



## THE CMITCOIN PROJECT

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## 1. Summary

CMITCOIN (The Commerce of the Inner Markets) is an Ethereum token designed to bring Japanese comics, anime, music (Vocaloid\*), cosplay, and other fandoms to the world. CMITCOIN offers functionality that allows content creators to simultaneously secure new fans while also disseminating their content. Furthermore, fans and users of content can support only the content creators they feel are truly worth it. Through the use of purchase logs and feedback, they can engage with content creators and foment a global community of fans.

In addition to creating economic value in a capitalist sense, CMITCOIN would also utilize blockchain technology to take the “internal value” that the Internet has made so widespread and transform it into a new form of social value. This might be described as a platform that brings together all of these values in one place. In the Internet society prior to the advent of blockchain technology, information devices, Facebook, Twitter, and other social media met people’s need for approval from others, and this “internal value” of the Internet was enhanced. By using smart contracts on Ethereum, CMITCOIN provides a way of taking that internal value and distributing across individuals to convert it into economic and social value.



\*A registered trademark of Yamaha Corporation.

## **2. Creation of time for creative content production leads to enhanced quality and discovery of prime content**

The future that CMITCOIN will create is one in which a simple and highly intuitive application can be used to easily promote and sell creative works and obtain fans, and for fans to donate to creators, allowing the former to secure the production budgets they need. By eliminating the wasted time and energy that creators traditionally have to devote to customer attraction and promotion, which entail their own challenges and draw attention away from production, we can greatly enhance the quality of content that is created. In turn, the system allows for fans to find more quality content that they previously did not have access to -- precisely because creators were hampered with other tedious tasks that prevented them from getting their final product out. By using blockchain technology, CMITCOIN offers a system rich with potential to create a future in which there is a wealth of high-quality content worldwide.

## **3. Role of the CMITCOIN cryptocurrency and wallet application**

CMITCOIN is a cryptocurrency that is used on the wallet application simultaneously being developed (Windows, iOS, Android) and that offers a wide range of functionality like the below:

- Donations to content creators and cosplayers
- Payment of compensation for content
- Crowdfunding
- Integration with social media (follows and information dissemination)
- Payment to manufacturers for content creation \*CMITCOIN payment partners
- Sales management
- Content ranking functionality (revenue, units sold, exporting data through social media integration)
- Photo/video functionality through integration with camera app and integration with social media
- Issuing of QR codes (payment data, social media data) \*output as image files and to printers
- Event booking, QR code-based authorization
- Event notification functionality
- News functionality (event notifications, crowdfunding, and other news alerts)

The payment application, undergoing parallel development coterminously with the token, integrates with Facebook, Instagram, Twitter, YouTube, and other social media platforms and allows for logging into accounts. This allows for linking the application to the user's device. A range of other functionality will also be included, allowing us to support creators in producing high-quality content, and the discovery of that content. Blockchain technology and the Internet make this process

possible. In addition to payments and tipping performed through the app, it also includes functionality for following others and making comments, all implemented in a simple format. This allows people everywhere to post high-quality content. Let's work together to create a brand new otaku/fandom community out of Japan and leverage that power to build a new global economy.

#### **4. Why we created CMITCOIN**

The Japanese government is today leading a series of policy changes for the reform of work and is driving changes to society and how we treat work itself. White-collar exemptions are becoming more feasible to implement, and these policies are becoming mainstream in society, in spite of people's own opinions on the matter. Today, more people want to lead their lives in pursuit of what they like best. We now find ourselves in an era in which the traditional Japanese concept of lifelong employment no longer holds sway.

Furthermore, advances in Internet technology have allowed globalization to expand at an unprecedented pace. This means we are in an era where companies are not the driving fulcrum for people, but rather where individuals take charge of creation. Similarly, people's attitudes have been changing from the notion of centralized forms of power that deviate from the aims of the polity or the individual towards one in which thought is distributed and diffuse. We are at the crossroads of the dawn of a new era. This might be described as one form of human evolution.

Amid this, blockchain technology emerged on the Internet as a way of managing currency and data in a distributed fashion and eschewing centralized control of information. This innovation is an epoch-making change tantamount to the invention of the Internet itself. On the horizon, we can also see that a world in which AI are responsible for manufacturing, industry, and services, fields once dominated by humans, is no longer fiction. This is not the beginning of a tragedy, but rather the start of a bright new future for human society and individual lifestyles; it is the dawning of one of humanity's largest industrial revolutions ever.

