

Disclosure Information Regarding the Sale and Service of ELF Tokens

bitFlyer, Inc. discloses the following information regarding the sale and service of ELF Tokens in accordance with Article 5.1 of the Regulations Concerning the Sale of New Crypto Assets established by the Japan Virtual and Crypto asset Exchange Association (hereinafter "JVCEA").

Outline of ELF Token Sale (Initial Exchange Offering)

Outline of Service for ELF Tokens (Exchange)

Information related to Article 5.1 of the Regulations on the Sale of New Crypto Assets

Outline of ELF Token Sale (Initial Exchange Offering)

1. Token issuer:	HashPalette Inc.
2. Issued token:	ELF Token
3. Ticker symbol:	ELF
4. Total number of issues:	ELF 1,000,000,000
5. Total number of sales:	ELF 100,000,000
6. Total amount of sales:	JPY 1,250,000,000
7. Application start date and time:	February 9th, 2024, 7:00 pm (JST)
8. Application end date and time:	February 20th, 2024, 11:59 pm (JST)
9. Application cancellation:	Not possible
10. Selling price:	JPY 12.50/ELF
11. Payment currency:	Japanese yen
12. Application units:	1 unit=ELF 500
13. Application limit:	1,500 units=ELF 750,000
14. Application amount:	Obtained by multiplying the selling price by the total number of applied ELF Tokens on one account
15. Fee rate:	8% (incl. consumption tax)
16. Fees:	The application amount multiplied by the fee rate (incl. consumption tax)
17. Amount to be paid:	Total sum of application amount and fees
18. Japanese yen lock:	The Japanese yen amount equivalent to the amount paid into the account at the time of application is locked (the use of said Japanese yen during the lock period is not permitted.)
19. Minimum threshold:	JPY 900,000,000
20. Conditions of sale:	Total application amount must be greater than or equal to the minimum threshold. (In case of failure, the sales period will be set again.)
21. Lottery date:	Starting February 22nd, 2024 (Implemented in case the total amount of applications exceeds the total sales amount after the end of the application period)
22. Lottery method:	Random drawing (Drawing is conducted for each unit, partial wins are possible.)
23. Result notification date:	Starting February 22nd, 2024
24. Result notification method:	1. Notification via email

25. Token transfer date:

2. Post on our company website
Starting February 22nd, 2024

Outline of Service for ELF Tokens (Exchange)

- | | |
|-------------------------------|--|
| 1. Providing service: | Exchange (iOS/Android apps) |
| 2. Start date of trading: | Schedule will be fixed between February 22nd, 2024 and March 31st, 2024 |
| 3. Execution method: | Order execution based on buy/sell competition (price/time priority) |
| 4. Minimum order quantity: | 0.00000001 ELF |
| 5. Maximum order quantity: | 400,000 ELF |
| 6. Quotations: | JPY 0.01 |
| 7. Currency pair: | ELF/JPY |
| 8. Order type: | Limited order, market order |
| 9. Fees: | Execution volume × 0.2% |
| 10. Circuit breaker: | |
| a. Trigger conditions: | When an order is placed that can be expected to be executed at a price outside the price limit range |
| b. Base price: | Execution price 10 min. before |
| c. Price limit: | 20% above/below the base price |
| d. Suspension time: | Approx. 5 min. |
| e. Reopening method: | Trading is resumed using the Itayose method after the exemption time has passed |
| 11. Daily trade volume limit: | |
| a. Upper price limit: | 10 times the offering price |
| b. Lower price limit: | 0.25 times the offering price |

Information related to Article 5.1 of the Regulations on the Sale of New Crypto Assets

Disclosure Item	Details
(1) Issuer Information	
a. Issuer name, address and registration number	<p>Issuer name: HashPalette Inc. Location: Hamamatsu-cho Building 12F, 1-1-1 Shibaura, Minato-ku, Tokyo Corporate Identification no.: 0104-01-151474</p>
b. Issuer background information	<p>HashPalette Inc. is a joint venture between Link-U Inc., a leading company in Japan in the field of e-books, mainly manga, and listed on the First Section of the Tokyo Stock Exchange, and HashPort Inc., which has extensive experience in blockchain-related fields. It was established in Tokyo on March 2nd, 2020 and its representative director is Takayuki Hayashi.</p> <p>The concept of the company is to go forward "into the age of NFT digital assets." The company aims to grow businesses and create new value in the market with blockchain and NFT (Non-Fungible Token), its main focus area. In addition to content business development using blockchain, the company also provides consulting services in the content field.</p> <p>In July 2021, the company procured its first domestic IEO funding, and the following month Palette's consortium blockchain mainnet was launched.</p> <p>In January 2022, HashPort Inc. acquired all of the HashPalette shares held by Link-U Inc. and made it its wholly owned subsidiary.</p> <p>In February of the same year, HashPort Inc. established a new blockchain game studio division, "HashGames," which published a press release of the blockchain game "ELF Masters" in March and officially released it in September. Development has been active, and the NFTs available in ELF Masters have been sold several times, with the first sale selling 1,500 starter packs (Master Rare Pack: 500 items/JPY 30,000, Ultra Rare Pack: 1,000 items/JPY 15,000), worth approximately JPY 30 million.</p> <p>Following the first sale, the second sale was conducted by lottery, with 1,600 starter packs (Master Rare Pack: 100 items/JPY 80,000, Ultra Rare Pack: 500 items/JPY 40,000, Super Rare Pack: 1,000 items/JPY 12,000) for a total sales price of JPY 40 million. The total amount of applications recorded was more than JPY 2.7 billion, an overall lottery turnout of 67.8 times.</p> <p>ELF Masters is currently scheduled for a major update as THE LAND ELF Crossing, aiming to provide a safe and secure metaverse game</p>

