

# Smartphone Authentication Service Terms and Conditions

## Article 1 (Definitions)

For the purpose of these Terms and Conditions, the following terms shall have the meanings set forth below.

- (1) "Smartphone Authentication" means the identity verification method that is applied when a customer uses Seven Bank's Direct Banking Service, the process of which involves simultaneous transmission on the customer's smartphone registered with Seven Bank and the service screen for Seven Bank's Direct Banking Service.
- (2) The "Service" means the service in which the customer's identity is verified by way of Smartphone Authentication in addition to Logon ID and Logon Password for prescribed transactions under the Direct Banking Service.
- (3) "Smartphone Authentication Application" means, in relation to Smartphone Authentication for each of the transactions between Seven Bank and its customers, any smartphone application (or app.) that works in conjunction with the customer's actions on the service screen for Seven Bank's Direct Banking Service.
- (4) "Registered Terminal" means any smartphone to which the Smartphone Authentication Application has been downloaded and which is being used for the Service.
- (5) "Smartphone Authentication Transaction" means any transaction to which Smartphone Authentication is applied.

## Article 2 (Smartphone Authentication Fee)

Smartphone Authentication shall be free of charge.

## Article 3 (Smartphone Authentication User)

Smartphone Authentication users shall be the customers who have downloaded Smartphone Authentication Application on their smartphones in accordance with Seven Bank's prescribed procedures and who have completed the registration procedures for Smartphone Authentication and have obtained Seven Bank's approval for such registration.

## Article 4 (Use of the Service)

1. In commencing the use of the Service, the customer must, through the Direct Banking Service, perform Seven Bank's prescribed procedures (hereinafter referred to as the "Smartphone Authentication Registration"). Upon the completion of the Smartphone Authentication Registration, the customer may start using the Service for any Smartphone Authentication Transaction.
2. The number of smartphones that can be registered for the use of the Service shall be limited to 1 unit per customer. Two or more units of smartphones cannot be registered by the same customer. In addition, a smartphone must not be shared by two or more customers in relation to Smartphone Authentication.
3. A customer's request to use the Service may be rejected by Seven Bank if:

- (1) There are difficulties in providing the Service due to technical reasons or other reasons;
  - (2) The customer is not equipped with the operating environment set forth in Article 5, Paragraph 1 of these Terms and Conditions; or
  - (3) Seven Bank otherwise deems it inappropriate to allow the use of the Service by the customer.
4. A customer may choose to terminate the Service, in which case, the customer must perform the relevant procedures in the manner prescribed by Seven Bank.
  5. A customer may choose to temporarily stop using, or resume the use of, the Service, in which case, the customer must perform the procedures in the manner prescribed by Seven Bank.
  6. When using the Service, the most recent version of the Smartphone Authentication Application should be downloaded in the relevant smartphone.

#### **Article 5 (Operating Environment)**

1. The Service shall be available only if the customer is equipped with the terminal settings and operating environment for smartphones as prescribed by Seven Bank.
2. The customer shall be responsible for maintaining the operating environment referred to in the preceding Paragraph.
3. Seven Bank shall not be liable for any damages that arise from the customer's act of using the Service on any smartphone that is not equipped with the terminal settings and operating environment set forth in Paragraph 1.
4. The Service shall not be available in areas or in conditions where smartphones cannot be used or internet service access is unavailable.
5. The use of the Service may be limited by the contractual terms and conditions established by the telecommunications operator, etc., and Seven Bank shall not be liable for any damages that arise from such limitation of use.

#### **Article 6 (Identity Verification Process After the Smartphone Authentication Registration)**

1. After the Smartphone Authentication Registration as set forth in Article 4, Paragraph 1 hereof, as regards any Smartphone Authentication Transaction, notwithstanding any of the provisions set forth in Seven Bank's various terms and conditions for banking transactions, the identity verification process shall be carried out by verifying, in the manner prescribed by Seven Bank, whether or not the "Logon ID" and "Logon Password" entered by the customer on the terminal to be used matches the ID and password which the customer had registered with Seven Bank and whether or not the customer has taken the steps to express his/her approval upon confirming that the actions taken by the customer on the service screen of the Direct Banking Service match the contents displayed on the Smartphone Authentication Application. As regards the identity verification process for transactions other than the Smartphone Authentication

Transactions, it shall be no different from that which would be applied in cases where there is no use of Smartphone Authentication.

2. In cases where Seven Bank has performed the identity verification process in the manner set forth in the preceding Paragraph by using a reasonable mechanical method and with due care, if Seven Bank concludes that user is the customer himself/herself and handles the relevant matters accordingly, then Seven Bank shall not be liable for any damages that arise as a result of the user not being the customer himself/herself as a result of:
  - (1) Any registered personal information such as “Logon ID” or “Logon Password” or transaction details being stolen or used without authorization;
  - (2) The relevant smartphone, related documents or identity verification documents being forged, altered or stolen, or used without authorization;
  - (3) There being false or incorrect information in the personal information that the customer has registered with Seven Bank, or the customer having failed to conduct such registration in a timely manner; or
  - (4) The occurrence of any illegal trading of the customer’s personal information.