In the future, AI and robots will be responsible for the majority of fields like manufacturing, production, logistics, system management, and medicine, areas indispensable to the sustenance of food, clothing, and shelter and that have been traditionally handled by humans. Modern humans have evolved from simply the maintenance of life towards the pursuit of enjoyment and pleasure. What role will humans go on to play in a world in which AI and robots take on what humans once did? The answer is simple: only humans, who have unlimited and unpredictable thought processes, will create new industries that thrive on creation. In other words, we are on the verge of entering an era when we can truly make a living doing what we love. Human activity will shift towards things like entertainment, sex, communication, and research. Human resources will move away from the basic principles of clothing, and shelter, and towards pleasure, seeking approval, curiosity, and the scientific expansion and development that those in turn promote. Undoubtedly, the world will be

focused on the pursuit of rich internal and emotional lives.

It was based on this vision of the world that we created CMITCOIN. It is being developed to expand the potential of all forms of entertainment, be they major, minor, or underground. Rather than a diverse range of entertainment content being hampered by local, ethnic, national, or economic barriers, it can travel the globe in a flat, open-ended fashion. We want to allow the content created by the best creators to beat through the hearts of many. We want to share this culture around the world. That is what CMITCOIN is all about.

## **5. The economic bloc CMITCOIN will produce and how it will change the way we work**

The new economic bloc that CMITCOIN will create will promote the sale of a range of content and drive the creation of high-quality content and services. CMITCOIN refers both to a cryptocurrency token offering functionality for the simple and intuitive payment of products and services in Japan, at overseas shops, at flea markets, and at exhibits of new products, and to a wallet application and system allowing for cashless payment using a mobile device.

Furthermore, CMITCOIN allows for more than just payment processing and settlement. The solution contains a wide range of functionality designed to support the diverse needs of those engaged in the entertainment space. Please refer to the subsequent section entitled “Detailed description of CMITCOIN functionality” to learn more about all functionality it offers. Here we give an example of one aspect of the economy that CMITCOIN would produce, and how this would change the way people work.

CMITCOIN can become a platform that supports the emergence of “distributed” idols who support their career and growth through the crowd. How would that mechanism work? Let us hypothetically say there is a woman who wants to become a celebrity idol. The woman does not have an organization to back her up and promote her, let alone the funds to do so. She simply has the passion and enthusiasm to become an idol and the qualities such a profession would entail. She could launch the CMITCOIN wallet application and pursue crowdfunding in order to raise money to put on a live event. The CMITCOIN wallet application integrates with YouTube, Twitter, and Instagram to allow for sharing/posting photos and video all through a single app. The singers could record footage of herself and then set a budget needed to put on a live event, or post information about an upcoming event. Users who watch the video would then tip the performer through the use of the CMITCOIN cryptocurrency. A browsing and ranking functionality within the app will allow for conveying that passion to people worldwide in the blink of an eye. If the woman’s enthusiasm resonates with the global community, she will be able to secure the budget she needs. The CMITCOINS she raises can be used directly through the CMITCOIN platform to pay for costumes, studio space, and the live event. Furthermore, users who donated to her could gain special benefits in

the form of opportunities to shake hands with her at the event, and so on. This may sound familiar to you if you are active online, but the difference here is that this exchange would be totally free and done on a decentralized system, with no stakeholders in between, and no one centrally managing the system.

This is merely one example of what CMITCOIN would allow. In short, when creators who want to provide a new content or service come together with those who empathize with them and want to support them, a new form of joy and culture is born. CMITCOIN is a platform that will bring people's passion together and allow them to empathize with each other. It will break down barriers that would otherwise have prevented new cultures from forming.

It will allow all content and entertainment creators to make use of the CMITCOIN to produce new professions and forms of culture that never before existed. Instead of fake popularity created by the media and companies, this distributed approach would bring into being a new community in which individuals share their own ideas and mutually support each other. This will in turn create new industries and a new economy. This system has no room for unilateral use of power or capital. Only those works that the community deems as outstanding will be accepted, creating a wonderful world of equity and fairness. The resulting culture that will emerge from CMITCOIN will be a common asset of people today and of great value to us all.

