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Press Release

bitFlyer, Inc.
Mitsui Sumitomo Insurance Company, Ltd.

Co-Development of Japan's First Cyber Insurance Policy for Bitcoin Businesses

bitFlyer, Inc., (CEO: Yuzo Kano, hereinafter, "bitFlyer") and Mitsui Sumitomo Insurance Company, Limited. (President: Noriyuki Hara, hereinafter, "MSI"), have collaboratively created a special insurance package with comprehensive compensation for Bitcoin businesses for risks associated with cyber attacks.

As the Bitcoin market is expected to experience tremendous growth, and the number of businesses offering Bitcoin services continue to increase, internet-based businesses need to take steps to implement solutions so users can carry out transactions with peace of mind. However, the recent increase in cyber attacks and the scale of damages incurred by businesses and organizations highlight the importance of cyber risk solutions.

bitFlyer, which runs Japan's largest Bitcoin exchange and has advanced efforts to protect Bitcoin users through the Japan Blockchain Association (JBA), has recently introduced, in collaboration with MSI, Japan's first domestic cyber insurance package for Bitcoin businesses — designed to promote safe and trustworthy Bitcoin services.

1. Features of cyber insurance for Bitcoin businesses

(1) Coverage for a wide range of damages

In addition to providing coverage for damages incurred from the theft or disappearance of bitcoin following cyber attacks, it also provides coverage for the various fees required to manage such incidents (such as fees for monetary compensation, consulting fees, fees for investigating causes, and fees to prevent the limit damages).

(2) Total support

If a cyber attack occurs, we introduce richly experienced specialized companies based on the needs of our business clients, as specialized knowledge and skills are required to find the root cause and preserve evidence to manage the incident.

(3) Cyber risk solution services

We provide cyber risk solution services to prevent the damages of cyber attacks before they happen, such as training against targeted e-mail attacks, security diagnostics to assess the risk of information leaks, and employee check lists. Also, upon our clients' requests, we offer individual consultations on security monitoring system facilities and more.

2. Development background

The amendment to the "Payment Services Act" announced on June 2016, incorporated the regulation of virtual currencies, such as Bitcoin, and is scheduled to be implemented within the next year. We anticipate further development of bitcoin enterprises in the future, as virtual currencies are now defined as having "proprietary value" and subject to legal regulation through this law.

Cyber attacks on companies and organization increased in the past year, and we anticipate damages to worsen in the future from the increasing ingenuity of their methods. Cyber risk solutions are a critical issue for internet-based Bitcoin businesses; so, we are providing Japan's first insurance package to comprehensively compensate clients for cyber risks to promote the defense of bitcoin users and spread of safe and trustworthy bitcoin services.

3. Future development

bitFlyer, Inc., and MSI will continue to investigate products and services which address the risks borne by Bitcoin businesses.

<Contact for further information>

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