocession transaction. See Note 8 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.*

See Note 7 of the Notes to the Consolidated Financial Statements for additional information on the Company's policy liabilities.

BENEFIT PLANS

Aflac Japan and Aflac U.S. have various benefit plans. For additional information on the Company's Japanese and U.S. plans, see Note 12 of the Notes to the Consolidated Financial Statements and Note 13 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report.

POLICYHOLDER PROTECTION

Policyholder Protection Corporation

The Japanese insurance industry has a policyholder protection system that provides funds for the policyholders of insolvent insurers. Legislation enacted regarding the framework of the Life Insurance Policyholder Protection Corporation (LIPPC) included government fiscal measures supporting the LIPPC. In March 2022, Japan's Diet passed legislation that extended the government's fiscal support of the LIPPC through March 2027. In March 2022, the LIPPC reached the required balance for the total life industry of ¥400 billion as specified by its Articles of Incorporation. As a result, additional contributions are not expected to be required unless the balance is reduced due to payments made by the LIPPC to the policyholders of insolvent insurers. Accordingly, Aflac Japan did not recognize an expense for LIPPC assessments for the three-month periods ended March 31, 2026 and March 31, 2025.

Guaranty Fund Assessments

Under U.S. state guaranty association laws, certain insurance companies can be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of impaired or insolvent insurance companies that write the same line or similar lines of business. The amount of the guaranty fund assessment that an insurer is assessed is based on its proportionate share of premiums in that state. Guaranty fund assessments for the three-month periods ended March 31, 2026 and 2025 were immaterial.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity refers to the ability to generate sufficient cash resources to meet the payment obligations of the Company. Capital refers to the long-term financial resources available to support the operations of the businesses, fund business growth and provide for an ability to withstand adverse circumstances. Financial leverage (leverage) refers to a strategy of utilizing debt in managing the Company's capital structure and cost of capital. The Company targets and actively manages liquidity, capital and leverage in the context of a number of considerations, including:

- business investment and growth needs
- strategic growth objectives
- financial flexibility and obligations
- capital support for hedging activity
- a constantly evolving business and economic environment
- a balanced approach to capital allocation and deployment to shareholders

The governance framework supporting liquidity, capital, and leverage includes global senior management and board committees that review and approve all significant capital related decisions.

The Company remains committed to prudent liquidity and capital management. To provide a capital buffer and liquidity support at the holding company, the target minimum amount for the Parent Company is approximately $1.0 billion.

Aflac Japan and Aflac U.S. generate cash flows from their operations and provide the primary sources of liquidity to the Parent Company through management fees and dividends, with Aflac Japan being the largest contributor. The primary uses of cash by the Parent Company are shareholder dividends, the repurchase of its common stock, interest on its outstanding indebtedness and operating expenses.

The following table presents the amounts provided to the Parent Company for the three-month periods ended March 31.

Liquidity Provided by Subsidiaries to Parent Company

(In millions)	2026	2025
Management fees paid by subsidiaries	$ 46	$ 40
Dividends declared or paid by subsidiaries	503	1,154

The following table details Aflac Japan remittances, which are included in the totals above, for the three-month periods ended March 31.

Aflac Japan Remittances

(In millions of dollars and billions of yen)	2026	2025
Aflac Japan management fees paid to Parent Company	$ 21	$ 17
Aflac Japan dividends declared or paid to Parent Company (in U.S. dollars)	503	759
Aflac Japan dividends declared or paid to Parent Company (in yen)	¥ 80.2	¥ 113.3

The Company maintains liquidity at the Parent Company for risk management purposes and to support certain derivative activity. Further, the Company plans to continue to maintain a population of unhedged U.S. dollar-denominated investments at Aflac Japan and to consider whether the amount of such investments should be increased or decreased relative to the Company's view of economic equity surplus in Aflac Japan in light of potentially rising hedge costs and other factors. See the Hedging Activities subsection of this MD&A for additional information.

The Company believes that its balance of cash and cash equivalents and cash generated by operations will be sufficient to satisfy both its short-term and long-term cash requirements and plans for cash, including material cash requirements from known contractual obligations and returning capital to shareholders through share repurchases and dividends. For additional information, see the Liquidity and Capital Resources section of Item 7. MD&A in the 2025 Annual Report.

In addition to cash and cash equivalents, the Company also maintains senior note facility agreements, credit facilities (both intercompany and with external partners), and a number of other available tools to support liquidity needs on a global basis. In September 2024, the Parent Company filed a shelf registration statement with the SEC that allows the Company to issue an indefinite amount of debt securities, in one or more series, from time to time until September 2027. The Company believes outside sources for additional debt and equity capital, if needed, will continue to be available. The Company was in compliance with all of the covenants of its notes payable and lines of credit at March 31, 2026. For additional information, see Note 9 of the Notes to the Consolidated Financial Statements.

As part of enterprise-wide capital management and optimization, the Company also utilizes the intercompany reinsurance platform to execute internal reinsurance transactions with Aflac Re. For additional information, see Note 8 of the Notes to the Consolidated Financial Statements.

The Company's consolidated financial statements convey its financing arrangements during the periods presented. The Company has not engaged in material intra-period short-term financings during the periods presented that are not otherwise reported in its balance sheet or disclosed therein. As of March 31, 2026, the Company had no material letters of credit, standby letters of credit, guarantees or standby repurchase obligations. The Company has not entered into transactions involving the transfer of financial assets with an obligation to repurchase financial assets that have been accounted for as a sale under applicable accounting standards, including securities lending transactions. See Notes 3 and 4 of the Notes to the Consolidated Financial Statements and Notes 1, 3, and 4 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report for additional information on the Company's securities lending and derivative activities. See Note 15 of the Notes to the Consolidated Financial Statements in the 2025 Annual Report for information on material unconditional purchase obligations that are not recorded on the Company's balance sheet. With the exception of disclosed activities in those referenced footnotes and the Risk Factors in the 2025 Annual Report entitled, "The Company is exposed to foreign currency fluctuations in the yen/dollar exchange rate" and "Lack of availability of acceptable yen-denominated investments could adversely affect the Company's results of operations, financial position or liquidity," the Company is not aware of any trend, demand, commitment, event or uncertainty that would reasonably result in its liquidity increasing or decreasing by a material amount.