		<p>that complies with Japanese laws and regulations, build a sustainable game ecosystem utilizing crypto-assets and NFTs, and in the future build a synergistic user and economic sphere by enabling the crossing of NFTs between multiple blockchain games.</p>
c.	<p>Outline of main businesses operated by the issuer and their affiliates</p>	<p>(1) The issuer focuses on Non-Fungible Token (NFT) and, in addition to research and development of blockchain technology and blockchain-based content business development, provides consulting services in the content field. In July 2021, the company procured funds in Japan's first IEO, and launched Palette's consortium blockchain mainnet in the following month. The company provides a full range of support from applications to technical infrastructure. Its main services are the following:</p> <ul style="list-style-type: none"> - HashGames: HashPalette's blockchain game studio that aims to create Japan's first Play to Earn game ecosystem that complies with domestic regulations as a blockchain game publisher. - PLT Place: A comprehensive marketplace where NFTs in various fields such as games and collectibles can be listed and secondary trades can be conducted. PLT can be used as a payment method and credit cards are accepted as well. - PLT Wallet: A wallet for managing NFTs and crypto assets, compatible with PLT and Ethereum. Cross-chain functionality enables asset transfers to other blockchains and PLT staking. - Palette Token (PLT): Achieved the first IEO in Japan as a blockchain specialized in NFT. It is used as a fee on the palette chain. It can be used inside and outside the pallet chain using cross-chain technology. - Palettescan: A highly transparent blockchain explorer that allows users to check wallet information, transaction history, block generation status, NFT distribution status, etc. on the pallet chain. - Palette SDK: Provides various tools to help alliance partners and developers develop Dapps on the palette chain. In addition to SDKs for all major languages, tools specific to the customers needs are planned to be provided as well. - Palette Chain: An in-house developed blockchain specialized for NFTs that enables issuance, management, and distribution of digital assets. Cross-chain technology allows issued NFTs to be transferred to other blockchain networks. <p>(2) HashPort Inc., the parent company, is a solution provider supporting the social application of blockchain with the mission of "digitizing all assets," and provides companies in Japan, including crypto asset exchangers, with new crypto asset-related services and consulting services. It also offers an accelerator program to support the success of leading overseas blockchain projects in Japan, and</p>

		has contributed to the development of many Japan-based projects.
d.	Names and biographies of the issuer's directors	<ul style="list-style-type: none"> ● Seihaku Yoshida, Chairman of the Board and Founder Mr. Yoshida graduated from Keio University with a degree of law in 2013. At BCG Digital Ventures, the digital business development section of the Boston Consulting Group, he was the youngest Venture Architect (investment and business development officer) in the Tokyo office, working on projects in Japan and China. In 2018, he founded HashPort to provide consulting services and systems to major crypto asset exchanges in Japan. Then he founded HashPalette in 2020 as a subsidiary of the NFT field. HashPalette has successfully completed the first IEO in Japan (fundraising with crypto assets approved by the authorities) and operates an NFT ecosystem, including one of the largest NFT marketplaces and NFT game studios in Japan. He is also a director of Japan Crypto Asset Business Association, a co-researcher of the School of Engineering at the University of Tokyo, and a co-research member of "Crypto Asset Research Project" of Keio University Global Research Institute. ● Takayuki Hayashi, Representative Director Mr. Hayashi joined Works Applications Inc. in 2004, where he became the Head of Product for the company's accounting series product in 2014, overseeing engineers, QA, and consultants. He joined Newspix Inc. in June 2019, where, after setting up the PDM team, he became Executive VPoE in August 2020, leading the organization and hiring of the product team. Mr. Hayashi was appointed as Director and CTO of HashPort Inc. in April 2022 and appointed as Representative Director and CEO of HashPalette Inc. in June 2023. ● Yuki Matsubara, Non-Executive Board Director After working at Rakuten, CyberAgent, and Dentsu, he founded Link-U Inc. in August 2013 and became CEO in December 2014. Link-U has a track record and strengths in the fields of e-books and video distribution. The company provides server development, application development, and operation as a one-stop service, and provides "Manga One," a manga application, in collaboration with Shogakukan, and "Pocket Language," jointly developed with NHK. ● So Saito, Non-Executive Corporate Auditor So Saito is the Representative Attorney at Law of So & Sato, LLP. He is admitted to practice law in Japan and the State of New York. He graduated from the University of Tokyo Faculty of Law and New York University School of Law. After working at Nishimura & Asahi mainly in the area of finance, Mr. Saito established his own law firm in 2015, specializing in web3, FinTech, startups, and venture finance. He has served as an advisor to the Japan Blockchain Association, a public interest board member of the Japan STO Association, an auditor of Metaverse Japan, a secretary of the Capital Markets Division of the FinTech Association, and an independent director of bitFlyer. Mr. Saito was appointed as a non-executive auditor of

