

RAKUN

**A new Ecosystem at the apex of
Games and Blockchain Technology**

RAKUN White Paper

Version 1.4

Last update March 20th, 2020

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Disclaimer

Nothing herein constitutes an offer to sell, or the solicitation of an offer to buy, any tokens, nor shall there be any offer, solicitation or sale of RAKUN tokens in any jurisdiction in which such offer, solicitation or sale would be unlawful. You should carefully read and fully understand this whitepaper and any updates. Every potential token purchaser will be required to undergo an on-boarding process that includes identity verification and certain other documentation, which you should read carefully and understand fully because you will be legally bound. Please make sure to consult with appropriate advisors and others.

This white paper describes our current vision for the RAKUN Platform. While we intend to attempt to realize this vision, please recognize that it is dependent on quite a number of factors and subject to quite a number of risks. It is entirely possible that the RAKUN Platform will never be implemented or adopted, or that only a portion of our vision will be fully realized. We do not guarantee, represent or warrant any of the statements in this white paper, because they are based on our current beliefs, expectations and assumptions, about which there can be no assurance due to various anticipated and unanticipated events that may occur.

Please know that we plan to work hard in seeking to achieve the vision laid out in this white paper, but that you cannot rely on any of it coming true. Blockchain, cryptocurrencies and other aspects of our technology and these markets are in their infancy and will be subject to many challenges, competition and a changing environment. We will try to update our community as things grow and change, but undertake no obligation to do so.

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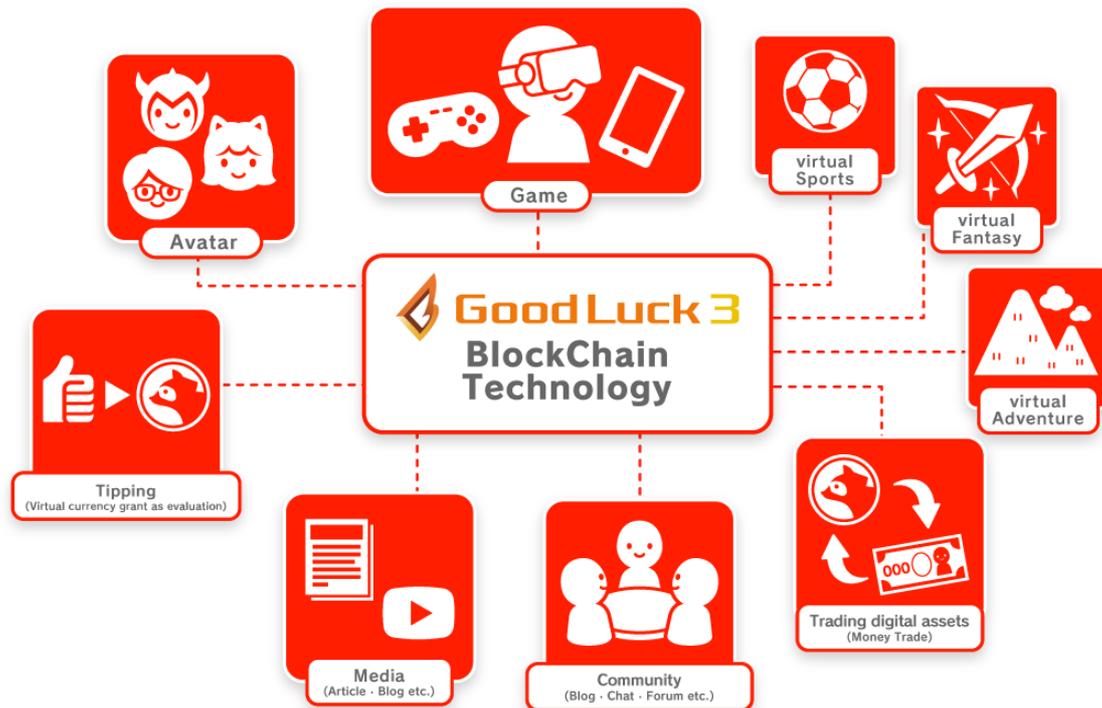
VALUE OF RAKUN TOKEN 53

Introduction

Mission

RAKUN Ecosystem Introduction

RAKUN is designed and built for the future of gaming.