Consolidated Cash Flows

The Company consistently generates positive cash flows from operations, and has the ability to adjust cash flow management from other sources of liquidity including reinvestment cash flows and selling investments in order to meet short-term cash needs.

The Company translates cash flows for Aflac Japan's yen-denominated items into U.S. dollars using weighted-average foreign exchange rates. In periods when the Japanese yen weakens, translating Japanese yen into U.S. dollars causes fewer U.S. dollars to be reported. When the Japanese yen strengthens, translating Japanese yen into U.S. dollars causes more U.S. dollars to be reported.

The following table summarizes consolidated cash flows by activity for the three-month periods ended March 31.

(In millions)	**2026**	2025
Operating activities	**$ 968**	$ 589
Investing activities	**244**	(359)
Financing activities	**(1,762)**	(1,261)
Exchange effect on cash and cash equivalents	**(41)**	33
Net change in cash and cash equivalents	**$ (591)**	$ (998)

Operating Activities

The principal cash inflows for the Company's insurance activities come from insurance premiums and investment income. The principal cash outflows are the result of policy claims, operating expenses, income tax, as well as interest expense. As a result of policyholder aging, claims payments are expected to gradually increase over the life of a policy. Therefore, future policy benefit reserves are accumulated in the early years of a policy and are designed to help fund future claims payments.

The Company expects its future cash flows from premiums and investment portfolios to be sufficient to meet its cash needs for benefits and expenses.

Investing Activities

The Company's investment objectives provide for liquidity primarily through the purchase of publicly traded investment-grade fixed maturity securities. Prudent portfolio management dictates that the Company attempts to match the duration of its assets with the duration of its liabilities. Currently, when the Company's fixed maturity securities mature, the proceeds may be reinvested at a yield below that required for the accretion of policy benefit liabilities on policies issued in earlier years. However, the long-term nature of the Company's business and its strong cash flows provide the Company with the ability to minimize the effect of mismatched durations and/or yields identified by various asset adequacy analyses. From time to time or when market opportunities arise, the Company disposes of selected fixed maturity securities that are available-for-sale to improve the duration matching of assets and liabilities, improve future investment yields, and/or rebalance its portfolio. As a result, dispositions before maturity can vary significantly from year to year.

As part of its overall corporate strategy, the Company has committed up to $400 million to Aflac Ventures, LLC (Aflac Ventures) as opportunities emerge, of which approximately $298 million has been deployed as of March 31, 2026. Aflac Ventures is a subsidiary of Aflac Global Ventures, LLC (Aflac Global Ventures) which is reported in Corporate and other. The central mission of Aflac Global Ventures is to support the organic growth and business development needs of Aflac Japan and Aflac U.S. with an emphasis on digital applications designed to improve the customer experience, gain efficiencies, and develop new markets in an effort to enhance and defend long-term shareholder value. Investments are included in equity securities or other investments in the consolidated balance sheets.

As part of an arrangement with Federal Home Loan Bank of Atlanta (FHLB), Aflac U.S. obtains low-cost investment funding from FHLB supported by acceptable forms of collateral pledged by Aflac U.S. In the first three months of 2026, Aflac U.S. borrowed and repaid $112 million under this program. As of March 31, 2026, Aflac U.S. had outstanding borrowings of $532 million reported in its balance sheet.

See Note 3 of the Notes to the Consolidated Financial Statements for details on certain investment commitments.

Financing Activities

Cash flows from financing activities consist primarily of share repurchases, dividends to shareholders and, from time to time, debt issuances and redemptions.

See Note 9 of the Notes to the Consolidated Financial Statements for information on debt issuances and redemptions.

Cash returned to shareholders through treasury stock purchases and dividends was $1.3 billion during the three-month period ended March 31, 2026, compared with $1.2 billion during the three-month period ended March 31, 2025.

The following tables present a summary of treasury stock activity during the three-month periods ended March 31.

Treasury Stock Purchased

(In millions of dollars and thousands of shares)	**2026**	2025
Treasury stock purchases	**$ 1,000**	$ 900
Number of shares purchased:		
Share repurchase program	**9,013**	8,497
Other	**353**	398
Total shares purchased	**9,366**	8,895

Treasury Stock Issued

(In millions of dollars and thousands of shares)	**2026**	2025
Stock issued from treasury:		
Cash financing	**$ 4**	$ 4
Noncash financing	**22**	23
Total stock issued from treasury	**$ 26**	$ 27
Number of shares issued	**353**	435

As of March 31, 2026, a remaining balance of 105.3 million shares of the Company's common stock were available for purchase under share repurchase authorizations by its board of directors.

Cash dividends paid to shareholders were $.61 per share in the first quarter of 2026, compared with $.58 per share in the first quarter of 2025. The following table presents the dividend activity for the three-month periods ended March 31.

(In millions)	**2026**	2025
Dividends paid in cash	**$ 304**	$ 306
Dividends through issuance of treasury shares	**11**	11
Total dividends to shareholders	**$ 315**	$ 317

In April 2026, the board of directors declared the second quarter cash dividend of $.61 per share, an increase of 5.2% compared with the same period in 2025. The dividend is payable on June 1, 2026 to shareholders of record at the close of business on May 20, 2026.

Regulatory Restrictions

Aflac Japan

Aflac Japan is required to meet certain financial criteria as governed by the Companies Act of Japan in order to provide dividends to the Parent Company. Under these criteria, dividend capacity at Aflac Japan is defined as total equity excluding common stock and capital reserves but reduced for net after-tax unrealized losses on available-for-sale securities. These dividend capacity requirements are generally aligned with the Economic Solvency Ratio (ESR). Japan's Financial Services Agency (FSA) maintains its own solvency standard which is quantified through the ESR. Aflac Japan's ESR is sensitive to interest rate, credit spread, and foreign exchange rate changes; therefore, the Company continues to evaluate alternatives for reducing this sensitivity, including the reduction of subsidiary dividends paid to the Parent Company and Parent Company capital contributions. In the event of a rapid change in market risk conditions causing ESR to decline, or in the event of reduced liquidity, the Company has a senior unsecured revolving credit facility in the amount of ¥100 billion as a contingency plan. See Note 9 of the Notes to the Consolidated Financial Statements for additional information. Additionally, subject to market conditions, the Company expects that it could take action to enter into derivatives on unhedged U.S. dollar-denominated investments with foreign currency options or forwards or execute additional reinsurance transactions.