		HashPort Inc. in September 2022 and as a non-executive auditor of HashPalette Inc. in June 2023.
e.	Summary of issuer's financial results	As a result of the sale of newly issued tokens in Japan's first IEO (Initial Exchange Offering) with a sales period from July 1st, 2021 to July 28th, 2021, the fiscal year ending on January 2022 saw a cumulative result of JPY 931,500,000 in net sales, JPY 548,069,000 in ordinary income and JPY 315,801,000 in net income respectively (as of January 31st, 2022). The company plans to implement measures as necessary to increase and activate the number of contents and users on the palette. See the next section for the issuer's financial results.
f.	Financial status of the issuer	<p>Financial Statement of HashPalette Inc. for the Fiscal Year Ended March 31st, 2023 (in thousand yen)</p> <p>Assets Current assets: JPY 599,239 Fixed assets: JPY 395,029 Total assets: JPY 994,268</p> <p>Liabilities Current liabilities: JPY 1,060,461 Fixed liabilities: none Total liabilities: JPY 1,060,461</p> <p>Net assets Capital stock: JPY 45,000 Total capital surplus: JPY 25,000 Retained earnings: - JPY 144,784 Total shareholders' equity: - JPY 74,784 Total stock acquisition rights: none Total net assets: - JPY 66,193 Total liabilities and net assets: JPY 994,268</p> <p>Financial Statement of HashPalette Inc. for the Fiscal Year Ended January 31st, 2022 (in thousand yen)</p> <p>Assets Current assets: JPY 702,003 Fixed assets: JPY 30 Total assets: JPY 702,033</p> <p>Liabilities Current liabilities: JPY 327,547 Fixed liabilities: none Total liabilities: JPY 327,547</p> <p>Net assets Capital stock: JPY 45,000 Total capital surplus: JPY 25,000 Retained earnings: JPY 304,485 Total shareholders' equity: JPY 374,485 Total stock acquisition rights: none</p>

		<p>Total net assets: JPY 374,485 Total liabilities and net assets: JPY 702,033</p> <p>- Reference information 1 Financial Statement of HashPort Inc. for the Fiscal Year Ended March 31st, 2023 (in thousand yen)</p> <p>Assets Current assets: JPY 1,567,261 Fixed assets: JPY 156,531 Total assets: JPY 1,723,792</p> <p>Liabilities Current liabilities: JPY 213,793 Fixed liabilities: JPY 20,720 Total liabilities: JPY 234,513</p> <p>Net assets Capital stock: JPY 544,109 Total capital surplus: JPY 1,383,135 Retained earnings: - JPY 437,965 Total shareholders' equity: JPY 1,489,279 Total stock acquisition rights: none Total net assets: JPY 1,489,279 Total liabilities and net assets: JPY 1,723,792</p> <p>Financial Statement of HashPort Inc. for the Fiscal Year Ended March 31st, 2022 (in thousand yen)</p> <p>Assets Current assets: JPY 834,032 Fixed assets: JPY 140,061 Total assets: JPY 974,094</p> <p>Liabilities Current liabilities: JPY 100,327 Fixed liabilities: JPY 24,080 Total liabilities: JPY 124,407</p> <p>Net assets Capital stock: JPY 100,000 Total capital surplus: JPY 939,025 Retained earnings: - JPY 189,338 Total shareholders' equity: JPY 849,686 Total stock acquisition rights: none Total net assets: JPY 849,686 Total liabilities and net assets: JPY 974,094</p> <p>- Reference information 2 Profit-and-loss statements</p> <p>Financial Statement of HashPalette Inc. for the Fiscal Year Ended March 31st, 2023 (From February 1st, 2022 to March 31st, 2023, in thousand yen)</p>
--	--	--

Sales: JPY 718,303
Cost of sales (COGS): JPY 544,874
Gross profit: JPY 173,428
SG&A expenses: JPY 585,008
Operating loss: JPY 411,579
Non-operating income: JPY 257,657
Non-operating expenses: JPY 96,356
Ordinary loss: JPY 250,278
Extraordinary loss: JPY 194,266
Net loss: JPY 449,270

Financial Statement of HashPalette Inc. for the Fiscal Year Ended
January 31st, 2022 (From February 1st, 2021 to January 31st, 2022,
in thousand yen)

Sales: JPY 931,500
Cost of sales (COGS): JPY 76,792
Gross profit: JPY 854,707
SG&A expenses: JPY 490,933
Operating profit: JPY 363,773
Non-operating income: JPY 193,912
Non-operating expenses: JPY 4,803
Ordinary profit: JPY 552,883
Net profit: JPY 327,328

Financial Statement of HashPort Inc. for the Fiscal Year Ended
March 31st, 2023 (From April 1st, 2022 to March 31st, 2023 in
thousand yen)

Sales: JPY 339,962
Cost of sales (COGS): JPY 8,793
Gross profit: JPY 331,169
SG&A expenses: JPY 488,525
Operating loss: JPY 157,356
Non-operating income: JPY 3,639
Non-operating expenses: JPY 7,384
Ordinary loss: JPY 161,101
Extraordinary loss: JPY 86,575
Net loss: JPY 248,627

Financial Statement of HashPort Inc. for the Fiscal Year Ended
March 31st, 2022 (From April 1st, 2021 to March 31st, 2022 in
thousand yen)

Sales: JPY 414,594
Cost of sales (COGS): JPY 115,187
Gross profit: JPY 299,406
SG&A expenses: JPY 403,137
Operating loss: JPY 103,730
Non-operating income: JPY 1,819
Non-operating expenses: JPY 636
Ordinary loss: JPY 102,546
Extraordinary profit: JPY 30,000
Net loss: JPY 73,944

		As described in (3) Information on Procurement Funds (b) Treatment of procured funds in financial statements in this Disclosure Information, the entire amount of the funds procured by the issuer through the selling of the new crypto assets will be recorded under "Net sales" on the profit-and-loss statement and "Cash and deposits" on the balance sheet.
g.	Number of employees, organization and institutions of the issuer	HashPalette Inc. - No. of employees: 25 (as of January 2024) - Organization: The company consists of four departments: Management Department, Ecosystem Department, Studio Department, and Platform Department. The Studio Department includes the Planning Group, Development and Operations Group, Design Group, and CS Group. - Institution: Board of Directors and Auditor
h.	Status of the issuer's shares	The number of shares issued is 37,000 and are allocated as follows as of January 2023. HashPort Corporation: 100%. Total: 100.00%.
i.	Corporate governance status of the issuer	As of April 1st, 2021, the company has established a Board of Directors and holds regular meetings of the Board of Directors. The company has also appointed corporate auditors to conduct audits of the directors' performance of their duties.