RAKUN Platform aims to be a new ecosystem founded upon Games and Blockchain technology. Blockchain’s potential to change the world mimics the revolutionary impact of the Internet. However the extent of application for Blockchain technology has surrounded the price fluctuations of Bitcoin and other Cryptocurrencies, unfortunately leaving the general consumer without a sense of the applications of Blockchain technology.

On the other hand, within the gaming world now exists non-convertible Digital Assets called *Non Fungible Tokens* (NFTs) which have quietly, but earnestly come to re-defining how fundamental games and digital economies can function.

The first popular NFT which took the world by storm was the Cat collecting phenomenon, CryptoKitties¹, which traded a single Cat NFT for a record high of \$170,000 USD. It is blockchain's ability to secure ownership of digital assets of such appraised high value that gives it uniqueness and the potential to largely change the behavior of forthcoming games and players alike.

This uniqueness of a guaranteed sword, shields, characters and more as NFTs mimics the real world concept of collateral and transactions of goods with perceived value. As the time and money spent in games by players changes to be assessed in the form of NFTs, a method of digitization of assets into the digital world becomes introduced.

*Ready Player One*², a movie released in 2018 contains a Virtual World called "OASIS" which came into being by 2045 where numerous games allowing people to gain digital assets are wildly popular. The same concept of Oasis is being actualized by the advancement of VR, AI and blockchain.

We are advancing the digital world by constructing a new type of communication platform where asset management, content, and users are well connected enabling various modes of self-expression possible via NFT content, transactions, and varying games.

