



November 2, 2017

bitFlyer, Inc.

Policy on Bitcoin Gold-related chain split in Bitcoin blockchain

(Revised on November 2)

A chain split (“split”) related to Bitcoin Gold (BTG) occurred on October 24th. Our response to the chain split is as follows.¹

- We will credit you with an amount of BTG corresponding to the amount of Bitcoin (BTC) in your bitFlyer account prior to the split.² If the BTG split is deemed by bitFlyer to be permanent and secure in regards to customer assets, you will be able to own both BTC and BTG in your bitFlyer account.
- Services allowing users to buy, sell, deposit, and send BTG are planned for release.

bitFlyer plans to implement the above procedure but as of November 2, the BTG blockchain has not yet been activated and its permanence and security has not been confirmed. As a result, BTG has not yet been distributed to customer accounts.

When the BTG split is deemed by bitFlyer to be permanent and secure in regards to customer assets, you will be able to own both BTC and BTG in your bitFlyer account.

Services allowing users to buy, sell, deposit, and send BTG are planned for release.

Schedule

Time (JST)	Planned Measures
Time when the 491,406th block of the bitcoin blockchain is generated.	Calculation The amount of BTG to be distributed to customer assets will be calculated based on the amount of BTC held in their corresponding bitFlyer accounts at the time of the split. ³
TBD after November 2	Distribution and BTG Availability If the BTG split is deemed by bitFlyer to be permanent and secure in regards to customer assets, users will be credited with BTG and purchase and sale of BTG will be made available on

	bitFlyer.
TBD after observing the stability of the BTG chain	<p>BTG Deposits and Withdrawals</p> <p>After sufficient observation of the stability in the BTG chain after the split, BTG deposit and withdrawal services will be made available on bitFlyer.</p>

You can check the block number for bitcoin on chainFlyer.

chainFlyer : <https://chainflyer.bitflyer.jp/>

Overview of Bitcoin Gold (BTG)

BTG is an altcoin that emerged as a result of a hard fork on the 491,407th block of the Bitcoin blockchain (Bitcoin Core). It is being led by Hong Kong miners. The BTG blockchain is expected to start after November 1, 2017. However, to date on November 1, 2017, BTG is still under development.

Main Features of BTG

- BTG plans on adding SIGHASH_FORKED (replay protection measure) ⁴ as Bitcoin Cash (BCH) did when it hard forked.
- BTG is pre-mined. This refers to the blockchain mining that takes place in a non-public environment, which may result in unequal distribution of new coins and profits margins that lean heavily towards the original supporters and developers of BTG.
- BTG will apply the Equihash Proof of Work (PoW) algorithm. This algorithm is different from the SHA256 algorithm that Bitcoin is using because it is a memory oriented PoW, which limits hash power by how much RAM you have. As a result, it is resistant to mining using ASICs.

Although as of November 2, according to BTG's official website BTG has implemented replay protection and has applied the Equihash Proof of Work, the BTG blockchain has still not been activated and cannot be considered permanent and secure.

As a result, bitFlyer has not yet made a final decision on the crediting of customer accounts with BTG as of November 2, 2017. If the BTG split is deemed by bitFlyer to be permanent and secure in regards to customer assets, users will be credited with BTG, and purchase, sale, deposit and withdrawal services will be made available.

For more information on BTG, see <https://btcgpu.org>.

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 to do everything we can to contribute. We appreciate your continued support.

¹ Based on current conditions as of November 2, 2017 ; described measures may be subject to change pursuant to ongoing changes in the Bitcoin ecosystem. An additional announcement will be issued in the event of any changes in measures.

² If we decide that the BTG split is not permanent or that it poses a security risk to customer assets (e.g. measures against replay attacks are insufficient, vulnerabilities exist in the protocol, etc.) there is a possibility that we will not credit users with BTG. bitFlyer will not compensate for any losses or damages that result from the decision not to provide BTG to users.

³ The amount of BTC held in your bitFlyer account can be confirmed under "My Assets" after logging into the bitFlyer homepage, or through bitFlyer Lightning under "Fund Balances" on the Funds menu. Any Bitcoin in your margin deposit (Lightning FX/Futures Account) is also included in the calculation of your current balance. Be careful not to confuse this balance with the balance for your bitFlyer deposit address on the Bitcoin blockchain. Open interest (positions) on bitFlyer Lightning FX / Futures is not included in the calculation of BTC balances.

⁴ If there is no replay protection, transfers on one chain may also be reflected on the other chain without intention.

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

We cannot answer any questions at this time about our decision regarding whether the BTG split will be permanent or any other related questions.

Please be aware that the Bitcoin Gold currency code may change.

In the case of a chain split, change in the specification of the cryptocurrency, or an

airdrop, we reserve the right to respond as we deem necessary. We waive all liability for any damages to clients and/or third parties due to defects, changes, or other deficiencies regarding our response to the hard fork.

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