(2) Information on the New Crypto Assets

a.	Name and ticker code (symbol) of the new crypto assets	Name of the new crypto asset: ELF Token Ticker symbol: ELF
b.	Purpose of issuance and sale of the new crypto assets	<p>ELF Token is the crypto asset issued by HashPalette Inc. (established in March 2020) that will be used in THE LAND ELF Crossing, the updated version of the blockchain game ELF Masters that was released in September 2022 by HashPalette's newly established blockchain game studio division HashGames (established in February 2022).</p> <p>The game aims to provide a safe and secure metaverse game that complies with Japanese laws and regulations, build a sustainable game ecosystem utilizing crypto-assets and NFTs, and in the future build a synergistic user and economic sphere by enabling the crossing of NFTs between multiple blockchain games.</p> <p>The issuance and sale of the crypto asset is intended to enable revenue sharing by building an ecosystem within THE LAND ELF Crossing and promote proactive community engagement.</p>

c.	Specific use cases	<p>ELF Tokens have the following main utilities:</p> <ol style="list-style-type: none"> 1. In-game use ELF Tokens can be used in-game to produce crops faster and to purchase "EAU (ELF Gold)," a chargeable item that can be used to purchase various items needed to produce crops and livestock products. EAUs (ELF Gold) can also be used to purchase avatar outfits, decorations, and facilities. 2. Staking Earn rewards by locking your ELF Tokens for a certain period of time. Depending on the staking amount, crops will grow faster and special seeds will be awarded. In addition, during the staking period, the right to use limited ornaments will be granted, and the number of items in the warehouse can be increased. 3. Participation in governance voting Users can participate in voting for proposals regarding in-game content according to the amount of ELF Tokens they have or by staking. 4. Buy and Sell of NFTs in the PLT Place ELF Tokens can be used to buy and sell ELF NFTs and other NFTed items on PLT Place.
d.	If there is an obligation owed to the holder of the new crypto asset, the details of such obligation, information on the obligor and the date of performance, and the nature of the claim pertaining to such obligation (including the method of transfer, whether or not there is a restriction on transfer, the method of meeting countervailing requirements, and the method of preserving such claims if the outflow of new crypto assets makes it impossible to exercise such claims)	Not applicable

e.	If the holders of the new crypto assets are likely to suffer disadvantages (including those caused by the issuer) in relation to the claims stipulated above, the details of such disadvantages	Not applicable
f.	If a threshold on the issuance of new crypto assets is set, the maximum number of such assets	ELF 1,000,000,000
g.	Volume of new crypto assets already issued	ELF 1,000,000,000
h.	If there is a business operator (domestic or foreign) that provides or has decided to provide service for the new crypto assets, the name of said business operator and the time of service	<p>Information on consignment sales Service operator: bitFlyer, Inc. (hereafter "bitFlyer" or "the Company") Receipt date of crypto assets for sale: February 9th, 2024 Start date of the consignment sale: February 9th, 2024</p> <p>Start of secondary distribution Start date of trading: Schedule will be fixed between February 22nd, 2024 and March 31st, 2024 Providing service: bitFlyer Exchange (iOS/Android apps)</p>
i.	If additional issuance, additional sale, or free grant of new crypto assets (hereafter "additional issuance, etc.") is planned, the details of such additional issuance, etc. (if additional issuance, etc. is not planned, a statement to that effect)	Not applicable
j.	If a sale of the new crypto assets (including advantageous sales (as defined in Item (5) m. of this Paragraph) and free grants) has been conducted in the past, the status of said sale etc.	Not applicable

k.	<p>If the issuer intends to amortize (defined as the annihilation or permanent disablement of the said crypto assets. The same shall apply hereinafter.) any new crypto assets that have been issued, details of such amortization</p>	<p>Amortization of ELF Tokens is to be considered if the issuer exceeds the planned revenues in the business plan. In the event of amortization, 10% of the excess revenue will be the upper limit of the amortization resource. In addition, the issuer will notify users in advance of the amortization.</p>
l.	<p>If there is a market maker for the new crypto assets, the name of such market maker and the details of market making</p>	<p>At the time of the release of this disclosure document, there is no confirmation that the issuer or bitFlyer has entered into an agreement with a market maker.</p>
m.	<p>If there is a possibility of suspending the transfer of the new crypto assets or taking other emergency measures in the event that a vulnerability is discovered in the target system of the new crypto assets (this refers to the subject system as defined in Article 17.), a statement to the effect that such measures may be taken</p>	<p>If a vulnerability is discovered in the target system, a risk assessment investigation of the relevant crypto assets shall be conducted, and if factors affecting the results are identified, bitFlyer shall call in a meeting to deliberate on the decision of primary suspension or discontinuation of the service for the crypto assets. If, after discussion, it is determined that a primary suspension or discontinuation of service is appropriate, a resolution regarding the primary suspension or discontinuation of service shall be passed at a meeting of the Board of Directors. The same process as above will be followed in the case of restarting transfers.</p> <p>If a vulnerability is discovered in THE LAND ELF Crossing itself, which is a Tokenomics key game for the issuer emergency maintenance shall be performed immediately at the discretion of the representative director of HashPalette Inc. As soon as the representative director's instructions are issued, the responsible SRE staff in the Platform Department shall block external access to the game, and the responsible CS staff in the Studio Department shall announce this on the website. In addition, if a vulnerability is discovered in the token contract, both companies will work together to address the situation accordingly.</p>

