



July 19, 2017

Press Release

bitFlyer, Inc.

### **Policy regarding the possibility of a chain split in the Bitcoin blockchain on August 1**

Circumstances surrounding a chain split in the Bitcoin blockchain are changing by the day, and as a result, there may be a possibility that a chain split does not occur. However, based on the possibility of a chain split as one outcome, we are planning the following measures.<sup>1</sup>

#### **Customers' assets will be protected.**

In the event of a chain split, customers with Bitcoin balances on bitFlyer prior to the split will be given the corresponding coins produced on the two (or more) chains after the chain split.<sup>2</sup>

#### **We will take precautions to avoid potential replay attacks in the event of a chain split.<sup>3</sup>**

We believe that the safest measure for the protection of your assets is depositing your Bitcoin in an exchange for which replay attack measures are in place before the split.

#### **The following services will NOT be suspended, and will operate as usual**

- Buy / Sell Bitcoin and Buy / Sell Altcoins, Bitcoin Exchange, bitFlyer Lightning Spot, FX, and Futures
- Japanese yen deposits and withdrawals
- Deposits and withdrawals for virtual currencies other than Bitcoin

**In order to protect customer assets, we plan to temporarily suspend Bitcoin deposits, withdrawals and sending, Use Bitcoin, and Bitcoin payment processing and Pay.**

(In the case we determine that a chain split will not occur, the following services will not be suspended.)

Temporarily suspended services and dates of suspension

| Temporary suspension (JST)               | Temporarily suspended services (tentative) |
|------------------------------------------|--------------------------------------------|
| July 31, 10:00 PM - August 2 (tentative) | Bitcoin deposits, sending and withdrawals  |
|                                          | Use Bitcoin                                |
|                                          | Bitcoin payment processing and Pay         |

Schedule

| Time (JST)                    | Measures (tentative)                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 31, 10:00 PM (tentative) | <p><b>Temporary suspension of services</b></p> <p>Services subject to the suspension will be temporarily taken offline.</p>                                                                                                                                                                                                                              |
| August 1, 9:00 AM (tentative) | <p><b>Balance Calculation</b></p> <p>At the above time, if we determine that the chain split is permanent, we will determine the amount of Bitcoin assigned to customers using a snapshot of the existing Bitcoin balances of our customers.</p>                                                                                                         |
| August 2 (tentative)          | <p><b>Balance Allocation</b></p> <p>After determining that the chain split is permanent, we will allocate the Bitcoin amounts stated above for the two (or more) chains.</p> <p>One blockchain will be set as the "representative chain." BTC trade volume referred to by all of our services thereafter will be based on this representative chain.</p> |

|                      |                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| August 2 (tentative) | <p><b>Resumption of services</b></p> <p>The temporarily suspended services are brought back online.</p>                                                            |
| August 3 (tentative) | <p><b>New services begin for the new chain</b></p> <p>Trading, deposits, and withdrawal and sending begin on the chain(s) other than the representative chain.</p> |

We apologize for the inconvenience and ask for your understanding. We will contact you again as the changes above take place.

To reiterate, regardless how the Bitcoin blockchain may split, we consider safeguarding customer assets to be our utmost priority, and we will continue to handle coins on the respective blockchains going forward, protecting your assets.<sup>2</sup> We will continue analyzing and researching the Bitcoin blockchain(s) in order to minimize risk to our customers.

Lastly, we strongly hope that the Bitcoin ecosystem, which has been supported by its users since 2009, will continue to grow in a stable fashion going forward. As members and stakeholders in this community, we will continue doing everything we can to contribute.

<sup>1</sup> This is based on current conditions as of July 19, 2017; our measures may be subject to change pursuant to ongoing changes in the Bitcoin ecosystem.

<sup>2</sup> Where we determine that the chain split is not permanent, coins will not be conferred on the new chain(s). We make no warranty of liability for damages in said case.

<sup>3</sup> A chain split requires taking countermeasures for a replay attack. Not instituting such measures runs the risk of coins on one blockchain inadvertently also being sent again on the other blockchain. We will ensure replay attack countermeasures are taken for Bitcoin transactions from bitFlyer.

*We waive all liability for any damages to customers and/or third parties due to defects, changes, or other deficiencies in the content above.*

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