The FSA has introduced an economic value-based solvency regulation as a new prudential regulatory framework for insurance companies, effective from the fiscal year-end of 2025. Under this regulation, assets and liabilities are measured on an economic value basis, and insurers are required to calculate and disclose the ESR as a key indicator of their solvency position. Aflac Japan plans to make its initial disclosure of the ESR as of March 31, 2026, in accordance with this regulation, with the first disclosure scheduled for the end of July 2026.

Aflac U.S.

A life insurance company’s statutory capital and surplus is determined according to rules prescribed by the National Association of Insurance Commissioners (NAIC), as modified by the insurance department in the insurance company’s state of domicile. Statutory accounting rules are different from U.S. GAAP and are intended to emphasize policyholder protection and company solvency. The continued long-term growth of the Company's business may require increases in the statutory capital and surplus of its insurance operations. The Company's insurance operations may secure additional statutory capital through various sources, such as internally generated statutory earnings, reduced dividends paid to the Parent Company, capital contributions by the Parent Company from funds generated through debt or equity offerings, or reinsurance transactions. The NAIC’s Risk-based capital (RBC) formula is used by insurance regulators to help identify inadequately capitalized insurance companies. The RBC formula quantifies insurance risk, business risk, asset risk and interest rate risk by weighing the types and mixtures of risks inherent in the insurer’s operations. As of March 31, 2026, Aflac U.S.'s combined RBC ratio remains high and reflects a strong capital and surplus position.

Aflac, CAIC and TOIC are domiciled in Nebraska and are subject to its regulations. The maximum amount of dividends that can be paid to the Parent Company by Aflac, CAIC and TOIC without prior approval of Nebraska's director of insurance is the greater of the net income from operations, which excludes net investment gains, for the previous year determined under statutory accounting principles, or 10% of statutory capital and surplus as of the previous year-end. Dividends declared by Aflac during 2026 in excess of $664 million would be considered extraordinary and require such approval. Similar laws apply in New York, the domiciliary jurisdiction of Aflac New York.

Corporate and Other

Aflac Re is licensed by the BMA as a Class E long-term insurer and is subject to the Bermuda Insurance Act of 1978 (Bermuda Insurance Act). Aflac Re is required to file annual and quarterly returns for its Bermuda Solvency Capital Requirement (BSCR) which utilizes an Economic Balance Sheet (EBS) framework to determine Aflac Re’s Enhanced Capital Requirement (ECR). Aflac Re is also subject to a Minimum Margin of Solvency (MSM) related to its statutory financial statements. The MSM is equal to the greater of $8,000,000; 2% of the first $500,000,000 of assets under management plus 1.5% of the amount by which assets exceed $500,000,000; or 25% of ECR.

Under the Bermuda Insurance Act, Aflac Re is prohibited from paying dividends in an amount that exceeds 25% of the prior year's statutory capital and surplus without an affidavit stating that Aflac Re will continue to meet its solvency margin. Further, Aflac Re may not reduce its total statutory capital by 15% or more without prior regulatory approval. Additionally, Aflac Re is not permitted to pay any dividends that would cause Aflac Re to fail to meet its minimum capital requirements.

Other

For information regarding commitments and contingent liabilities, see Note 13 of the Notes to the Consolidated Financial Statements.

Additional Information

Investors should note that the Company announces material financial information in its SEC filings, press releases and public conference calls. In accordance with SEC guidance, the Company may also use the Investor Relations section of the Company's website (http://investors.aflac.com) to communicate with investors about the Company. It is possible that the financial and other information the Company posts there could be deemed to be material information. The information on the Company's website is not part of this document. Further, the Company's references to website URLs are intended to be inactive textual references only.

CRITICAL ACCOUNTING ESTIMATES

The Company prepares its financial statements in accordance with U.S. GAAP. These principles are established primarily by the Financial Accounting Standards Board (FASB). In this MD&A, references to U.S. GAAP issued by the FASB are derived from the FASB Accounting Standards Codification™ (ASC). The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates based on currently available information when recording transactions resulting from business operations. The estimates that the Company deems to be most critical to an understanding of its results of operations and financial condition are those related to the valuation of investments and derivatives, DAC, liabilities for future policy benefits (LFPB), and income taxes. The preparation and evaluation of these critical accounting estimates involve the use of various assumptions developed from management's analyses and judgments. Calculations of DAC and the LFPB require the use of estimates based on actuarial valuation techniques. The application of these critical accounting estimates determines the values at which 92% of the Company's assets and 72% of its liabilities are reported as of March 31, 2026, and thus has a direct effect on net earnings and shareholders' equity. Subsequent experience or use of other assumptions could produce significantly different results.

There have been no changes in the items the Company has identified as critical accounting estimates during the three-month period ended March 31, 2026. For additional information, see the Critical Accounting Estimates section of Item 7. MD&A included in the 2025 Annual Report.

New Accounting Pronouncements

For information on new accounting pronouncements and the impact, if any, on the Company's financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed primarily to the following types of market risks: currency risk, interest rate risk, credit risk and equity risk. The Company regularly monitors its market risks and uses a variety of strategies to manage its exposure to these market risks. A description of the Company's market risk exposures may be found under "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A, of the 2025 Annual Report. There have been no material changes to the Company's market risk exposures from the market risk exposures previously disclosed in the 2025 Annual Report.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this quarterly report (the Evaluation Date). Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the first fiscal quarter of 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

During the first three months of 2026, the Parent Company repurchased shares of its common stock as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31	1,860,765	$ 109.54	1,860,642	112,463,402
February 1 - February 28	3,406,161	114.11	3,059,068	109,404,334
March 1 - March 31	4,099,148	109.23	4,092,944	105,311,390
Total	9,366,074 (1)	$ 111.07	9,012,654	105,311,390 (2)

(1) *During the first three months of 2026, 353,420 shares were purchased in connection with income tax withholding obligations related to the vesting of restricted-share-based awards during the period.*

(2) *The total remaining shares available for purchase at March 31, 2026, consisted of 5,311,390 shares related to a 100,000,000 share repurchase authorization by the board of directors announced in November 2022 and 100,000,000 shares related to a 100,000,000 share repurchase authorization by the board of directors announced in August 2025.*

Item 5. Other Information

Insider Trading Arrangements

During the first quarter of 2026, no directors or executive officers adopted or terminated a contract, instruction or written plan for the purchase or sale of the Parent Company's securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement as defined in Regulation S-K Item 408(c).