¹ <https://www.cryptokitties.co/>

² <https://www.warnerbros.com/movies/ready-player-one/>

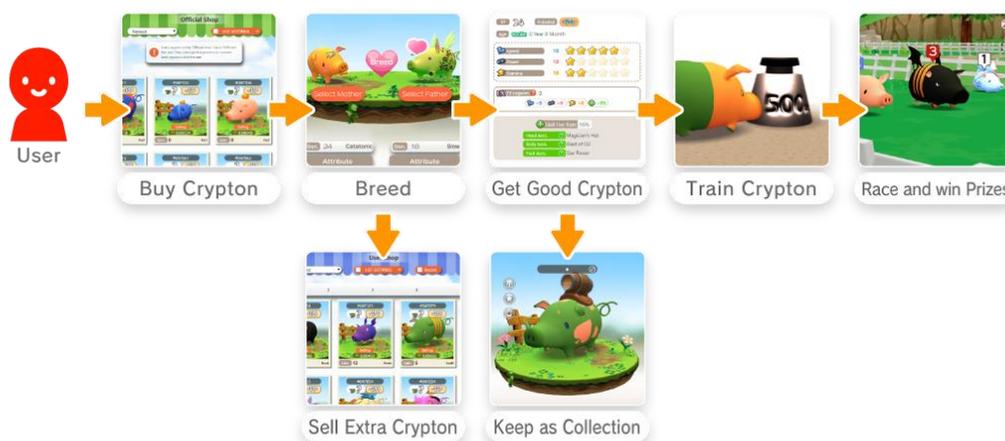
Crypt-Oink

Crypt-Oink Introduction



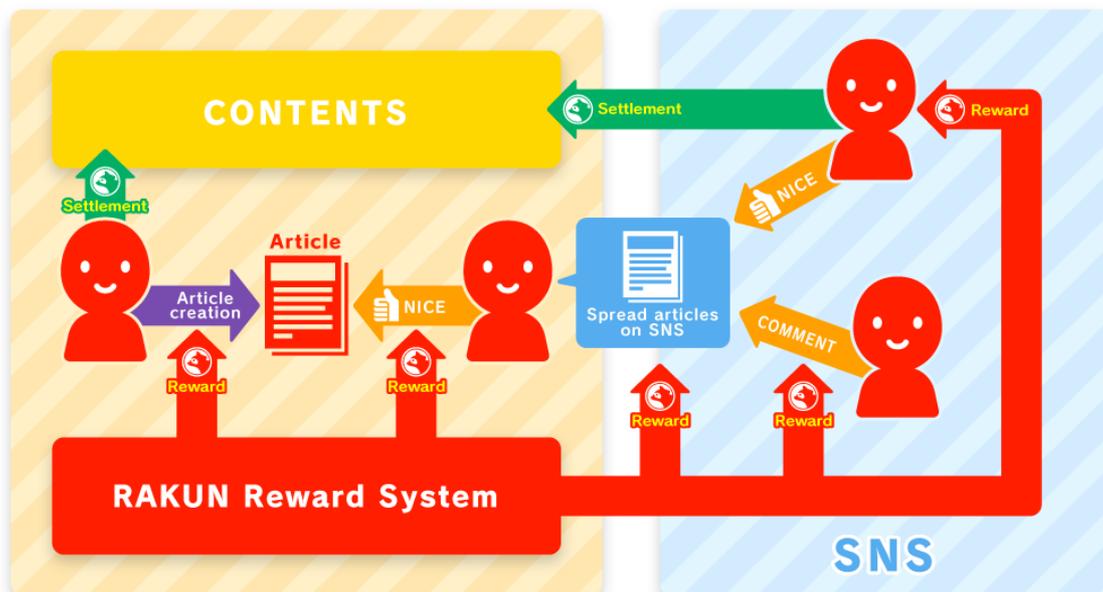
Crypt-Oink is a game by Good Luck 3, Inc which utilizes Non Fungible Tokens (NFTs) based upon the Ethereum Standards ERC721. Each ERC721 token, called a “Crypton”, has its own unique set of traits and appearances making over 3.6 Trillion possible. In other words we’re able to produce life-like creatures with genetic information upon the Blockchain.

Crypt-Oink User Actions



Users can enjoy purchasing, breeding, and raising the cute or cool Crypton they find to their liking. Similar to real-life horse raising, one’s Crypton can be raised and actually race in a 3D Digital race track. A raised Crypton can be placed into the marketplace at a price of the owner’s choosing.

A new reward system connecting Content and Users



The RAKUN Reward System³ is a new reward system meant to assist content and users. As a new ecosystem Users will pay for content with fiat currency, or receive compensation or items for viewing displayed advertisements within Content.

While currently in an era where most people are accessing the internet via smartphones, Users post their interest or fun of content via SNS with comments and other forms of word of mouth. Its almost as if you, yourself were contributing content like a employee of such company.

However while this may the case, one is rarely ever clearly compensated for the conduct of spreading information. Furthermore is seldom talked about. In the RAKUN Reward System users are rewarded in cryptocurrency for the quality of conduct put forth in bringing to life content.