## **6. Estimated scope of market for CMITCOIN**

The value of a cryptocurrency is largely dependent on the market in which it is used. As CMITCOIN is used in more and more markets, it will become more liquid, and demand for the currency itself will increase. In other words, the larger the communities in which CMITCOIN is used become, the more demand for liquidity in the market will increase, which will lead to a higher market capitalization. However, liquidity does not necessarily imply that a currency will increase in value. Rather, liquidity is a necessary condition for a currency to produce value; it is the volume of trades requiring that currency that ultimately dictate its market capitalization.

Next, let us discuss some aspects of the existing markets in which CMITCOIN would be used.

### **Analysis of existing markets**

The market for Japanese flea markets encompasses vintage clothing, used appliances, regional products, and much more, making it very difficult to accurately measure the exact scope of all that this sector encompasses.

As a thumbnail of the future scale of the market CMITCOIN could tap into, we list below one example of the scale of Japan's largest fandom market events.

- 500,000 visitors over the span of 3 days and total sales estimated at 5B JPY

Given that a single event of this nature is estimated to generate revenue of 5B JPY, just some of the economic effects of the printing of merchandise sold, media outlets, costumes, and other segments are believed to reach 18B JPY. If CMITCOIN goes on to be used at events throughout Japan and the world, the potential scope of that market, while impossible to predict at this point in time, would undoubtedly be massive.

Furthermore, CMITCOIN will generate new demand for a brand new form of entertainment market in which tipping, crowdfunding, and social media functionality are a matter of course. The ultimate size of this new market, which would combine existing ones with yet-unseen markets to come, would be of an unimaginable level.

## **7. CMITCOIN partners**

In addition to maximizing the usability of payments through the application, CMITCOIN will seamlessly integrate a wide range of Internet services beyond payment, such as social media and other tools. This will provide new methods of interaction to meet the needs of users and contribute to the creation of a new economic bloc. To that end, we are actively partnering with major event production companies in Japan, as well as other corporations and bodies like the below.

- Major event operators
- Publishing/printing firms
- Media production firms
- Content creation firms
- Rental firms
- Service operators
- Retailers
- Logistics operators
- Studios
- Marketing and consulting firms
- Creator groups
- etc.

By employing a system that allows for partnering with companies and organizations like the above in order to provide funding for content creation and cost-effective services, content creators will be able to reduce the strain on their resources and finances and more effectively create high-quality content.



## **8. Support of content developers and market expansion through CMITCOIN**

Through CMITCOIN, we want to foster a culture of Japanese fandom in Europe and the US, China, South Korea, South America, and across the globe. To do so, we intend to support funding for content creators, cosplayers, idols, and other creators in a range of fields. Specific criteria can be set for a given product, with funding needed for localized or translated versions, travel overseas, etc. Through funding, talented creators can bring high-quality content to the world and grow this vital market. We also plan to actively support funding needed for events, either on a standalone basis or through joint ventures with major event operators.

## **9. Effects CMITCOIN will have on society**

CMITCOIN and its application will usher in positive benefits to society. Namely, it will bring more transparency to various aspects of the economy. Distributed ledgers are highly transparent, making them well-suited to anyone transferring funds from a wallet for payment. This can be leveraged to ensure accurate measurements of market size and scope and simple logging and management for sellers.

The application also employs a GPS system to log data on where in Japan a transaction was made; this allows for aggregating data on regional transactions by month or timeframe and using this for marketing analyses. The tool will likely not only be used for retail sales, but in the expansion of a variety of new markets. As CMITCOIN becomes more widespread, it will open up and expand a range of markets and drive the vitalization of economic activity in Japan and the world.

## **10. Wallet application functionality**

The wallet application contains a wealth of features, but it will employ a user interface that is intuitive and easy for anyone to operate. It will seamlessly link the entire economic bloc that CMITCOIN is creating, allowing for things like securing production budgets, paying for content creation costs, purchasing products, and disseminating information on social media to be done all at low transactional costs.

In recent years, the quality of the UI/UX of an app is greatly implicated in the success of the business providing that app. Services like LINE, Mercari, and Coincheck succeeded through the advantage of offering a refined user interface, which allowed them to secure a large userbase and grow. In order for the CMITCOIN wallet application to enable the CMITCOIN cryptocurrency to grow in global scale, the application must be extremely intuitive and easy to use. We are developing it towards an initial release of the Deneb version, which includes account management, depositing, and camera functionality, in June of 2019. Following that, Altair, which incorporates functionality to integrate with various social media outlets, will be released in June of 2020. Lastly, Vega, which will incorporate all functionality, including crowdfunding, will be released in November 2020. After that

time, its functionality and systems will be refined towards Triangle, the final version release in June 2021.

