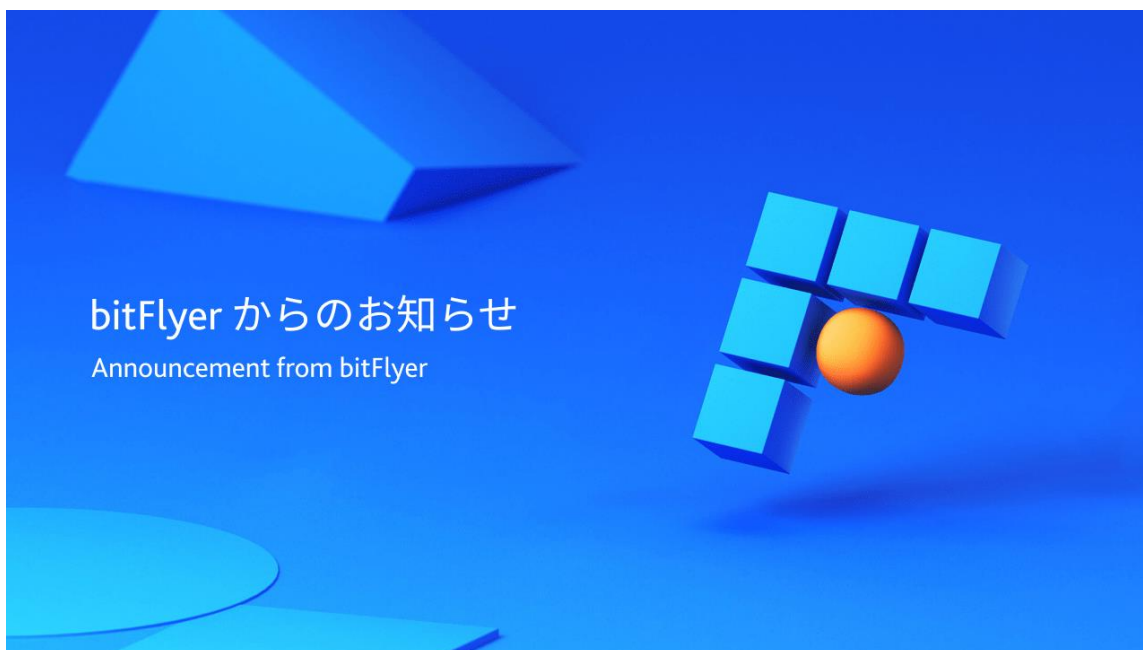


**bitFlyer's Response to the Notification of Major Shareholder Change in HashPalette Inc.
and Risk of Discontinuation of Support for PLT and ELF**

bitFlyer Inc. (Head office: Minato-ku, Tokyo; Representative Director: Yuzo Kano; hereinafter referred to as "bitFlyer") has received notification from HashPalette Inc. (hereafter "HashPalette") regarding an upcoming change in HashPalette's major shareholder, shifting from HashPort Inc. to Matonee Inc. (hereafter "Aptos Labs"). While bitFlyer provides service for the Palette Token (PLT) and ELF Token (ELF) issued by HashPalette, customers are asked to be aware that if a blockchain migration for these tokens occurs, there is risk that bitFlyer may no longer be able to keep PLT and ELF listed.



bitFlyer has requested that HashPalette take the necessary steps to ensure that the change in its major shareholder does not affect the PLT and ELF handled on the bitFlyer platform. However, no clear measures have been provided at this time. Depending on HashPalette's response, there remains a risk that bitFlyer may not be able to continue supporting PLT and ELF. bitFlyer has therefore made a request to HashPalette to take the following actions.

bitFlyer's Request to HashPalette

Prioritize customer protection and interests:

bitFlyer has asked HashPalette to place highest priority on protecting the assets of customers who hold PLT and ELF in their bitFlyer accounts and ensuring customers have access to trading opportunities. bitFlyer expects HashPalette to act swiftly and in good faith to prevent any damage or unfair loss of trading opportunities.

Provide a prompt response strategy:

To ensure customers can continue trading with confidence, bitFlyer has requested that HashPalette promptly and thoroughly explain their strategy regarding the support of PLT and ELF after the change in major shareholder. It is essential that they provide sufficient information to alleviate any concerns bitFlyer customers may have.

Ensure necessary measures are taken in case of blockchain migration:

If the Palette Chain and Ethereum blockchain (which currently support PLT), or the Palette Chain (which supports ELF) are migrated to the Aptos Chain provided by Aptos Labs, bitFlyer has requested that HashPalette take all necessary steps to allow bitFlyer to continue support for PLT and ELF without interruption until all necessary measures for the migration have been completed on bitFlyer's side.