n.	The total amount of new crypto assets held or to be held by the issuer (or, if the total amount cannot be specified, the upper and lower limits)	<p>The total amount of new crypto assets held by the issuer will be ELF 370,000,000, or 37% of the total.</p> <p>In the following, the ELF Tokens obtained by bitFlyer as compensation for IEO consignment sales shall be referred to as "bitFlyer Compensation Tokens", the ELF Tokens obtained by HashPort as compensation for advisory services shall be referred to as "HashPort Compensation Tokens" and the ELF Tokens obtained by HashPalette as "HashPalette Operation Tokens".</p> <p>For the conditions set forth below, "no selling" means that no sale will be made on any exchange platform or through OTC trades (Over-The-Counter trades) outside of any exchange.</p> <p>The lock-up release conditions for each item are as described below.</p> <p>- Operating team: ELF 160,000,000 (16%) HashPalette or HashPalette's group companies and affiliates will handle the ELF 160,000,000 worth of HashPalette Operation Tokens (equivalent to 16% of the total) under the following conditions:</p> <p>1) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day six months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.</p> <p>2) From the next day after six months have passed from the ELF Tokens becoming available for trading on bitFlyer Exchange, the lock-up for ELF Tokens will be released over a period of six years (in increments of 1/72 of ELF 16 million per month). HashPalette Operation Tokens still subject to the lock-up period will not be sold to HashPort or its group companies nor sold by them.</p> <p>- Marketing: ELF 90,000,000 (9%) Full lock-up release after the IEO.</p> <p>- Liquidity and exchange listing: ELF 120,000,000 (12%) Full lock-up release after the IEO. As part of liquidity and exchange listing tokens, the ELF 40,000,000 worth of bitFlyer Compensation Tokens (4% of the total number of tokens issued), obtained by bitFlyer, will be divided into four equal parts (each making up 1.00% of the total number of tokens issued, hereafter referred to as "bitFlyer Compensation Token A", "bitFlyer Compensation Token B", "bitFlyer Compensation Token C" and "bitFlyer Compensation Token D"). bitFlyer or bitFlyer Blockchain and their group companies and affiliates will handle the bitFlyer Compensation Tokens under the following conditions:</p> <p>1) bitFlyer Compensation Token A No selling until one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.</p>
----	--	--

2) bitFlyer Compensation Token B

- (i) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day two weeks have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.
- (ii) No selling from the next day after two weeks have passed until six months has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 18.75 / ELF.
- (iii) No selling from the next day after six months have passed until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.

3) bitFlyer Compensation Token C

- (i) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day four weeks have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.
- (ii) No selling from the next day after four weeks have passed until the day six months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 25.00 / ELF.
- (iii) No selling from the next day after six months have passed until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.

4) bitFlyer Compensation Token D

- (i) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day three months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.
- (ii) No selling from the next day after three months have passed until the day six months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 31.25 / ELF.
- (iii) No selling from the next day after six months have passed until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.

- Advisors and Partners: ELF 80,000,000 (8%)

The advisor and partner portion of the ELF Tokens obtained by HashPort as compensation for its advisory services (hereafter "HashPort Compensation Tokens"), will be locked up as follows.

HashPort or HashPort's group companies and affiliates will handle the ELF 30,000,000 worth of HashPort Compensation Tokens (equivalent to 3% of the total number of tokens issued) under the following conditions:

- 1) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange.
- 2) No selling from the next day after one year has passed from the

		<p>date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.</p> <p>Refer to White Paper "4.3 Token Allocation and Emission Plan. "¹ The term "unlocked" on the White Paper refers to the state in which the Tokens become transferable by someone other than the issuer and does not refer to whether they can be sold on the market.</p>
	o. Treatment of new crypto assets held by the issuer in financial statements	The valuation of the new crypto assets held by the issuer in the financial statements shall be JPY 0. However, in the event of new or changed accounting standards, the treatment of said crypto assets in the financial statements may be revised.
	p. Other information described in the Summary Statement (this refers to the summary statement stipulated in Article 5 of the Regulations Concerning the Service for Crypto Assets.)	<p>Please refer to the following page for information on crypto assets bitFlyer provides service for. https://bitflyer.com/en-jp/virtual-currency-list</p> <p>An outline on ELF Tokens will be posted on February 9th, 2024, the application start date.</p>
(3) Information on Procurement Funds		
	a. Details of use of procured funds	<p>The procured funds will be used for the following purposes</p> <p>Marketing: 30%. Funds will be used for promotion and collaboration for ecosystem development.</p> <p>Contractors: 35%. Funds will be used to cover the costs of external businesses (exchanges, market makers, accountants, lawyers, other advisors, etc.) necessary for the operation of THE LAND ELF Crossing.</p> <p>Operations: 20%. Used for project operation staff.</p> <p>Reserves: 15%. Used as a reserve fund.</p> <p>Refer to White Paper "4.4 Use of ELF IEO Funds Whitepaper URL: https://theland.game/en/WhitePaper</p>
	b. Treatment of	The entire amount is planned to be recorded under "Sales" on the

