



July 26, 2024
bitFlyer Holdings, Inc.

Completion of FTX Japan K.K. Share Acquisition

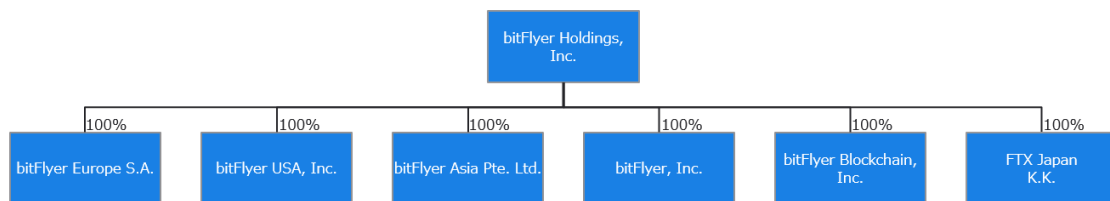
bitFlyer Holdings, Inc. (headquartered in Minato-ku, Tokyo; Representative Director & CEO: Yuzo Kano; the “Company”) today announces the completed acquisition of all outstanding shares of FTX Japan K.K. (“FTX Japan”), previously announced on June 20, 2024.

Transaction Overview

As announced on June 20, 2024, the Company has agreed to acquire from FTX Japan Holdings K.K. (“FTX Japan Holdings”), 100% of the shares of its subsidiary, FTX Japan. On November 11, 2022 (the “Petition Date”), FTX Trading Ltd. and certain of its affiliated debtors, including FTX Japan and FTX Japan Holdings (collectively, the “Debtors”), each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. Therefore, the acquisition was subject to approval of the bankruptcy court, and a sale order in respect of the transaction was entered by the bankruptcy court on July 16, 2024. Today, the Company has completed the share acquisition of FTX Japan.

Method of Share Transfer	Transfer of All Shares Outstanding of FTX Japan	
Before and After Transfer	Before	FTX Japan Holdings 100%
	After	bitFlyer Holdings, Inc. 100%
Share Purchase Agreement Date	June 19, 2024	
Share Purchase Closing Date	July 26, 2024	

Since the transactions has completed, FTX Japan will become a fully owned subsidiary of the Company. The Chapter 11 case of FTX Japan was dismissed effective as of the closing of the transaction.



- FTX Japan has become a fully-owned subsidiary of bitFlyer Holdings
- The Chapter 11 case of FTX Japan was dismissed effective as of the closing of the transaction.

Business Policy Post Acquisition

As announced on June 20, 2024, the Company expects to pursue the following business policy going forward. This is not yet fixed and may change in the future.

Under the terms of the Acquisition, FTX Japan will need to change its corporate name by August 26, 2024. The new company name is yet to be determined. For this notice we will use “New Custody Company” as its provisional name. The basic policies of the New Custody Company are expected to be as follows:

- New Custody Company will transfer FTX Japan customer accounts to bitFlyer, Inc. with the consent of the relevant customers.
- New Custody Company will offer new crypto custody (crypto asset management) services as its core business.
- New Custody Company will provide services related to crypto asset spot ETFs^[*1], centered around its core business, if the legal system is established in the future in Japan.
- New Custody Company will continuously maintain the crypto asset exchange service provider and Type 1 financial instruments business license for its future business and the service to be provided.

bitFlyer Inc. has been developing its core business of crypto asset sales and exchanges. We believe that customers of New Custody Company will be able to safely enjoy crypto asset trading in a secure environment at bitFlyer, Inc. We also believe that bitFlyer, Inc. will be able to provide further value by expanding its new services related to crypto asset trading.

On the other hand, the New Custody Company is expected to develop crypto custody business as its new core business. The basic policy of the crypto custody business is based on the growing needs of institutional investors for entry into the crypto asset market and the need for professional security measures. In January 2024, the SEC conducted a re-examination of the previously disapproved Bitcoin spot ETFs and collectively approved rule amendments for the listing of 11 ETFs. Although the situation is not necessarily the same in the U.S. and Japan, this trend is expected to increase the need for institutional investors to enter the crypto asset market in Japan, and crypto asset custody services are expected to become more important. An important element in custody services is advanced security measures. In the crypto asset exchange industry, a fraudulent leak of crypto assets worth approximately 58 billion yen occurred in 2018. In response to this issue, awareness of security was raised within the crypto asset exchange industry and various measures were taken. However, recently there was a fraudulent leak of crypto assets at the similar level as in 2018. We believe that in-depth knowledge of the blockchain and technical capabilities are essential for security measures in the crypto asset exchange industry. bitFlyer Group has deep knowledge and technical capability in respect of the blockchain, and has been developing secure wallets at bitFlyer, Inc. We are considering to deliver to corporate customers (institutional investors) crypto custody service with advanced security measures. While we await for reform of tax regulations and the legal system, we are also considering to provide spot crypto asset ETF related service that meets the need of financial institutions, including trust banks, once crypto asset spot ETFs are approved in Japan.