#### **Article 7 (Safekeeping/Management of Smartphones)**

1. The customer shall be responsible for the careful safekeeping and management of the smartphone for which he/she has completed the Smartphone Authentication Registration so as to ensure that it is not forged, altered, stolen, or used without authorization, by a third party. Seven Bank shall not be liable for any damages that arise in relation thereto.
2. The customer must immediately submit a report in the manner prescribed by Seven Bank in the event that the smartphone which he/she had registered for the Service becomes lost or is stolen, etc. Upon receiving such report, Seven Bank shall take the necessary steps to suspend the use of the Smartphone Authentication. Seven Bank shall not be liable for any damages that arise prior to the submission of such report except in cases where there was negligence on the part of Seven Bank.
3. In the case referred to in Paragraph 2, if the customer finds the Registered Terminal and wishes to resume the use thereof, he/she shall perform Seven Bank’s prescribed procedures for that purpose. No Smartphone Authentication Transaction may be conducted until the completion of such procedures.

#### **Article 8 (Removal of the Smartphone Authentication Application)**

If a customer wishes to remove any Smartphone Authentication Application, he/she shall perform the termination procedures prescribed by Seven Bank. No Smartphone Authentication Transaction may be conducted until the completion of such termination procedures.

#### **Article 9 (Smartphone Model Change)**

If a customer wishes to conduct a model change (i.e.

replacing the currently-used model with a newer model) in respect of the smartphone for which he/she has completed the Smartphone Authentication Registration, he/she shall perform the procedures to terminate the Service through the Direct Banking Service. No Smartphone Authentication Transaction may be conducted until the completion of such termination procedures. If the customer wishes to continue using the Service with the newer model acquired as a result of the model change, then he/she shall, after the completion of the termination procedures, newly perform the Smartphone Authentication Registration through the Direct Banking Service, upon which the Service shall become available for the new model.

**Article 10 (Smartphone Authentication Application Lock)**

The Smartphone Authentication Application will become locked for a certain period of time if the customer repeats certain actions (prescribed by Seven Bank) in the Smartphone Authentication Application. During such “locked” period, the Smartphone Authentication Application cannot be used.

**Article 11 (Provision of Smartphone Authentication Applications)**

There may be cases where the Smartphone Authentication Application is provided by a third party other than Seven Bank. In addition, there may be cases where the transaction details are provided to a third party in order to have such transaction details (including the payment receiving financial institution, branch name, account number and account holder name) displayed in the Smartphone Authentication Application.

**Article 12 (Discontinuation of the Service)**

If any of the following triggering events occurs, Seven Bank shall have the right to discontinue the Service in whole or in part with prior notice to the customer, or without prior notice if there are unavoidable circumstances which make it difficult for Seven Bank to give such prior notice. Seven Bank shall not be liable for any loss or damage that the customer may incur as a result of not being able to use the Service. In the event Seven Bank discontinues the Service in whole or in part, Seven Bank shall have the right to terminate the Service at its own discretion.

Triggering events:

- (1) Any maintenance or construction work becomes necessary for any system or equipment that is required in order to provide the Service and a discontinuation of the Service cannot be avoided;
- (2) Any problem or failure occurs on any system or equipment that is required in order to provide the Service;
- (3) The Service becomes unavailable or delayed due to an event not attributable to Seven Bank, for example, if there occurs a natural disaster, fire, riot or any other force majeure event, or any telecommunications equipment, line or computer belonging to the customer or a third party (such as telecommunication business entities) becomes disabled or the telephone service becomes unavailable, or

measures are imposed by a public institution such as the court;

- (4) There otherwise exist circumstances in respect of Seven Bank which make it difficult for Seven Bank to continue providing the Service; or
- (5) The customer violates these Terms and Conditions or any of the other terms and conditions or other rules or regulations established by Seven Bank.

#### **Article 13 (Disclaimer)**

1. Any liability arising from the use of the Service shall be borne by the customer. Seven Bank makes no guarantee regarding the integrity, accuracy, reliability or usefulness, etc. of the Service.
2. Seven Bank shall not be liable for any loss or damage that may arise as a result of the customer not being able to use the Service due to the customer's actions not being conducted in conformity with the operating method that is displayed in the Direct Banking Service.
3. Seven Bank shall not be liable for any loss or damage that may arise as a result of the customer not being able to use the Service due to any problem occurring in respect of the customer's smartphone.
4. Seven Bank shall not be liable for any loss or damage that may arise as a result of the customer not being able to use the Service due to the failure by a telecommunication business entity, etc. failing to provide its services in a sufficient manner.
5. The Service will be available only if the customer is equipped with the operating environment set forth in Article 5, Paragraph 1 hereof and only within the scope set forth in Paragraph 4 of the same Article and, accordingly, Seven Bank shall not be liable for any loss or damage that may arise as a result of Seven Bank not being able to provide the Service in a situation where such conditions are not fulfilled.
6. Seven Bank shall not be liable for any loss or damage that may arise as a result of not being able to provide the Service due to any reason attributable to a third party as set forth in Article 11.

#### **Article 14 (Mutatis Mutandis Application of these Terms and Conditions)**

Any matter not provided for herein shall be determined in accordance with the other terms and conditions or other rules or regulations, etc. established by Seven Bank.

(Established on November 16, 2015)

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