## **11. ERC223-based token**

CMITCOIN is a token issued on the Ethereum platform. One feature is the way we are developing it around the ERC223 standard. ERC223 allows for executing transfers only when the recipient address is confirmed and there are no issues. If funds are inadvertently sent to the wrong contract address, an error is produced and they return to the sender address.

Furthermore, the “gas” required for transaction fees on ERC223 is less than that needed by ERC20.

Because CMITCOIN is intended to allow for easily tipping and paying creators from your wallet, one critical factor behind our selection of ERC223 is the low transaction costs.

## **12. Allocation of CMITCOIN**

CMITCOIN was created out of a clear vision, concept, and purpose. We want to promote the culture of Japanese fandom worldwide and create a unique new economic bloc. To that end, we have planned specific milestones and carefully considered our partners. We are making every effort to create a clear plan and vision of the future that we can share with as many people as possible. For future plans and milestones, please refer to the Roadmap (discussed later), which discusses the stepped series of plans the operation team has.

In order to delineate the intended use of tokens in advance and enhance the transparency of the operation team’s activities, we list the number of tokens issued and the amount allocated by category in this whitepaper. In the event of a change, we will make a public announcement on Twitter, our web site, and various other outlets.

Token allocation (with 50B tokens issued)

- Event planning expenses (10%)

Used for the Twitter airdrop and various other events and distribution across a range of outlets.

- Allocation to exchange at time of public offer \*includes DEX (30%)

- Development (25%)

Allocated to application development, server development, upkeep costs, and all other development-related costs.

\*Lock-up after ICO, followed by setting a fixed rate at which tokens are released into the market.

- Investment in content creators and events (10%)

Allocated to content creation and costs for event exhibiting.

\*Lock-up after ICO, followed by setting a fixed rate at which tokens are released into the market.

- Marketing (15%)

The funds will be applied to marketing CMITCOIN and the application.

\*Lock-up after ICO, followed by setting a fixed rate at which tokens are released into the market.

- Operations (10%)

Retained by operations team for operational use.

### **13. Roadmap (key milestones and detailed dates toward market expansion)**

This is our future roadmap. The areas that are already finalized will be further refined in a granular fashion. We intend to maintain a clear, accurate schedule. In addition, we plan to launch unique surprises that are in the spirit of CMITCOIN; we have some very large-scale plans in store. We are greatly looking forward to making them public.

\*Note that the below is only a tentative roadmap. Some elements may take place sooner than listed.

#### **1.June 2018**

CMITCOIN is issued -- airdrop begins

Refinement of specifications for the wallet application (Deneb \*Payments version) and commencement of creation of detailed specifications document

#### **2.July-August 2018**

Initial allocation of tokens through distributed exchange

Public contest to select mascot character and announcement of results

#### **3.August 2018**

Incorporation as a company (announcement of business plan)

#### **4.August-September 2018**

Listed on overseas exchanges

#### **5.October 2018**

Completion of specifications for the wallet application (Deneb \*Payments version) and partial public release

Announcement of surprise project

#### **6.September 2018-March 2019 \*ongoing negotiations with potential partners continue after**

## **March**

Negotiations with companies and organizations discussed in the CMITCOIN partners section above begin, and we begin consolidating a basis for market expansion. Per deliberation with partners, we will make public notice from time to time and aim to expand market capitalization and work towards listing on major exchanges.

## **7.December 2018**

Partnership with major Japanese exhibitor event company

Announcement of outcome of surprise project

Wallet application (Altair \*Social media integrated version) specifications document finalized and partially released

## **8.March 2019**

Wallet application (Vega \*Complete version) specifications document finalized and partially released

Investment in content creators

## **9.September 2019**

Prototype release of wallet application (Deneb \*Payment functionality version)

- The beta version is released and testers are sought.

## **10.November 2019**

Official release of wallet application (Deneb \*Payment functionality version)

## **11.December 2019**

Pilot test of CMITCOIN Deneb at major domestic exhibition of new products

Listing on major exchange and major liquidity achieved

## **12.June 2020**

Prototype release of wallet application (Altair \*Social media integrated version)

- The beta version is released and testers are sought.