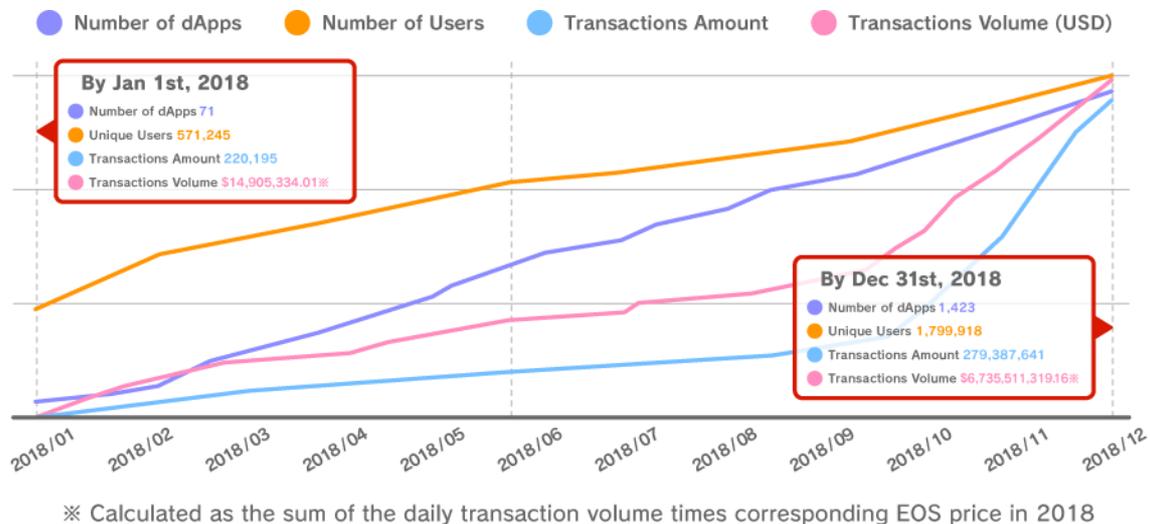
Users who receive rewards have high loyalty to the content they like and from receiving crypto currency, consume such content and this are able to content to grow the content/media itself. It is this type of positive cycle that we anticipate.

³ See, “Complemental Information: More on the RAKUN System” for further details

First, it will be within Crypt-Oink that we will introduce the RAKUN Reward System and aim to bring about this new Ecosystem. We plan to not only offer the RAKUN Reward System the product itself, but also contribute other content to it. We hope by expanding the RAKUN Reward System, the RAKUN Ecosystem too will come to expand with content contributors and users contributing to actualizing an everlasting fun future.

Market Opportunities

The Expected Growth of “Dapps”



Crypt-Oink is currently a Top 10⁴ world-ranked Decentralized Application (Dapp) on the Ethereum Blockchain. According to a survey⁵ conducted by Dapp.com, at the beginning of 2018 only 71 Dapps had been launched, however by the end of 2018 this number increased to 1,423.

It was in 2018 that the value of the Cryptocurrency “Bitcoin” began to fall, however Dapps shared no correlation and instead continued strong expansion. This proves the strength, potential, anticipation of Dapps.

⁴ As of April 11th 2019 according to DappRadar’s Ethereum Game Rankings:

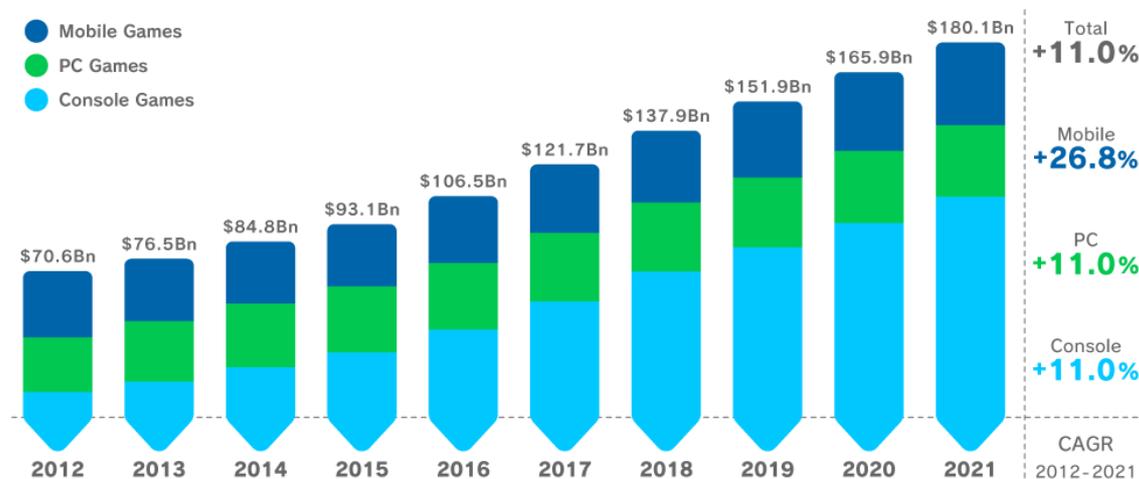
<https://dappradar.com/rankings/protocol/ethereum/category/games>