Item 6. Exhibits

(a) EXHIBIT INDEX

3.0	-	Articles of Incorporation, as amended – incorporated by reference from Form 10-Q for June 30, 2008, Exhibit 3.0.
3.1	-	Bylaws of Aflac Incorporated, as amended and restated – incorporated by reference from Form 8-K dated November 17, 2023, Exhibit 3.1.
10.1	-	U.S. Form of Employee Restricted Stock Award Agreement (RSA) under the Aflac Incorporated Long-Term Incentive Plan, as amended and restated February 14, 2017.
10.2	-	U.S. Form of Employee Restricted Stock Award Agreement (RSU) under the Aflac Incorporated Long-Term Incentive Plan, as amended and restated February 14, 2017.
10.3	-	Japan Form of Employee Restricted Stock Award Agreement under the Aflac Incorporated Long-Term Incentive Plan, as amended and restated February 14, 2017.
31.1	-	Certification of CEO dated May 6, 2026, required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.
31.2	-	Certification of CFO dated May 6, 2026, required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.
32	-	Certification of CEO and CFO dated May 6, 2026, pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	-	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	-	Inline XBRL Taxonomy Extension Schema.
101.CAL	-	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	-	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	-	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	-	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	-	Cover Page Interactive Data File - formatted as Inline XBRL and contained in Exhibit 101.

Glossary of Selected Terms

Throughout this Quarterly Report on Form 10-Q, the Company may use certain performance metrics and other terms which are defined below.

Adjusted net investment income is net investment income adjusted for i) amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity and ii) net interest income/expense from foreign currency and interest rate derivatives associated with certain investment strategies, which are reclassified from net investment gains and losses to net investment income. The Company considers adjusted net investment income important because it provides a more comprehensive understanding of the costs and income associated with the Company's investments and related hedging strategies. The metric is used in segment reporting as a component of segment profitability.

Affiliated corporate agency is an agency in Japan directly affiliated with a specific corporation that sells insurance policies primarily to its employees.

Annualized premiums in force is the amount of gross premium that a policyholder must pay over a full year in order to keep coverage. The growth of net earned premiums is directly affected by the change in premiums in force and by the change in weighted-average yen/dollar exchange rates. Management uses this measure as a key indicator of source of earnings.

Average weekly producer is the total number of writing agents, including brokers, in the U.S. who have produced greater than $0.00 during the production week - excluding any manual adjustments - divided by the number of weeks in the time period. The Company believes this metric allows sales management to monitor progress and needs, as well as serve as a leading indicator of future production capacity.

Capital buffer is an established dollar amount of liquidity at the Parent Company reserved for injecting capital into the insurance entities or general liquidity support for general expenses at the Parent Company.

Cancer policies in force are the number of policies attributable to cancer products currently in force at the end of the period for Aflac Japan. The number of policies increases with new sales and decreases with terminations. Management uses this number to measure the growth in Aflac Japan's cancer product line by policy count

Earnings per basic share is net earnings divided by weighted-average number of shares outstanding for the period.

Earnings per diluted share is 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.

Economic Solvency Ratio (ESR) is an economic value-based soundness indicator that demonstrates whether the insurance company has sufficient capital to cover future risks. Assets and liabilities are evaluated at economic value, the risk amount incurred in a stressed environment is measured, and the capital sufficiency for this risk is assessed. The ESR level, which is the basis for supervisory intervention by the authorities, is set at 100%.

Group insurance is 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 is insurance issued to an individual with the policy designed to cover that person and his or her dependents.

Liquidity support is an internally defined and established dollar amount of liquidity reserved for supporting potential collateral and settlements of derivatives at the Parent Company and short-term funding needs.

Net investment income is the income derived from interest and dividends on invested assets, after deducting investment expenses.

Net earned premiums is a financial measure that appears on the Company's consolidated statements of earnings and in its segment reporting. This measure reflects collected or due premiums that have been earned ratably on policies in force during the reporting period, reduced by premiums that have been ceded to third parties and increased by premiums assumed through reinsurance.

New annualized premium sales are sometimes referred to as new sales or sales. An operating measure that is not reflected on the Company's financial statements. New annualized premium sales generally represent annual premiums on policies and riders the Company sold and incremental increases from policy conversions that would be collected over a 12-month period assuming the policies remain in force for that entire period. For Aflac Japan, new annualized premium sales are determined by applications submitted during the reporting period. For Aflac U.S., new annualized premium sales are determined by applications that are issued during the reporting period. Policy conversions are defined as the positive difference in the annualized premium when a policy upgrades in the current reporting period. The Company believes that this metric is a key indicator of the Company's future source of earnings.

New money yield is gross yields earned on purchases of fixed maturities, loan receivables, and equities. Purchases exclude capitalized interest, securities lending/repurchase agreements, short-term/cash activity, and alternatives. New money yield for equities is based on the assumed dividend yield at the time of purchase. The new money yield for Aflac Japan excludes the impact of any derivatives and associated amortized hedge costs associated with USD-denominated investments. Management uses this metric as a leading indicator of future investment earning potential.

Operating ratios are used to evaluate the Company's financial condition and profitability. Examples include: (1) Ratios to total adjusted revenues, which present expenses as percentage of total revenues and (2) Ratios to total premium, including benefit ratio. Operating ratios include: Benefit Ratio and Expense Ratio.

Policies in force are the number of policies currently in force at the end of the period for Aflac Japan. The number of policies increases with new sales and decreases with terminations. Management uses this number to measure the growth in the Company's business by policy count.

