

# Loan Service Terms and Conditions

## Article 1 (Scope of Application)

These Terms and Conditions shall apply only to the customers using a card loan service (hereinafter referred to as the "Loan Service") secured by a guarantee provided by the guarantee company designated by Seven Bank (hereinafter referred to as the "Bank").

## Article 2 (Conclusion of Agreement)

There shall be one Loan Service Agreement (hereinafter referred to as this "Agreement") for each customer, and this Agreement shall be concluded upon the Bank examining and approving the customer's application, and completing its prescribed procedures.

## Article 3 (Method of Transaction)

1. A transaction of the Loan Service (hereinafter referred to as the "Transaction") shall be a card loan transaction using a cash card lent out by the Bank upon the opening of a Seven Bank Account, and no Transaction may be conducted through the drawing or underwriting of checks or bills, or other various account transfers.
2. Borrowings and repayments under this Agreement may be made through withdrawals, deposits or transfers using the Bank's automatic teller machines (hereinafter referred to as the "ATMs") or using the Bank's direct banking service. The "Cash Card Terms and Conditions" shall apply mutatis mutandis to the Transactions; save for Article 1, Paragraph 1 (1), Article 5, and Article 10 of the Cash Card Terms and Conditions.  
Moreover, the borrowing limit per day with ATMs shall be within the withdrawable amount set forth in the Cash Card Terms and Conditions, and the borrowed amount shall be added to withdrawn amount.
3. Borrowings under this Agreement may be repeatedly made during the contract term set forth in Article 4 and within the borrowing limit set forth in Article 5.
4. Borrowings made under this Agreement may not be used as business funds.

## Article 4 (Contract Term)

1. The term of this Agreement shall be from the date when this Agreement is concluded to the last day of the corresponding month one (1) year thereafter.
2. If neither the customer nor the Bank (hereinafter referred to as the "Party") indicates an intention not to extend the contract term in writing before the expiration of the contract term set forth in the immediately preceding paragraph, this Agreement shall be extended for one (1) year, and the same shall apply to any subsequent terms.
3. If either Party indicates an intention not to extend the contract term in writing before the expiration of the term of this Agreement, the following provisions shall apply.
  - (1) The customer may not make any borrowing under this Agreement on and after the day following the expiration of

the contract term.

- (2) The customer shall repay the entire amount of the loan balance and interest (hereinafter referred to as the “Full Repayment”) prior to the expiration of the contract term, and this Agreement shall be terminated after the Full Repayment.
- (3) Even in cases where the customer fails to make the Full Repayment prior to the expiration of the contract term, if the Bank particularly deems it necessary or appropriate, the customer shall make repayment according to these Terms and Conditions until the Full Repayment, and this Agreement shall be terminated upon the Full Repayment.

#### **Article 5 (Borrowing Limit)**

1. The borrowing limit of Transactions shall be the amount approved and notified by the Bank. For the avoidance of doubt, these Terms and Conditions shall also apply to cases where the customer makes a borrowing beyond the borrowing limit with the Bank’s confirmation that such borrowing is inevitable.
2. Notwithstanding the immediately preceding paragraph, the Bank may change the borrowing limit. In such case, the Bank shall notify the customer of such change according to the Bank’s prescribed method.
3. If the customer falls under any one of the following items, the Bank may reduce the borrowing limit (even to zero (0) Yen) without being required to give any notice to the customer:
  - (1) the customer breaches these Terms and Conditions or falls into default; or
  - (2) it is deemed that a reduction of the borrowing limit is required based on the outcome of any examination by the Bank and the guarantee company concerning the customer’s credit status.
4. If, after the borrowing limit is reduced pursuant to the immediately preceding paragraph, a recovery of the reduced borrowing limit is deemed to be appropriate based on the outcome of any examination by the Bank and the guarantee company concerning the customer’s credit status, the Bank may increase the borrowing limit, but only up to the original pre-reduction borrowing limit, without being required to give any notice to the customer.

