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bitFlyer, Inc.

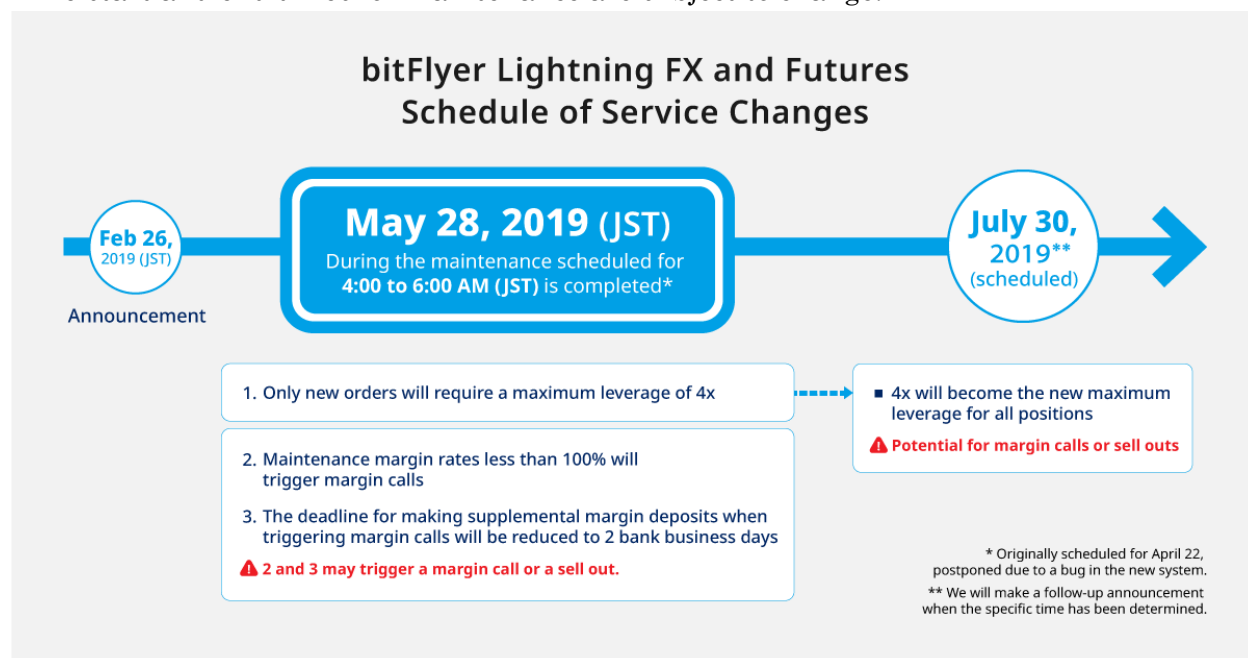
## Important: Changes to Margin Trading Services on bitFlyer Lightning

Thank you for using bitFlyer.

In accordance with the regulations and guidelines put forth by the Japan Virtual Currency Exchange Association, of which we are a member, we will be implementing some changes to margin trading on bitFlyer Lightning FX and bitFlyer Lightning Futures.

These changes were scheduled to be implemented during the maintenance scheduled for Monday, April 22, 2019. The changes are now scheduled to be implemented during maintenance on Tuesday, May 28, 2019 between 4:00 and 6:00 AM (JST). All services, including bitFlyer Lightning, will be unavailable during maintenance.

\*The start and end times for maintenance are subject to change.



The following is an explanation of the points that will be changed on Tuesday, May 28, 2019 (JST).

**1. The maximum leverage rate allowed when placing new orders will be changed from 15x to 4x.**

Currently, bitFlyer Lightning FX and bitFlyer Lightning Futures allow the use of 15x of your valuation margin (15x leverage). However, during the maintenance on Tuesday, May 28, 2019 (JST), the maximum allowed leverage when placing new orders will become 4x. Please be aware that once this time passes, new orders can no longer be placed with more than 4 times the valuation margin. Additionally, please note that margin calls or sell outs **will not** be triggered by the maximum leverage rate changes to be implemented on Tuesday, May 28, 2019 (JST).

Customers with a leverage rate setting exceeding 4x on Tuesday, July 30, 2019 (JST, scheduled) will have their leverage setting set to 4x. Please be aware that a margin call or sell out **will** be triggered for customers with positions exceeding 4 times their margin valuation at that point in time. The specific time has yet to be decided, but we will make a follow-up announcement once we reach a decision.

\*The leverage rate can be chosen in the settings for bitFlyer Lightning.

\*The leverage rate is taken from the value specified in Article 4 (Margin Rates); Section 2; Subsection 1 of the Margin Trading Regulations and Guidelines put forth by the Japan Virtual Currency Exchange Association.

**2. The margin maintenance rate for triggering margin calls will change from 80% to 100%.**

Currently, margin call rules for bitFlyer Lightning FX and bitFlyer Lightning Futures are applied when the maintenance margin rate falls below 80%. However, during the maintenance on Tuesday, May 28, 2019 (JST), margin calls will be triggered when the maintenance margin rate falls below 100%.

Please be aware that customers whose maintenance margin rate falls below 100% at the point in time when the changes are implemented will experience a margin call.

**3. The time frame to make supplemental margin deposits after a margin call will be changed from 3 bank business days to 2 bank business days.**

Currently, when margin call rules are applied in bitFlyer Lightning FX and bitFlyer Lightning Futures, a supplemental margin deposit must be made within 3 bank business days. However, during the maintenance on Tuesday, May 28, 2019 (JST), when a margin call is triggered, the time frame to make a supplemental margin deposit will be changed to 2 bank business days.

Please be aware that during the maintenance on Tuesday, May 28, 2019 (JST), sell out rules will be applied if the maintenance margin rate is less than 100% by 5:00 PM (JST) 2 bank business days after the margin call is triggered.

This concludes the changes that will be implemented to bitFlyer Lightning FX and bitFlyer Lightning Futures services. We greatly appreciate your understanding and cooperation.

### **About the Revisions to the Written Explanation**

Additionally, in accordance with the changes above, we will also revise a portion of the Written Explanation as per Articles 16 and 17 of the Cabinet Office Ordinance on virtual Currency Exchange Services on Tuesday, May 28. To continue using our services from Tuesday, May 28 onward, you will be required to follow the directions displayed after logging in to thoroughly read and agree to the new documentation.

\*Before trading on our exchange, please read and fully understand our Written Explanation Required by Virtual Currency Exchange Services and make trades based on your own judgement and at your responsibility.

\*This document was originally written in Japanese and has been translated to English. Should there be any discrepancies, the Japanese text shall take precedence.

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Revised on April 8 to include the time for the changes to leverage trading and the written explanation on April 22, as well as the planned date for the automatic leverage setting changes on June 24

Revised to include postponing the changes on April 22

Revised to announce the schedule for postponed changes on May 14