Portfolio book yield expressed as a percentage of the investments' book value, represents the gross return expected to be realized on a security at a point in time and is calculated for fixed maturity securities, commercial mortgage and other loans and equity securities. It excludes amortized hedge costs, investments in limited partnerships and short-term securities. The yield assumes any early redemption options will be exercised. Management uses this metric to measure the future total return on the portfolio.

Premium persistency is the percentage of premiums remaining in force at the end of a period, usually one year, and presented on a trailing 12-month average basis. For example, 95% persistency would mean that 95% of the premiums in force at the beginning of a period are still in force at the end of the period. The Company believes that this metric is a key driver of in force levels, which is a key measure of the size of the Company's business and future sources of earnings.

Pretax adjusted earnings are earnings as adjusted before the application of income taxes. This measure is used in the Company's segment reporting.

Pretax adjusted profit margin is adjusted earnings divided by adjusted revenues, before taxes are applied. This measure is used in the Company's segment reporting.

Return on average invested assets is net investment income as a percentage of average invested assets during the period. Management uses this metric to demonstrate how the Company's actual net investment income results represent an overall return on the portfolio to provide a more comparative metric as the size of the Company's investment portfolio changes over time.

Risk-based Capital (RBC) Ratio is 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.

Statutory earnings are earnings determined according to accounting rules prescribed by the National Association of Insurance Commissioners (NAIC), as modified by the insurance department in the insurance company’s state of domicile. These statutory accounting rules are different from U.S. GAAP and are intended to emphasize policyholder protection and company solvency.

Weighted-average foreign exchange rate is Japan segment operating earnings for the period (excluding hedge costs) in yen divided by Japan segment operating earnings for the period (excluding hedge costs) in U.S. dollars. Management uses this metric to evaluate and determine consolidated results on foreign currency effective basis.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Aflac Incorporated

May 6, 2026	/s/ ***Max K. Brodén***
	(Max K. Brodén) Senior Executive Vice President; Chief Financial Officer
May 6, 2026	/s/ ***Robin L. Blackmon***
	(Robin L. Blackmon) Senior Vice President, Financial Services; Chief Accounting Officer

EMPLOYEE RESTRICTED STOCK AWARD AGREEMENT

AFLAC INCORPORATED
Columbus, Georgia 31999
(hereinafter called “the Company”)

#ParticipantName#

This Employee Restricted Stock Award Agreement (the “Agreement”) is made effective as of **#GrantDate#**, by and between the “Company” and **#ParticipantName#** (the “Participant”), subject to the terms and conditions of this Agreement, the attached Notice of Grant of Restricted Stock (the “Notice of Grant”), which forms a part hereof, and the Aflac Incorporated Long-Term Incentive Plan (as Amended and Restated February 14, 2017) and its amendment dated August 9, 2022 (the “Plan”).

A. Award. The Company hereby grants to the Participant a Restricted Stock Award of **#QuantityGranted#** shares (each, a “share”) of Aflac Incorporated Common Stock, par value $.10 per share, subject to the terms and conditions set forth herein and in the Plan. The Award is subject to adjustment from time to time as provided in Section 3(c) of the Plan.

B. Restrictions on Transfer. Until the restrictions on transfer of the shares lapse as provided in Paragraph D below, or as otherwise provided in the Plan, no transfer of the shares or any of the Participant’s rights with respect to such shares, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted.

C. Forfeiture. Except as otherwise provided in Paragraph D below, upon termination of the Participant’s employment with the Company and all of its Affiliates, any shares as to which the restrictions on transferability have not lapsed pursuant to Paragraph D below, or as otherwise provided in the Plan, shall be immediately forfeited by the Participant and transferred to, and reacquired by, the Company without consideration of any kind. In the case of a Participant who served as a non-employee sales associate of an Affiliate of the Company immediately before becoming an employee, if such Participant voluntarily terminates employment with the Company or an Affiliate but continues immediately thereafter to perform *bona fide* services for an Affiliate as a sales associate, the Participant shall be treated as continuing employment with the Company or an Affiliate for purposes of this Agreement. If the Committee or its delegate determines, in its sole discretion, that such a Participant is no longer providing *bona fide* services to an Affiliate as a sales associate, the Participant shall be deemed to have terminated employment for purposes of this Agreement on the date as of which such services are determined to have ceased. The Committee may require the Participant to provide such evidence of continuing services as it deems appropriate. The Committee may establish policies and procedures to be followed by the Committee or its delegate in determining whether a Participant is providing *bona fide* services as a sales associate, and such policies (including any amendments or modifications thereto) shall be considered part of this Agreement and shall be binding on the Participant.

D. Vesting. The shares shall vest as set forth in the Notice of Grant; provided that (i) the shares shall vest immediately upon the death of the Participant while employed by the Company or any Affiliate, and (ii) any service-based vesting requirement shall be deemed fully satisfied upon the Participant’s Disability, or as a result of retirement eligibility upon the latest of (A) the one-year anniversary of the grant date, (B) the Participant’s attainment of age 65 or older while employed with the Company and its Affiliates, or (C) the Participant’s attainment of age 55 and completion of 10 Years of Service while employed with the Company and its Affiliates. In the event of deemed satisfaction of the service-based vesting requirement due to Disability or retirement eligibility, to the extent performance vesting goals are established in respect of the shares, any shares as to which the restrictions on transferability have not lapsed shall vest at the end of the performance period to the extent the performance vesting goals are satisfied; provided, to the extent (1) such performance vesting goals are not satisfied at the end of the performance period, or (2) the Committee determines before the end of the performance period such performance vesting goals will not be attained, such shares will be forfeited. For the purposes of this Paragraph D, “Disability” means a physical or mental condition either (i) that qualifies the Participant for long-term disability benefits under a long-term disability plan maintained by the Company or an Affiliate employing the Participant; or (ii) if earlier or if the Participant is not covered by such a plan, that the Company determines would qualify the Participant for disability benefits under the U.S. Social Security system (whether or not the Participant is covered by such system or is found by the U.S. Social Security Administration to be so qualified). For the purposes of this Paragraph D, "Years of Service" means a Participant's complete 12-month periods of continuous employment (excluding any periods in which the Participant incurs a break in service) with the Company and its Affiliates. A Participant's Years of Service shall include employment by a predecessor employer whose stock or substantially all of whose assets are acquired by the Company, to the extent determined by the Committee or its designee. Upon vesting, as described above in this Paragraph D, and within thirty (30) days thereafter, the shares shall be released (paid) to the Participant free of the restrictions described in this Agreement.