¹ Whitepaper URL: <https://theland.game/en/WhitePaper>

	procured funds in financial statements	profit-and-loss statement and "Cash and deposits" on the balance sheet.
(4) Information on the Target Project		
a.	Project Purpose	See "Purpose of issuance and sale of the new crypto assets"
b.	Project Details	<p>ELF Token is the crypto asset issued by HashPalette Inc. (established in March 2020) that will be used in THE LAND ELF Crossing, the updated version of the blockchain game ELF Masters that was released in September 2022 by HashPalette's newly established blockchain game studio division HashGames (established in February 2022).</p> <p>The game aims to provide a safe and secure metaverse game that complies with Japanese laws and regulations, build a sustainable game ecosystem utilizing crypto-assets and NFTs, and in the future build a synergistic user and economic sphere by enabling the crossing of NFTs between multiple blockchain games.</p>
c.	Detailed project business plan	<p>March - September 2023</p> <ul style="list-style-type: none"> - White paper published - PV published - 1st NFT sale - Partner announcement <p>October - December 2023</p> <ul style="list-style-type: none"> - Pre-registration open - Closed initial test version release <p>January - March 2024</p> <ul style="list-style-type: none"> - bitFlyer IEO - 2nd NFT sale - Game release - Alliance function release - IP collaboration <p>April - June 2024</p> <ul style="list-style-type: none"> - Alliance function update - Collaborative LAND release - Main quest additions <p>Estimate for the FY ending Mar 31st, 2024(in thousand yen)</p> <p>Sales: JPY 1,814,275 SG&A expenses: JPY 1,444,866 Operating income: - JPY 229,371 Ordinary income: - JPY 180,502 Net income: - JPY 180,547</p> <p>Estimate for the FY ending Mar 31st, 2025(in thousand yen)</p> <p>Sales: JPY 8,002,900 SG&A expenses: JPY 4,039,618 Operating income: JPY 3,221,484 Ordinary income: JPY 3,213,601</p>

		<p>Net income: JPY 2,163,790</p> <p>Estimate for the FY ending Mar 31st, 2026(in thousand yen)</p> <p>Sales: JPY 8,829,289</p> <p>SG&A expenses: JPY 4,444,425</p> <p>Operating income: JPY 3,534,428</p> <p>Ordinary income: JPY 3,526,555</p> <p>Net income: JPY 2,368,430</p>
d.	Biographies of key project promoters	For biographies of the directors of the issuing company (the issuer), Seihaku Yoshida, Takayuki Hayashi, Yuki Matsubara and So Saito, please refer to "Names and biographies of the issuer's directors".
e.	Impact of project failure on the price of the new crypto assets	<p>The blockchain game in which the asset is used is developed and operated by the issuer. It is possible that the price of the crypto asset is affected negatively, if development is delayed or halted due to the bankruptcy of the target project.</p> <p>In addition, the issued asset is distributed on the Palette Chain, and in the unlikely event of bankruptcy of the target project, the platform on which it is distributed might be impacted.</p>
f.	Necessary system status for the project	Refer to items in Article 5.1 (1) a - i above
g.	Project feasibility etc.	With respect to the project plan provided by the issuer, bitFlyer has identified factors that would have a significant impact on the execution of the plan and evaluated and verified the feasibility and appropriateness of each of these factors. For items that have a significant impact on the execution of the project plan, bitFlyer placed a certain burden on them and verified the stability of their financial condition. As a result, it was confirmed that the project plan provided is appropriate and feasible.
(5) Information on the Sale of the New Crypto Assets		
a.	Selling price	JPY 12.50/ELF

b.	Calculation basis for the selling price	<p>bitFlyer determines the sales price based on a third-party token valuation report.</p> <p>The valuation approach used is a dual-token blockchain gaming token that is similar in nature to the subject tokens and for which there are reliable multiple indicators, so the multiple method is used for value calculation.</p> <p>The multiple is calculated based on the governor's token market capitalization, number of governor's token holders, utility token market capitalization, and number of utility tokens for similar tokens.</p> <p>The utility token market capitalization is based on the monetary quantity theory, which calculates token value by focusing on the similarities between tokens and legal tender and viewing the token economy as a small economic zone. Specifically, the token price is calculated by calculating the variables other than P (price) that constitute Fisher's exchange equation ($MV = PT$, M: quantity of money, V: velocity of currency circulation, P: value of goods, T: total real transaction volume of goods). Each variable in the aforementioned Fisher's exchange equation is composed of several more parameters, and bitFlyer is evaluating the validity of these individual parameters in reference to the report.</p>
c.	Total volume of sales and free grants of the new crypto assets (hereafter "total scheduled volume of sales, etc.")	<p>The total amount of new crypto assets to be sold is ELF 100,000,000, or 10% of the total.</p> <p>There are no plans for free grants.</p>
d.	Sales period (if no sales period is specified, a statement to that effect)	<p>Application start date: February 9th, 2024, 7:00pm</p> <p>Application end date: February 20th, 2024, 11:59pm</p> <p>Lottery date: Starting February 22nd, 2024</p> <p>Transfer period: Starting February 22nd, 2024</p>
e.	Purchase application method	<p>After logging in to bitFlyer's service, purchase applications for the relevant asset can be made by filling out the application form.</p>
f.	Possibility of application cancellation and cancellation method	<p>Cancellation is not possible after the purchase application has been submitted.</p>
g.	If a lower limit is set for the amount of crypto assets or legal tender paid by the purchaser as the price of the sale (hereafter "paid amount"), the details of such limit	<p>1 unit shall be ELF 500.</p> <p>Lower limit: 1 unit</p> <p>Upper limit: 1,500 units</p> <p>Purchaser pays a legal tender (Japanese yen).</p>