After receiving the notice from HashPalette, bitFlyer has conducted a risk assessment of the PLT and ELF Tokens handled on its platform. As a result, bitFlyer has determined that there is a potential risk that user protection may not be adequately ensured. In accordance with Article 7, Paragraph 3 of the "Regulations on the Handling of Crypto Assets" established by the self-regulatory organization Japan Virtual and Crypto asset Exchange Association (JVCEA), bitFlyer is disclosing the risk that it may no longer be able to continue support for PLT and ELF.

*Regulations on the Handling of Crypto Assets (only in Japanese):

https://jvcea.or.jp/cms/wp-content/themes/jvcea/images/pdf/B03_jvcea202402.pdf

bitFlyer will continue to work closely with the Financial Services Agency and the Japan Virtual and Crypto asset Exchange Association (JVCEA), prioritizing the protection of customer assets and ensuring access to trading opportunities.

About bitFlyer, Inc.

Founded in 2014 with the mission to "Simplify the World with Blockchain", bitFlyer has developed its crypto asset trading business globally with its group companies bitFlyer USA, Inc. and bitFlyer EUROPE S.A.

Thanks to the patronage of its customers, bitFlyer has achieved the No. 1* in Bitcoin trading volume for eight consecutive years.

As a crypto asset exchange operator and a type 1 financial instruments trade operator, bitFlyer continues to expand and improve its services and aims to provide a highly liquid crypto asset exchange that satisfies as many customers as possible.

Official website: <https://bitflyer.com/>

*Annual trading volume, including contract for difference trading and futures trading, among domestic crypto asset exchange operators from 2016 to 2023.

(This data was aggregated by bitFlyer based on statistical information published by the Japan Virtual and Crypto assets Exchange Association and trading data disclosed by domestic crypto asset exchange operators. For the statistical information from the Japan Virtual and Crypto assets Exchange Association, data from 2018 onwards was referenced.)

Disclaimer (Please read carefully):

- Crypto assets are not a legal tender.
- Crypto assets may be used to settle a payment only in the event that the person receiving the payment agrees.
- Buying/selling crypto assets or exchanging them for other crypto assets are transactions which may result in losses incurred from price fluctuations of crypto assets. It is possible that the price of crypto assets declines due to influences from changes in balance of supply and demand, trends on prices of goods, currencies and other markets, as well as changes in situation related to crypto assets.
- Trading with over-the-counter crypto asset derivatives may cause losses, because their trading price may fluctuate in either way due to influence from changes in balance of supply and demand of over-the-counter crypto asset derivatives on our platform as well as indirect influence from price changes of the crypto assets referred by those over-the-counter crypto asset derivatives.
- Over-the-counter crypto asset derivative trades are trades in which the notional amount, which is the product of the trading price and the open interest volume, can be larger than the amount of the margin deposit. Therefore, the amount of loss incurred may be larger than the amount of margin deposit if the notional amount fluctuates to a greater extent than the amount of margin deposit to your disadvantage due to changes in balance of supply and demand of over-the-counter crypto asset derivatives or price fluctuations of the crypto assets referred by the derivatives.
- The margin deposit size for over-the-counter crypto assets derivatives must be no less than 50% of the notional amount, while the notional amount must be no more than 2 times the margin deposit. (Both for individual customers.) More information can be found on our "[What is bitFlyer Crypto CFD?](#)" page.
- When making purchases or sales of crypto assets on Buy/Sell, or exchanging them for other crypto assets, customers bear the spread. The spread is the difference between the purchase and selling prices. The fees incurred when buying or selling crypto assets, exchanging them for other crypto assets or over-the-counter crypto asset derivatives as well as the calculation methods for the corresponding fees can be found on our "[Fees and Taxes](#)" page.
- Over-the-counter crypto asset derivatives are negotiated transactions between you and bitFlyer, Inc. which is the counterparty for you on those derivatives.
- You should thoroughly read and understand all of our documents that require user agreement. Trade at your own risk and judgment.

bitFlyer, Inc.

Director-General of the Kanto Finance Bureau No. 00003

Financial Instruments Business Kanto Local Finance Bureau (FIBO) No. 3294

Member of Japan Virtual and Crypto asset Exchange Association, which is Certified Association for Payment Service Providers as well as Financial Instruments Firms Association

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