E. Miscellaneous.

1. Book Entry. Until the restrictions on transfer have lapsed, the shares shall be held in book-entry form by the Company, as nominee for all Participants. **A copy of the Plan and Agreement is on file in the office of the Secretary of Aflac Incorporated, 1932 Wynnton Road, Columbus, GA 31999.**

Reasonably promptly after the restrictions on transferability of the shares have lapsed, the Company shall cause the shares to be registered directly in the name of the Participant.

2. No Additional Rights. Neither this Agreement nor any of the transactions contemplated hereby shall affect any right of the Participant to continue as an employee of the Company or any Affiliate or otherwise to provide services to the Company or any Affiliate or any of the terms or conditions of any such service.

3. Notices. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) by mail, or (c) by electronic communication. The addresses for such notices shall be set out in the Notice of Grant. Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

4. Section 83(b) Election. The Participant acknowledges that it is the Participant's sole responsibility and not the Company's responsibility to file timely any election under Section 83(b) of the Internal Revenue Code of 1986, as amended, even if the Participant requests the Company or its agents to make this filing on the Participant's behalf. The Participant shall notify the Secretary of the Company of any such election within ten (10) days of filing notice of the election with the Internal Revenue Service.

5. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

6. Incorporation of Plan. The Plan is hereby incorporated by reference into this Agreement and made a part hereof, and the shares and this Agreement shall be subject to all terms and conditions of the Plan.

7. Amendments. The Committee may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Participant hereunder without the Participant's consent.

8. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

9. Rights as a Stockholder. Subject to the restrictions set forth in the Plan and this Agreement, the Participant shall possess all incidents of ownership with respect to the shares, including the right to vote such shares, provided that all dividends with respect to such shares will be recorded as additional Restricted Stock and held by the nominee until the restrictions on the underlying shares shall have lapsed. Upon vesting of the underlying shares, as described in Paragraph D above, and within thirty (30) days thereafter, the additional Restricted Stock attributable to dividends on the underlying shares shall be released (paid) to the Participant free of the restrictions described in this Agreement.

10. Authority of the Board. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive.

11. Representations. The Participant hereby acknowledges that the Participant has reviewed with the Participant's own tax advisors the Federal, state, local and foreign tax consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that the Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

12. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement and that the Participant has read and understands the terms and provisions thereof, and accepts the shares subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

13. Authorization. The Participant hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to take such steps as may be necessary to carry out any of the transactions contemplated by this Agreement, including without limitation the transfer of the shares to the Company upon their forfeiture by the Participant.

14. Withholding Requirements. The Company's obligations under this Agreement shall be subject to all applicable tax and other withholding requirements, and the Company shall, to the extent permitted by law, have the right to deduct any withholding amounts from any payment or transfer of any kind otherwise due to the Participant (including the shares).

15. Certain Defined Terms. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan.

16. Interpretation. Headings to provisions of this Agreement are intended for convenience of reference only and shall have no effect on the interpretation of this Agreement.

17. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the other provisions of this Agreement shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in this Agreement.

18. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, except to the extent that federal law is controlling.

AFLAC INCORPORATED
By: Daniel P. Amos
Title: Chairman and Chief Executive Officer

EMPLOYEE RESTRICTED STOCK AWARD AGREEMENT

AFLAC INCORPORATED
Columbus, Georgia 31999
(hereinafter called “the Company”)

#ParticipantName#

This Employee Restricted Stock Award Agreement (the “Agreement”) is made effective as of **#GrantDate#**, by and between the “Company” and **#ParticipantName#** (the “Participant”), subject to the terms and conditions of this Agreement, the attached Notice of Grant of Restricted Stock (the “Notice of Grant”), which forms a part hereof, and the Aflac Incorporated Long-Term Incentive Plan (as Amended and Restated February 14, 2017) and its amendment dated August 9, 2022 (the “Plan”).

A. Award. The Company hereby grants to the Participant a Restricted Stock Award of **#QuantityGranted#** shares (each, a “share”) of Aflac Incorporated Common Stock, par value $.10 per share, subject to the terms and conditions set forth herein and in the Plan. The Award is subject to adjustment from time to time as provided in Section 3(c) of the Plan.

B. Restrictions on Transfer. Until the restrictions on transfer of the shares lapse as provided in Paragraph D below, or as otherwise provided in the Plan, no transfer of the shares or any of the Participant’s rights with respect to such shares, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted.

C. Forfeiture. Except as otherwise provided in Paragraph D below, upon termination of the Participant’s employment with the Company and all of its Affiliates, any shares as to which the restrictions on transferability have not lapsed pursuant to Paragraph D below, or as otherwise provided in the Plan, shall be immediately forfeited by the Participant and transferred to, and reacquired by, the Company without consideration of any kind. In the case of a Participant who served as a non-employee sales associate of an Affiliate of the Company immediately before becoming an employee, if such Participant voluntarily terminates employment with the Company or an Affiliate but continues immediately thereafter to perform *bona fide* services for an Affiliate as a sales associate, the Participant shall be treated as continuing employment with the Company or an Affiliate for purposes of this Agreement. If the Committee or its delegate determines, in its sole discretion, that such a Participant is no longer providing *bona fide* services to an Affiliate as a sales associate, the Participant shall be deemed to have terminated employment for purposes of this Agreement on the date as of which such services are determined to have ceased. The Committee may require the Participant to provide such evidence of continuing services as it deems appropriate. The Committee may establish policies and procedures to be followed by the Committee or its delegate in determining whether a Participant is providing *bona fide* services as a sales associate, and such policies (including any amendments or modifications thereto) shall be considered part of this Agreement and shall be binding on the Participant.