⁵ “Dapp.com 2018 Dapp Market Report”

<https://www.dapp.com/ja/article/annual-dapp-market-report-2018>

<https://dapping.com/media/uploads/2019/01/26/9e0f20dfb43a4d23aa5b635b60a26718.pdf>

Game Market Scale



According to a survey⁶ conducted by NewsZoo, the scale of the gaming market in 2012 stood at approximately \$70 Billion and is forecasted to expand to \$180 by 2021. In claiming that Blockchain Technology will bring about a revolution to Game items, CryptoKitties which was launched in 2017 has a record high purchase of a single Cat for \$170,000 USD. My Crypto Heroes⁷, which launched in December of 2018, in approximately 4 months amassed cumulative sales of 10,000 Ethereum (ETH) (approx. \$1,744,700 USD⁸). Even with such high achievements already, the scale of the game market and that of Dapps is expected to grow further still.

⁶ “Mobile Revenues Account for More Than 50% of the Global Games Market as It Reaches \$137.9 Billion in 2018”

<https://newzoo.com/insights/articles/global-games-market-reaches-137-9-billion-in-2018-mobile-games-take-half/>

⁷ <https://www.mycryptoheroes.net/>

⁸ As researched by Good Luck 3, Inc.

Benefits to the Community

Exchange Cryptocurrency for Game Items

Crypt-Oink VIP Feature

VIP Item

Special item for enhanced racing performance, available on the official store. Can be bought by only RAKUN.

 <p>Crypt-Oink Store</p>  <p>0.1 ETH or 1,000 RAKU</p> <p>COINK purchase</p>	 <p>Limited Time Offers</p>  <p>10,000 RAKU</p> <p>Special Items</p>
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In-game currency, "Coink" can be purchased via ETH or RAKU

Limited Time offers will be exclusive to RAKUN holders, allowing them to purchase special items (limited edition Crypton, training items, badges, and more!)

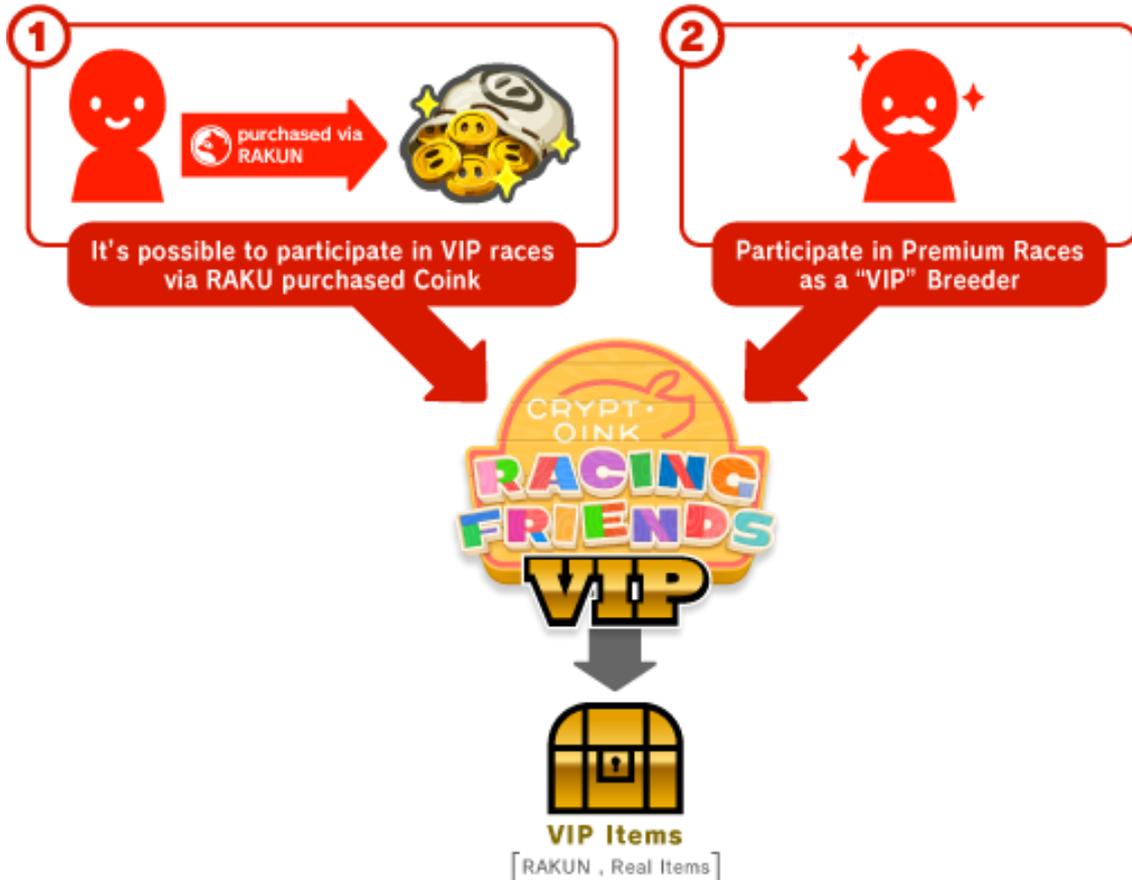
Within RAKUN Platform it will become possible for users to exchange their obtained Cryptocurrency for items, starting with Crypt-Oink Items⁹. We plan to make RAKUN Token-based exclusivity within Crypt-Oink, where only certain items or events are possible to those holding RAKUN Token. Such a system will secure and increase the consumption and circulation of RAKUN Token.