h.	Payment method and deadline	<p>Payment deadline: February 20th, 2024, 11:59pm</p> <p>Payment method: the amount of Japanese yen equivalent to the application amount will be locked in the buyer's account (during the lock period, the buyer will not be able to buy or sell crypto assets or transfer funds externally using the relevant funds). The payment will be conducted by deducting the Japanese yen equivalent to the amount of applications that won in the lottery from the locked Japanese yen by bitFlyer at the timing of the Lottery results announcement.</p>
i.	The amount of fees, compensation, or expenses to be paid by the purchaser upon the sale of the new crypto assets, or the maximum amount of such fees, compensation, or expenses, or the method of calculation thereof	<p>Sales fee rate: 8% (incl. consumption tax)</p> <p>Sales fee calculation method: The application amount multiplied by the fee rate</p>
j.	If all or part of the total paid amount is to be returned when the total paid amount or the total sales volume of new crypto assets is less than the threshold amount, a statement to that effect, the return period and method	<p>If the total application amount multiplied by the selling price does not reach the minimum threshold of JPY 900 million, bitFlyer will unlock the locked total paid amount on the day following the end day of the application period.</p>
k.	Method and timing of transfer of the new crypto assets	<p>Transfer period: Starting February 22nd, 2024</p> <p>Transfer method: The total application amount and sales fee equivalent to the number of units that won the lottery will be deducted from the accounts, and the corresponding amount of ELF Tokens will be transferred to the account as compensation. For accounts not selected in the lottery, sales fees will not be deducted and any remaining balances will be unlocked.</p>
l.	If conditions are attached to the sale of the new crypto assets, the details of such conditions	<p>If the total application amount multiplied by the selling price does not reach the minimum threshold, the entire locked paid amount will be released, and the possibility of conducting the token sale again will be discussed.</p>
m.	The following items shall apply when the new crypto assets are sold at a more favorable price than usual (hereinafter referred to as "favorable sale")	

	a. Period of favorable sales	Not applicable
	b. Purpose of favorable sales	Not applicable
	c. Parties eligible for favorable sales	Not applicable
	d. Quantity of favorable sales and percentage of total scheduled sales	Not applicable
	e. Price and discount rate for favorable sales	Not applicable
n.	The following items shall apply for free grants of the new crypto assets (hereafter "free grant")	
	a. Period of free grants	Not applicable
	b. Purpose of free grants	Not applicable
	c. Parties eligible for free grants	Not applicable
	d. Quantity of free grants and percentage of total scheduled sales	Not applicable
o.	If a preferential treatment program is implemented for the sale of the new crypto assets, the content and legality of such preferential treatment program and whether or not there is any conflict of interest with the users	
p.	Location and contact information of the sales counter for consultations and complaints regarding the sale of the new crypto assets	Refer to bitFlyer's website "bitFlyer Complaint Processing and Dispute Resolution Management Structure" https://bitflyer.com/en-jp/claim-handling
q.	Name of the ADR organization available to the purchaser and contact information	(same as above)

	r. Governing law and jurisdiction for the sale of the new crypto assets	See "Article 22 Governing Law and Jurisdiction" of bitFlyer's Terms of Use. Governing law: Japanese law Jurisdiction: Tokyo District Court https://bitflyer.com/en-jp/usepolicy
	s. If a rights and obligations relationship arises between the issuer and the purchaser upon the sale of new crypto assets, the details of such rights and obligations	Not applicable

Disclaimer:

- Since the blockchain game in which the relevant crypto asset is used is developed and operated by the issuer, the price of the relevant crypto asset may be damaged if the target project goes bankrupt, or development is delayed or halted.
- The financial condition of the issuer that develops and operates the blockchain game in which the relevant crypto asset is used may deteriorate, which may also result in a damage to the price of the relevant crypto asset.
- The proceeds from the crypto asset sale will be recorded as sales in the issuer's profit-and-loss statement in accordance with current accounting standards. The relevant accounting standards are subject to change in the future.

Creation date: February 8th, 2024
Revision date: February 22nd, 2024

Disclosure Information Regarding the Sale and Service of ELF Tokens

Amendment Comparison Table

Revision date: February 22nd, 2024
Changes are underlined.

Outline of ELF Token Sale (Initial Exchange Offering)

Before amendments	After amendments
21. Lottery date: February <u>21st</u> , 2024 (Implemented in case the total amount of applications exceeds the total sales amount after the end of the application period)	21. Lottery date: <u>Starting</u> February <u>22nd</u> , 2024 (Implemented in case the total amount of applications exceeds the total sales amount after the end of the application period)
23. Result notification date: February <u>21st</u> , 2024	23. Result notification date: <u>Starting</u> February <u>22nd</u> , 2024
25. Token transfer date: February <u>21st</u> , 2024	25. Token transfer date: <u>Starting</u> February <u>22nd</u> , 2024

Information related to Article 5.1 of the Regulations on the Sale of New Crypto Assets

Before amendments	After amendments
<p>(2) Information on the New Crypto Assets</p> <p>n. The total amount of new crypto assets held or to be held by the issuer (or, if the total amount cannot be specified, the upper and lower limits)</p> <p>The total amount of new crypto assets held by the issuer will be ELF 370,000,000, or 37% of the total.</p> <ul style="list-style-type: none"> - Operating team: ELF 160,000,000 (16%) <p><u>Lock-up for 6 months after the IEO, then unlocked in 1/72 monthly increments over 6 years.</u></p> <ul style="list-style-type: none"> - Marketing: ELF <u>50,000,000</u> (9%) Full lock-up will be lifted after the IEO. - Liquidity and exchange listing: ELF 120,000,000 (12%) Full lock-up will be lifted after the IEO. <p>Refer to White Paper "4.3 Token Allocation and Emission Plan. "</p>	<p>(2) Information on the New Crypto Assets</p> <p>n. The total amount of new crypto assets held or to be held by the issuer (or, if the total amount cannot be specified, the upper and lower limits)</p> <p>The total amount of new crypto assets held by the issuer will be ELF 370,000,000, or 37% of the total.</p> <p><u>In the following, the ELF Tokens obtained by bitFlyer as compensation for IEO consignment sales shall be referred to as "bitFlyer Compensation Tokens", the ELF Tokens obtained by HashPort as compensation for advisory services shall be referred to as "HashPort Compensation Tokens" and the ELF Tokens obtained by HashPalette as "HashPalette Operation Tokens".</u></p> <p><u>For the conditions set forth below, "no selling" means that no sale will be made on any exchange platform or through OTC trades (Over-The-Counter trades) outside of any exchange.</u></p> <p><u>The lock-up release conditions for each item are as described below.</u></p> <ul style="list-style-type: none"> - Operating team: ELF 160,000,000 (16%) <u>HashPalette or HashPalette's group companies and affiliates will handle the ELF 160,000,000</u>