D. Vesting. The shares shall vest as set forth in the Notice of Grant; provided that (i) the shares shall vest immediately upon the death of the Participant while employed by the Company or any Affiliate, and (ii) any service-based vesting requirement shall be deemed fully satisfied upon the Participant’s Disability, or as a result of retirement eligibility upon the latest of (A) the one-year anniversary of the grant date, (B) the Participant’s attainment of age 65 or older while employed with the Company and its Affiliates, or (C) the Participant’s attainment of age 55 and completion of 10 Years of Service while employed with the Company and its Affiliates. In the event of deemed satisfaction of the service-based vesting requirement due to Disability or retirement eligibility, to the extent performance vesting goals are established in respect of the shares, any shares as to which the restrictions on transferability have not lapsed shall vest at the end of the performance period to the extent the performance vesting goals are satisfied; provided, to the extent (1) such performance vesting goals are not satisfied at the end of the performance period, or (2) the Committee determines before the end of the performance period such performance vesting goals will not be attained, such shares will be forfeited. For the purposes of this Paragraph D, “Disability” means a physical or mental condition either (i) that qualifies the Participant for long-term disability benefits under a long-term disability plan maintained by the Company or an Affiliate employing the Participant; or (ii) if earlier or if the Participant is not covered by such a plan, that the Company determines would qualify the Participant for disability benefits under the U.S. Social Security system (whether or not the Participant is covered by such system or is found by the U.S. Social Security Administration to be so qualified). For the purposes of this Paragraph D, "Years of Service" means a Participant's complete 12-month periods of continuous employment (excluding any periods in which the Participant incurs a break in service) with the Company and its Affiliates. A Participant's Years of Service shall include employment by a predecessor employer whose stock or substantially all of whose assets are acquired by the Company, to the extent determined by the Committee or its designee. Upon vesting, as described above in this Paragraph D, and within thirty (30) days thereafter, the shares shall be released (paid) to the Participant free of the restrictions described in this Agreement.

E. Miscellaneous.

1. Book Entry. Until the restrictions on transfer have lapsed, the shares shall be held in book-entry form by the Company, as nominee for all Participants. **A copy of the Plan and Agreement is on file in the office of the Secretary of Aflac Incorporated, 1932 Wynnton Road, Columbus, GA 31999.**

Reasonably promptly after the restrictions on transferability of the shares have lapsed, the Company shall cause the shares to be registered directly in the name of the Participant.

2. No Additional Rights. Neither this Agreement nor any of the transactions contemplated hereby shall affect any right of the Participant to continue as an employee of the Company or any Affiliate or otherwise to provide services to the Company or any Affiliate or any of the terms or conditions of any such service.

3. Notices. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) by mail, or (c) by electronic communication. The addresses for such notices shall be set out in the Notice of Grant. Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

4. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

5. Incorporation of Plan. The Plan is hereby incorporated by reference into this Agreement and made a part hereof, and the shares and this Agreement shall be subject to all terms and conditions of the Plan.

6. Amendments. The Committee may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Participant hereunder without the Participant's consent.

7. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

8. Rights as a Stockholder. Subject to the restrictions set forth in the Plan and this Agreement, the Participant shall possess all incidents of ownership with respect to the shares, including the right to vote such shares, provided that all dividends with respect to such shares will be recorded as additional Restricted Stock and held by the nominee until the restrictions on the underlying shares shall have lapsed. Upon vesting of the underlying shares, as described in Paragraph D above, and within thirty (30) days thereafter, the additional Restricted Stock attributable to dividends on the underlying shares shall be released (paid) to the Participant free of the restrictions described in this Agreement.

9. Authority of the Board. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive.

10. Representations. The Participant hereby acknowledges that the Participant has reviewed with the Participant's own tax advisors the Federal, state, local and foreign tax consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any

statements or representations of the Company or any of its agents. The Participant understands that the Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

11. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement and that the Participant has read and understands the terms and provisions thereof, and accepts the shares subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

12. Authorization. The Participant hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to take such steps as may be necessary to carry out any of the transactions contemplated by this Agreement, including without limitation the transfer of the shares to the Company upon their forfeiture by the Participant.

13. Withholding Requirements. The Company's obligations under this Agreement shall be subject to all applicable tax and other withholding requirements, and the Company shall, to the extent permitted by law, have the right to deduct any withholding amounts from any payment or transfer of any kind otherwise due to the Participant (including the shares).

14. Certain Defined Terms. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan.

15. Interpretation. Headings to provisions of this Agreement are intended for convenience of reference only and shall have no effect on the interpretation of this Agreement.

16. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the other provisions of this Agreement shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in this Agreement.

17. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, except to the extent that federal law is controlling.

AFLAC INCORPORATED
By: Daniel P. Amos
Title: Chairman and Chief Executive Officer

EMPLOYEE RESTRICTED STOCK AWARD AGREEMENT

AFLAC INCORPORATED
Columbus, Georgia 31999
(hereinafter called "the Company")

#ParticipantName#

This Employee Restricted Stock Award Agreement (the "Agreement") is made effective as of **#GrantDate#**, by and between the "Company" and **#ParticipantName#** (the "Participant"), subject to the terms and conditions of this Agreement, the attached Notice of Grant of Restricted Stock (the "Notice of Grant"), which forms a part hereof, and the Aflac Incorporated Long-Term Incentive Plan (as Amended and Restated February 14, 2017) and its amendment dated August 9, 2022 (the "Plan").

A. Award. The Company hereby grants to the Participant a Restricted Stock Award of **#QuantityGranted#** shares (each, a "share") of Aflac Incorporated Common Stock, par value $.10 per share, subject to the terms and conditions set forth herein and in the Plan. The Award is subject to adjustment from time to time as provided in Section 3(c) of the Plan.

B. Restrictions on Transfer. Until the restrictions on transfer of the shares lapse as provided in Paragraph D below, or as otherwise provided in the Plan, no transfer of the shares or any of the Participant's rights with respect to such shares, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted.