#### **Article 6 (Interest)**

1. Interest on a Transaction shall accrue in units of 100 Yen, and be calculated based on the Bank’s prescribed interest rate and in the manner designated by the Bank, on a daily pro-rated basis of 365 days per year, in respect of the daily final loan balance during the period from the last repayment date to the day immediately preceding the relevant repayment date. Interest accrued shall be incorporated into the loan balance on the Scheduled Repayment Date (such incorporation is hereinafter referred to as “Interest Capitalization”) (the term “Scheduled Repayment Date” as used in this article shall have the same meaning as defined in Article 7).

2. The Bank may change the loan interest rate if there is any change in the financial conditions or any other due cause. The new loan interest rate shall apply from the immediately following Scheduled Repayment Date. The Bank shall notify the customers of such change by way of posting a notice on the Bank's website, and no individual written notice shall be sent to each customer.
3. If the loan interest rate is changed along with the change of the borrowing limit, the new loan interest rate shall apply from the date of contract for the change of the borrowing limit.

#### **Article 7 (Scheduled Repayment)**

1. The customer shall repay the monthly repayment amount (hereinafter referred to as the "Scheduled Repayment Amount") on each monthly repayment date (hereinafter referred to as the "Scheduled Repayment Date").
2. The Scheduled Repayment Date shall be as follows:
  - (1) The Bank's prescribed date that was designated at the time of application for this Agreement shall be the Scheduled Repayment Date. If a Scheduled Repayment Date falls on a Saturday, Sunday, national holiday or other non-business days of banks as set forth in the applicable laws and ordinances, then the immediately following business day of service counters shall be the repayment date.
  - (2) When the customer makes an initial borrowing, only the Interest Capitalization shall be made on the first Scheduled Repayment Date that comes after such borrowing, and repayment shall be made from the immediately following Scheduled Repayment Date. For the avoidance of doubt, any borrowing made after the Full Repayment shall also be deemed to constitute an "initial borrowing"; provided, however, that, if the customer's initial borrowing falls on a Scheduled Repayment Date, repayment shall be made from the Scheduled Repayment Date of the immediately following month.
3. The Scheduled Repayment Amount shall be as follows; provided, however, that, if any scheduled repayment is delayed, then the Bank may calculate the Scheduled Repayment Amount in the manner designated by the Bank:
  - (1) 5,000 Yen for a loan with a borrowing limit of 100,000 Yen, 10,000 Yen for a loan with a borrowing limit of 300,000/500,000 Yen, and 15,000 Yen for a loan with a borrowing limit of 700,000/1,000,000 Yen.
  - (2) If either <1> or <2> below is less than Item (1), then the lesser of such <1> or <2>:
    - <1> the final loan balance of the Scheduled Repayment Date of the immediately preceding month; or
    - <2> the total amount of the final loan balance of the day immediately preceding the Scheduled Repayment Date of the current month and the interest accrued up to that time.
4. The Bank may change the Scheduled Repayment Amount set forth in Item (1) of the immediately preceding paragraph, in

which case, the Bank shall notify the customers of such change in the manner designated by the Bank.

5. The Bank shall automatically withdraw the Scheduled Repayment Amount from the customer's ordinary deposits in his/her Seven Bank Account (hereinafter referred to as the "Repayment Account") on each Scheduled Repayment Date without being required to provide the customer with any written withdrawal request, and such withdrawn amount shall be appropriated to repayment.
6. If the balance of the Repayment Account as of any Scheduled Repayment Date is less than the Scheduled Repayment Amount, the Bank shall not take any action to appropriate any amount therein to repayment. When the balance of the Repayment Account reaches or exceeds the Scheduled Repayment Amount, the Bank shall automatically withdraw the Scheduled Repayment Amount and appropriate such withdrawn amount to repayment. For the avoidance of doubt, if the scheduled repayments to be made for two or more months are delayed, the Bank shall withdraw and appropriate amounts to such repayments in a sequential manner, starting with the first defaulted Scheduled Repayment Amount.
7. If the customer is subject to other claims of payment or other scheduled repayments, the order in which such payments and repayments shall be made and the manner in which the withdrawn amounts shall be appropriated may be determined by the Bank at its discretion.