We believe that the bitFlyer Group will be able to deliver unique value by offering both crypto custody service and services related to crypto asset spot ETFs under the New Custody Company.

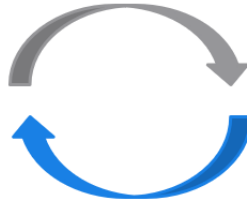
Crypto Custody K.K. (Provisional Name)*1 (currently FTX Japan)



<p>■ Basic Policy</p> <ul style="list-style-type: none">• Transfer FTX Japan accounts to bitFlyer, Inc. with customer consent• Develop crypto asset custody business for corporate customers (institutional investors)• Provide Crypto Asset Spot ETF related service once legal system is established in Japan• Maintain license of Crypto asset exchange service and financial instruments business for future business and service to be provided
<p>■ Background</p> <ul style="list-style-type: none">• Growing need for institutional investors to enter the crypto asset market• Growing need for specialized security measures• Create new business opportunity related to crypto asset spot ETF

- Transfer account to bitFlyer and trade crypto assets in a secure environment

- Improved customer experience through new bitFlyer services to be expanded in the future



- Utilization of bitFlyer's advanced security knowledge of "Zero hacking damage since foundation"

- Utilize operational knowledge and experience in the crypto asset exchange business

<p>■ Basic Policy</p> <ul style="list-style-type: none">• Expand new services in peripheral areas with crypto asset sales and exchanges as core business• As part of the bitFlyer Group, focus on business expansion in the web3 domain, including the crypto asset exchange business, with the aim of becoming "Asia's No.1 web3 company"
<p>■ Background</p> <ul style="list-style-type: none">• Growing need for new services based on crypto asset sales and exchange• Expansion of web3 domain business

Note

*1: Due to intellectual Property Right reason, FTX Japan needs to change name asap

[*1] ETF (Exchange Traded Funds) are investment trusts listed on stock exchanges. An investment trust is a product where funds collected from investors are invested and managed by experts in stocks, bonds, and other securities. A crypto asset spot ETF refers to an exchange-traded investment trust that includes actual crypto asset as investment targets.

About FTX Japan^[*2]

FTX Japan was a wholly-owned subsidiary of FTX Japan Holdings before the closing of the transaction. FTX Japan Holdings was acquired by FTX Trading in April 2022. Prior to the Petition Date, FTX Japan operated a registered crypto asset exchange providing residents of Japan the ability to trade crypto and crypto derivatives. FTX Japan is subject to the regulatory supervision of the Financial Services Agency of Japan (the "JFSA") and the Kanto Local Finance Bureau, and is registered as a Crypto-Asset Exchange Service Provider and Type I Financial Instrument Business Operator. FTX Japan has not engaged in crypto asset exchange operations since the Petition Date. Since early 2023, all customers of FTX Japan have been able to withdraw all of their segregated crypto and fiat assets. The information and documents related to FTX Japan are available at <https://www.liquid.com/ja/company/>.

[*2] The description regarding FTX Japan is based on publicly available information. Also, the website URL may change in conjunction with the name and domain change on August 26, 2024.

About bitFlyer Group

The Company holds bitFlyer Inc. and bitFlyer Blockchain Inc. as domestic subsidiaries, and bitFlyer Europe S.A. and bitFlyer USA, Inc. as overseas subsidiaries. The bitFlyer Group is committed to "Simplify the world with blockchain", a mission it has been pursuing since its foundation. We aim to make the lives of people around the world more convenient by solving social issues through technology. Recently, we have been focusing on business expansion in the web3 domain, including the crypto asset exchange business, with the aim of becoming "Asia's No. 1 web3 company".

In Japan, bitFlyer Inc. is registered as a crypto asset exchange service provider and Type 1 financial instruments business and provides services such as "Buy / Sell," "Simple Exchange," "Lightning Spot," and "bitFlyer Crypto CFD." bitFlyer, Inc. has maintained a high level of security with "zero damage from hacking since its establishment" and has become the largest crypto asset exchange service provider in Japan^[*3] with assets under

custody exceeding 900 billion yen as of March 2024. In addition, bitFlyer Blockchain, Inc. has developed its own blockchain “Miyabi”. The architecture of “Miyabi” is suitable for financial transactions, and its robust security makes it the underlying system for certain crypto assets.

Acquisition of all shares and succession of management right of FTX Japan, development of new services taking advantage of the intergroup synergies under the bitFlyer Group, will lead to sustainable and further growth. The Company has proceeded with the transaction determining that this is in the best interest of not only FTX Japan and its customers, but also bitFlyer Group’s stakeholders.

[*3] As of December 31, 2023, based on company websites, JVCEA and other publicly available data.

Important Information

This press release contains information that constitutes forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors. We will disclose promptly once new development requiring disclosure occurs, such as the name and domain change of FTX Japan.

For inquiries regarding this matter, please contact

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