C. Forfeiture. Except as otherwise provided in Paragraph D below, upon termination of the Participant's employment with the Company and all of its Affiliates, any shares as to which the restrictions on transferability have not lapsed pursuant to Paragraph D below, or as otherwise provided in the Plan, shall be immediately forfeited by the Participant and transferred to, and reacquired by, the Company without consideration of any kind. In the case of a Participant who served as a non-employee sales associate of an Affiliate of the Company immediately before becoming an employee, if such Participant voluntarily terminates employment with the Company or an Affiliate but continues immediately thereafter to perform *bona fide* services for an Affiliate as a sales associate, the Participant shall be treated as continuing employment with the Company or an Affiliate for purposes of this Agreement. If the Committee or its delegate determines, in its sole discretion, that such a Participant is no longer providing *bona fide* services to an Affiliate as a sales associate, the Participant shall be deemed to have terminated employment for purposes of this Agreement on the date as of which such services are determined to have ceased. The Committee may require the Participant to provide such evidence of continuing services as it deems appropriate. The Committee may establish policies and procedures to be followed by the Committee or its delegate in determining whether a Participant is providing *bona fide* services as a sales associate, and such policies (including any amendments or modifications thereto) shall be considered part of this Agreement and shall be binding on the Participant.

D. Vesting. The shares shall vest as set forth in the Notice of Grant; provided that (i) the shares shall vest immediately upon the death of the Participant while employed by the Company or any Affiliate, and (ii) any service-based vesting requirement shall be deemed fully satisfied upon the Participant's Disability, or as a result of retirement eligibility upon the latest of (A) the one-year anniversary of the grant date, or (B) the Participant's attainment of age 60 or older while employed with the Company and its Affiliates. In the event of deemed satisfaction of the service-based vesting requirement due to Disability or retirement eligibility, to the extent performance vesting goals are established in respect of the shares, any shares as to which the restrictions on transferability have not lapsed shall vest at the end of the performance period to the extent the performance vesting goals are satisfied; provided, to the extent (1) such performance vesting goals are not satisfied at the end of the performance period, or (2) the Committee determines before the end of the performance period such performance vesting goals will not be attained, such shares will be forfeited. For the purposes of this Paragraph D, "Disability" means a physical or mental condition either (i) that qualifies the Participant for long-term disability benefits under a long-term disability plan maintained by the Company or an Affiliate employing the Participant; or (ii) if earlier or if the Participant is not covered by such a plan, that the Company determines would qualify the Participant for disability benefits under the U.S. Social Security system (whether or not the Participant is covered by such system or is found by the U.S. Social

Security Administration to be so qualified). For the purposes of this Paragraph D, “Years of Service” means a Participant’s complete 12-month periods of continuous employment (excluding any periods in which the Participant incurs a break in service) with the Company and its Affiliates. A Participant’s Years of Service shall include employment by a predecessor employer whose stock or substantially all of whose assets are acquired by the Company, to the extent determined by the Committee or its designee. Upon vesting, as described above in this Paragraph D, and within thirty (30) days thereafter, the shares shall be released (paid) to the Participant free of the restrictions described in this Agreement.

E. Miscellaneous.

1. Book Entry. Until the restrictions on transfer have lapsed, the shares shall be held in book-entry form by the Company, as nominee for all Participants. **A copy of the Plan and Agreement is on file in the office of the Secretary of Aflac Incorporated, 1932 Wynnton Road, Columbus, GA 31999.**

Reasonably promptly after the restrictions on transferability of the shares have lapsed, the Company shall cause the shares to be registered directly in the name of the Participant.

2. No Additional Rights. Neither this Agreement nor any of the transactions contemplated hereby shall affect any right of the Participant to continue as an employee of the Company or any Affiliate or otherwise to provide services to the Company or any Affiliate or any of the terms or conditions of any such service.

3. Notices. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) by mail, or (c) by electronic communication. The addresses for such notices shall be set out in the Notice of Grant. Either party hereto may change such party’s address for notices by notice duly given pursuant hereto.

4. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

5. Incorporation of Plan. The Plan is hereby incorporated by reference into this Agreement and made a part hereof, and the shares and this Agreement shall be subject to all terms and conditions of the Plan.

6. Amendments. The Committee may amend the terms of this Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Participant hereunder without the Participant’s consent.

7. Survival of Terms. This Agreement shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

8. Rights as a Stockholder. Subject to the restrictions set forth in the Plan and this Agreement, the Participant shall possess all incidents of ownership with respect to the shares, including the right to vote such shares, provided that all dividends with respect to such shares will be recorded as additional Restricted Stock and held by the nominee until the restrictions on the underlying shares shall have lapsed. Upon vesting of the underlying shares, as described in Paragraph D above, and within thirty (30) days thereafter, the additional Restricted Stock attributable to dividends on the underlying shares shall be released (paid) to the Participant free of the restrictions described in this Agreement.

9. Authority of the Board. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive.

10. Representations. The Participant hereby acknowledges that the Participant has reviewed with the Participant’s own tax advisors the Federal, state, local and foreign tax consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that the

Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

11. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement and that the Participant has read and understands the terms and provisions thereof, and accepts the shares subject to all the terms and conditions of the Plan and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

12. Authorization. The Participant hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to take such steps as may be necessary to carry out any of the transactions contemplated by this Agreement, including without limitation the transfer of the shares to the Company upon their forfeiture by the Participant.

13. Withholding Requirements. The Company's obligations under this Agreement shall be subject to all applicable tax and other withholding requirements, and the Company shall, to the extent permitted by law, have the right to deduct any withholding amounts from any payment or transfer of any kind otherwise due to the Participant (including the shares).

14. Certain Defined Terms. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan.

15. Interpretation. Headings to provisions of this Agreement are intended for convenience of reference only and shall have no effect on the interpretation of this Agreement.

16. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the other provisions of this Agreement shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in this Agreement.

17. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, except to the extent that federal law is controlling.

AFLAC INCORPORATED
By: Daniel P. Amos
Title: Chairman and Chief Executive Officer

EXHIBIT 31.1

Certification of Chief Executive Officer

I, Daniel P. Amos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aflac Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ *Daniel P. Amos*

Daniel P. Amos
Chairman and Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer

I, Max K. Brodén, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aflac Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ Max K. Brodén
Max K. Brodén
Senior Executive Vice President, Chief Financial Officer

EXHIBIT 32

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Aflac Incorporated (the “Company”) for the quarterly period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Daniel P. Amos, as Chief Executive Officer of the Company, and Max K. Brodén, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Daniel P. Amos*

Name:	Daniel P. Amos
Title:	Chief Executive Officer
Date:	May 6, 2026

/s/ *Max K. Brodén*

Name:	Max K. Brodén
Title:	Chief Financial Officer
Date:	May 6, 2026