## **13.November 2020**

Official release of wallet application (Altair \*Social media integrated version)

## **14.December 2020**

Wholesale launch of CMITCOIN Altair at major domestic exhibition of new products

## **15.June 2021**

Prototype release of wallet application (Vega \*final version)

- The beta version is released and testers are sought.

## **16.November 2021**

Official release of wallet application (Vega \*Complete version)

**17. December 2021**

Wholesale launch of CMITCOIN Vega at major domestic exhibition of new products

**18. January 2022**

Launch of events at overseas exhibits

**19. June 2022**

Official release of wallet application (Triangle \*Final version)

- The beta version is released and testers are sought.

**20. November 2022**

Official release of wallet application (Triangle \*Complete version)

Announcement of trading on major Japanese exchange

**21. December 2022**

Wholesale launch of CMITCOIN Triangle at major domestic exhibition of new products

**14. Conclusion (next steps taken by operational team)**

The CMITCOIN operations team was launched in February 1, 2018. We spent four months debating what a currency and system with true value as an application of blockchain technology would be. We did not want to create an empty, hollow technology or something the vision of which we could not agree on. We wanted to only bring the world a concept we felt confident about. The release of this whitepaper represents our having arrived at a clear, undiluted vision of our final destination and concept for a future economy.

New blockchain technology offers not only economic value, but will go on to offer a range of value to people everywhere. Blockchains and cryptocurrency drew global attention following the rapid price spikes from the latter half of 2017 to early 2018. Unfortunately, people's attention and interest came first, with actual understanding and trust of the underlying value that blockchain technology can offer going by the wayside. Today, society's understanding of these solutions differs from their actuality. Given that the technology is not fully implemented, to some extent, it is only natural that it not be evaluated accordingly or lead to trust. Growing attention in 2017 solely to the concept of cryptocurrency (instead of the entire framework underlying it) led to blockchain technology becoming more widely known. As a result, the price spiked dramatically before the fundamental value could be realized through its practical implementation and proper evaluation and trust in the public eye. In this way, the future of blockchain technology and cryptocurrency is only just beginning. All of these technologies remain proof of concept and not a part of everyday life. They are all still in development. Recently, people, focusing too much on the aspect of price, have started to say that "cryptocurrency is dead." But make no mistake: blockchain technology and

cryptocurrency are only just beginning to develop their true value. They will only be fully appreciated, understood, and trusted as they evolve in the near future.

We on the operations team want to bring the unique Japanese culture of fandom to the world and allow a diverse group of entertainment and content that was otherwise inaccessible due to regional, ethnic, national, or financial barriers to enter the world stage and be experienced by many. Our ultimate goal is to generate value such that people worldwide can actualize their own value, in turn creating a completely new culture around the world. As new cultures that had previously not known of each other's existence interact, a brand-new form of entertainment will emerge. We earnestly look ahead to this future as we develop the product.

#### **Disclaimers**

This document is intended only to provide information about the product and makes no warranties as to potential income from the CMITCOIN platform and affiliate or partner firms, nor is it intended as solicitation for investment.

- Non-warranty on income or profits

The examples describing income and profit in this document are intended to serve only in an explanatory fashion or describe industry averages. They do not imply any warranty on income or profits obtained through the use of the currency or content we provide.

- CMITCOIN (“Token”) is not an investment instrument.

The Token is not an investment instrument subject to public or legal binding force.

All persons, organizations, and entities engaging in the purchase of the Token shall do so at their sole discretion and in compliance with the applicable laws for their jurisdiction.

No warranty on refunds or returns in legal tender currency is made under any circumstances.

- Risk of suspension or termination of development due to unforeseen events

Irrespective of whether advance notification is given, the details and purposes herein may be modified or added to as needed in the case of unforeseen events.

We also reserve the right to suspend or terminate, in whole or in part, the content herein where unforeseen malfunctions or circumstances occur to the development of the Token and app.

The operation team waives all liability for any direct or indirect damages to persons, organizations, or entities arising from the above suspension or termination.

- Quantum computing

Future advances in quantum computing may pose risks to cryptocurrency, this token included.

- Risks associated with use of new technology

This token is very new and has had comparatively little proven testing of its technology compared to more established solutions.

In addition to the risks referenced in this document, there may be additional risks unforeseen by the operations team.

These risks may occur in ways that differ from those indicated in this document.

- The official language for this whitepaper is Japanese. Even where this whitepaper is provided in translation into other languages, only the Japanese original shall be held contractually effective, with versions in other languages having no validity and serving only as translations for reference.