worth of HashPalette Operation Tokens (equivalent to 16% of the total) under the following conditions:

1) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day six months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.

2) From the next day after six months have passed from the ELF Tokens becoming available for trading on bitFlyer Exchange, the lock-up for ELF Tokens will be released over a period of six years (in increments of 1/72 of ELF 16 million per month). HashPalette Operation Tokens still subject to the lock-up period will not be sold to HashPort or its group companies nor sold by them.

- Marketing: ELF 90,000,000 (9%)
Full lock-up release after the IEO.

- Liquidity and exchange listing: ELF 120,000,000 (12%)
Full lock-up release after the IEO.

As part of liquidity and exchange listing tokens, the ELF 40,000,000 worth of bitFlyer Compensation Tokens (4% of the total number of tokens issued), obtained by bitFlyer, will be divided into four equal parts (each making up 1.00% of the total number of tokens issued, hereafter referred to as "bitFlyer Compensation Token A", "bitFlyer Compensation Token B", "bitFlyer Compensation Token C" and "bitFlyer Compensation Token D"). bitFlyer or bitFlyer Blockchain and their group companies and affiliates will handle the bitFlyer Compensation Tokens under the following conditions:

1) bitFlyer Compensation Token A
No selling until one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.

2) bitFlyer Compensation Token B
(i) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day two weeks have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.
(ii) No selling from the next day after two weeks have passed until six months has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 18.75 / ELF.

(iii) No selling from the next day after six months have passed until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.

3) bitFlyer Compensation Token C

(i) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day four weeks have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.

(ii) No selling from the next day after four weeks have passed until the day six months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 25.00 / ELF.

(iii) No selling from the next day after six months have passed until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.

4) bitFlyer Compensation Token D

(i) No selling regardless of the ELF Token trading price on bitFlyer Exchange until the day three months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange.

(ii) No selling from the next day after three months have passed until the day six months have passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 31.25 / ELF.

(iii) No selling from the next day after six months have passed until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.

- Advisors and Partners: ELF 80,000,000 (8%)
The advisor and partner portion of the ELF Tokens obtained by HashPort as compensation for its advisory services (hereafter "HashPort Compensation Tokens"), will be locked up as follows.

HashPort or HashPort's group companies and affiliates will handle the ELF 30,000,000 worth of HashPort Compensation Tokens (equivalent to 3% of the total number of tokens issued) under the following conditions:

1) No selling regardless of the ELF Token

	<p><u>trading price on bitFlyer Exchange until the day one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange.</u></p> <p><u>2) No selling from the next day after one year has passed from the date on which the ELF Token becomes available on bitFlyer Exchange, if the trading price on bitFlyer Exchange is less than JPY 12.50 / ELF.</u></p> <p>Refer to White Paper "4.3 Token Allocation and Emission Plan. "</p> <p><u>*The term "unlocked" on the White Paper refers to the state in which the Tokens become transferable by someone other than the issuer and does not refer to whether they can be sold on the market.</u></p>
<p>(5) Information on the Sale of the New Crypto Assets</p> <p>d. Sales period (if no sales period is specified, a statement to that effect)</p> <p>Application start date: February 9th, 2024, 7:00pm</p> <p>Application end date: February 20th, 2024, 11:59pm</p> <p>Lottery day: February <u>21st</u>, 2024, after application are closed</p> <p>Transfer period: February <u>21st</u>, 2024</p>	<p>(5) Information on the Sale of the New Crypto Assets</p> <p>d. Sales period (if no sales period is specified, a statement to that effect)</p> <p>Application start date: February 9th, 2024, 7:00pm</p> <p>Application end date: February 20th, 2024, 11:59pm</p> <p>Lottery date: <u>Starting</u> February <u>22nd</u>, 2024, after application are closed</p> <p>Transfer period: <u>Starting</u> February <u>22nd</u>, 2024</p>
<p>(5) Information on the Sale of the New Crypto Assets</p> <p>k. Method and timing of transfer of the new crypto assets</p> <p>Transfer period: February <u>21st</u>, 2024</p> <p>Transfer method: The total application amount and sales fee equivalent to the number of units that won the lottery will be deducted from the accounts, and the corresponding amount of ELF Tokens will be transferred to the account as compensation. For accounts not selected in the lottery, sales fees will not be deducted and any remaining balances will be unlocked.</p>	<p>(5) Information on the Sale of the New Crypto Assets</p> <p>k. Method and timing of transfer of the new crypto assets</p> <p>Transfer period: <u>Starting</u> February <u>22nd</u>, 2024</p> <p>Transfer method: The total application amount and sales fee equivalent to the number of units that won the lottery will be deducted from the accounts, and the corresponding amount of ELF Tokens will be transferred to the account as compensation. For accounts not selected in the lottery, sales fees will not be deducted and any remaining balances will be unlocked.</p>