#### **Article 8 (Voluntary Repayment)**

1. In addition to the scheduled repayments, a customer may make any repayment from time to time (hereinafter referred to as "Voluntary Repayment") through an ATM and/or the Bank's direct banking service. In such case, the amount so repaid may be appropriated in the order and manner deemed appropriate by the Bank.
2. In cases where the customer makes a Voluntary Repayment in cash through an ATM, if the amount so remitted exceeds the amount of loan balance and interest, the excess portion shall be remitted to the Repayment Account.
3. If the customer falls under any one of the following items, the customer may not make any Voluntary Repayment:
  - (1) the scheduled repayment(s) set forth in Article 7 has not been performed; or
  - (2) the customer is not entitled to make Voluntary Repayments under the rules prescribed by the Bank.

#### **Article 9 (Acceleration)**

1. If the customer falls under any one of the following items, an acceleration shall occur for all of the obligations under this Agreement even if there is no notice or request from the Bank, in which case, the customer shall immediately repay the entire amount of such obligations:
  - (1) any scheduled repayment is delayed and the customer fails to repay the entire amount by no later than the 15th day from the Scheduled Repayment Date of the month which is two months after the relevant month;

- (2) there occurs a suspension of payment or a petition is filed for bankruptcy, compulsory execution, special arbitration or commencement of civil rehabilitation proceedings, or a voluntary winding up is commenced;
  - (3) a disposition for suspension of transactions is imposed by a bill clearinghouse or an electronic monetary claim recording institution;
  - (4) a notice of an order for provisional attachment, preservative attachment or attachment is issued with respect to any deposit made with, or other claims owned against, the Bank;
  - (5) the guarantee company designated by the Bank requests a cancellation or termination of any guarantee securing any of the obligations under this Agreement;
  - (6) there occurs an acceleration for any of his/her obligations to the Bank, including, without limitation, the obligations under this Agreement;
  - (7) a notice from the Bank does not reach the customer's registered address and the customer's whereabouts become unclear, due to any reason attributable to the customer, such as the customer's failure to notify the Bank of a change of address; or
  - (8) an inheritance process is commenced.
2. If the customer falls under any one of the following items, an acceleration shall occur for all of the customer's obligations under this Agreement, in which case the customer shall immediately repay the entire amount of such obligations as prescribed by the Bank.
- (1) the customer breaches any of the terms and conditions of any transaction entered into with the Bank;
  - (2) the customer fails to perform any one of his/her obligations to the Bank when due ;
  - (3) the customer provides false information or makes a false report to the Bank; or
  - (4) in addition to each of the foregoing items, there arises a significant change in the customer's credit status or there arises any other due cause that makes it impossible for the customer to repay his/her loan balance and interest.
3. Even if the request by the Bank referred to in the immediately preceding paragraph is delayed or does not reach the customer due to any reason attributable to the customer, including the customer's failure to notify the Bank of a change of address, an acceleration shall occur at the time such request would have normally reached the customer.

#### **Article 10 (Exclusion of Antisocial Forces)**

1. The customer represents that he/she is not a member of an organized crime group; a person who was a member of an organized crime group at any time within the last five years; an associate member of an organized crime group; a member of a firm affiliated with an organized crime group; a corporate extortionist, etc., a racketeering organization advocating a social campaign, etc., a member of a crime group specialized in intellectual crimes, etc., or any other person equivalent to

any one of the foregoing (hereinafter collectively referred to as an “organized crime group member, etc.”) or a person falling under any one of the following items, and the customer undertakes that he/she will not become an organized crime group member, etc. or a person falling under any one of the following items at any time in the future:

- (1) the customer has a relationship with an organized crime group member, etc. (including any organization, firm or group to which the said organized crime group member, etc. belongs in the capacity of a member or associate member; the same applies hereinafter in the following four items of this paragraph) in such a manner that the organized crime group member, etc. is recognized as controlling the customer’s management;
  - (2) the customer has a relationship with an organized crime group member, etc. in such a manner that the organized crime group member, etc. is recognized as being substantially involved in the customer’s management;
  - (3) the customer has a relationship with an organized crime group member, etc. in such a manner that the customer is recognized as unjustifiably exploiting the organized crime group member, etc. with the aim of pursuing illicit gains for the customer himself/herself or a third party or inflicting damage on a third party;
  - (4) the customer has a relationship with an organized crime group member, etc. in such a manner that the customer is recognized as providing funds etc. or extending support to the organized crime group member, etc.; or
  - (5) any individual substantially involved in the customer’s management has a socially unacceptable relationship with an organized crime group member, etc.
2. The customer undertakes not to conduct, or cause a third party to conduct, an act corresponding to any one of the following items:
- (1) making a violent demand;
  - (2) making an unjustifiable demand beyond legal responsibility;
  - (3) using intimidation or violence in relation to any Transaction;
  - (4) discrediting the Bank or interfering with the Bank’s business by disseminating rumors, by using fraudulent means or by using force; or
  - (5) any other act equivalent to each of the foregoing.
3. If the customer falls under any one of the following items, an acceleration shall occur for all of the obligations under this Agreement, in which case the customer shall immediately repay the entire amount of such obligations as prescribed by the Bank:
- (1) it is discovered that the customer has made a false notification concerning the representations and undertaking given at the time of application for this Agreement;
  - (2) it is discovered that the customer is an organized crime

group member, etc. or falls under any one of the items of Paragraph 1; or

(3) it is discovered that the customer has conducted any act falling under any one of the items of Paragraph 2.

4. The customer shall not request the Bank to compensate for any damage incurred as a result of the application of any of the provisions set forth in Paragraph 3. If any damage is incurred by the Bank, the customer shall be liable to compensate the Bank for such damage.
5. Even in cases where the request by the Bank referred to in Paragraph 3 is delayed or does not reach the customer due to any reason attributable to the customer, including the customer's failure to report a change in address, an acceleration shall occur at the time that such request would have normally reached the customer.

#### **Article 11 (Suspension of New Borrowings, Termination)**

1. Even during the contract term, the Bank shall suspend any new borrowing on and after the 1st day of the month following the month in which the customer reaches the age of 71. The customer shall make repayments according to the repayment methods set forth in Articles 7 and 8, and this Agreement shall be terminated upon the Full Repayment by the customer.
2. If the customer falls under any item of Article 9, Paragraph 1 or 2, the Bank may suspend new borrowings or terminate this Agreement at any time.
3. If the customer falls under any one of the following items, this Agreement shall be terminated, unless otherwise agreed by the Bank:
  - (1) the contract term of this Agreement expires;
  - (2) the customer achieves the Full Repayment of his/her obligations under this Agreement and requests the termination of this Agreement;
  - (3) the Repayment Account is terminated;
  - (4) the customer falls under any item of Article 10, Paragraph 3 and the Bank notifies the customer of its intention to terminate this Agreement; or
  - (5) it is deemed necessary to terminate this Agreement as prescribed by the Bank.
4. If a customer wishes to terminate this Agreement, the customer shall take the termination procedures as prescribed by the Bank, and the same shall also apply when the Bank terminates this Agreement.

#### **Article 12 (Set-off by the Bank)**

1. If a customer's obligation under this Agreement is due and payable by the customer, the Bank may at any time set off the customer's loan balance and interest in respect of such obligation against the customer's deposits with and other claims towards the Bank, regardless of the maturity of such claims. In such case, the Bank shall provide a written notice to the customer.
2. In cases where the Bank performs a set-off pursuant to the immediately preceding paragraph, the calculation period for the interest on the loan balance in respect of such obligation

shall be the period up to the set-off execution date, and the interest rates of the deposits and other claims shall be as prescribed by the Bank.

#### **Article 13 (Set-off by the Customer)**

1. The customer may set off his/her obligation under this Agreement against the customer's deposits and other claims towards the Bank which have become due and payable, even before such obligation becomes due and payable. The customer's set-off notice to the Bank shall be in writing, and the customer shall perform the set-off procedures in the manner designated by the Bank.
2. In cases where the customer performs a set-off pursuant to the immediately preceding paragraph, the calculation period for the interest on the loan balance in respect of such obligation shall be the period up to the set-off execution date, and the interest rates of the deposits and other claims shall be as prescribed by the Bank.
3. If the customer's deposits and other claims are insufficient to repay the entire amount of the obligations under this Agreement, no set-off shall be performed.

#### **Article 14 (Order of Appropriation of Amounts to Repayment, etc.)**

1. In cases where a set-off is performed pursuant to Article 12, if the customer owes other obligations to the Bank in addition to the obligations under this Agreement, the Bank may designate which obligation should be set off, on the grounds of preservation of claims and regardless of the maturity of such obligation, and the customer shall not raise any objection to such designation.
2. In cases where a set-off is performed pursuant to Article 13, if the customer owes other obligations to the Bank in addition to the obligations under this Agreement, the customer may, by giving prior written notice to the Bank, designate which obligation should be set off. If the customer does not designate which debt should be set off, the Bank may make the designation, and the customer shall not raise any objection to such designation.
3. If the Bank deems that the designation by the customer referred to in the immediately preceding paragraph may have adverse effect on the preservation of claims, the Bank shall raise an objection to such designation without delay and may designate which obligation should be set off.
4. The customer's obligations to be set off based on the Bank's designation shall be deemed to have become due and payable.

#### **Article 15 (Disclaimer)**

1. If any electronic contract data for certifying this Agreement based on electronic means is lost or damaged due to any disaster, calamity or war, or due to failure of terminals or computers arising regardless of reasonable security measures taken by the Bank in operating its systems, records such as the Bank's books and slips shall be treated as the official records. If requested by the Bank, the customer shall



immediately submit a substitute certificate, etc.

2. If there is any delay in or failure of transactions due to, among others, failure of ATMs, telecommunication circuits or computers, etc. caused by unavoidable reasons, any disaster, calamity or war, or measures taken by a court or other public bodies concerned, the Bank will not be liable for any damage arising therefrom.

#### **Article 16 (Cost Burden)**

The customer shall bear the costs necessary for the Bank's exercise or preservation of rights in connection with the Transactions.

#### **Article 17 (Report and Investigation)**

1. If the Bank requests the customer to provide information or report on matters as deemed to be necessary for the preservation of claims, the customer shall immediately satisfy such request.
2. If there occurs any material change regarding a customer's credit status or there is a possibility of such occurrence, the customer shall immediately report such matter to the Bank even if no request has been made by the Bank.

#### **Article 18 (Outsourcing of Claims Management/Collection Operations)**

The Bank may outsource operations for the management and collection of claims under this Agreement to any claims management/collection company that has acquired a business license from the Minister of Justice as required under the Act on Special Measures concerning Business of Management and Collection of Claims.

#### **Article 19 (Assignment of Claims)**

1. The Bank may assign any of its claims against the customer under this Agreement to another financial institution, etc.
2. The customer may not assign his/her contractual position under this Agreement or his/her rights or obligations towards the Bank to a third party.

#### **Article 20 (Governing Law and Jurisdiction)**

1. These Terms and Conditions shall be governed by the laws of Japan.
2. The Tokyo District Court shall have exclusive jurisdiction over any litigation concerning these Terms and Conditions.

#### **Article 21 (Mutatis Mutandis Application of Other Terms and Conditions)**

Matters not set forth in these Terms and Conditions shall be subject to other terms and conditions, rules and regulations, etc. of the Bank.

(Revised on January 4, 2018)

\* The above is an English translation of the Japanese version, and has been prepared merely for the customers' convenience. If there is any inconsistency between the two, the Japanese version shall prevail.