⁹ At this current time, only Crypt-Oink items can be purchased with RAKUN tokens however this list will come to expand.

Crypt-Oink VIP Features

VIP Race Competition

A more competitive racing competition with higher valued prize items (including real world prizes).



① Players may acquire entry into VIP race events by purchasing "Coink" via RAKUN

② VIP Breeders only will be able to participate in special races

Merit for locking Tokens

On Crypt-Oink, Users with a certain amount of RAKUN Token will be provided a perk of discounted game items for a fixed period of time.

Crypt-Oink VIP Features

VIP Breeder Program

Users can choose to lock a certain number of RAKUN to attain the VIP Breeder status.

Tier	Tier0	VIP Tier1	VIP Tier2	VIP Tier3	VIP Tier4
Required Number of RAKU	0	100	10,000	100,000	1,000,000
Minimum Time in Possession	N/A	1Months	2Months	3Months	4Months
Benefit					
Coink Purchasing Bonus	0%	5%	20%	50%	100%
Bonus Items	N/A	N/A	Training Item	NFT Badge	Limited Edition
				Training Item	Item Set
				Race Items	Racing Item Set

*Required steps to different levels as well as benefits are subject to change!

*Required Minimum Time of RAKU in one' s possession are currently estimates

Example of Purchasing Bonus:

Non-VIP Breeder: Purchases 500 Coink

Lvl3 VIP Breeder: Purchases 500 Coink + 250 Coink Bonus (50% Bonus)

Contributing contents

On RAKUN Platform, Users that evaluate content by writing articles, commenting, or upvoting, are rewarded with the ERC-20 backed token, RAKU¹⁰. Similar to the simplicity of MyEtherWallet, even those who don't understand the peculiarities of holding a wallet can obtain RAKU¹¹. On Crypt-Oink's forthcoming official community, "Crypton Diary" we intend to adopt the RAKUN Reward System. Those who

¹⁰ Users will be given points that can then be converted to RAKU upon request.

¹¹ RAKU can be acquired by exchanging points. Users must manage their RAKU from their Wallet or Exchange account.

contribute topics related to Crypt-Oink will be given RAKU by the RAKUN Reward System upon evaluation.

RAKUN Token Economy

Basic concept

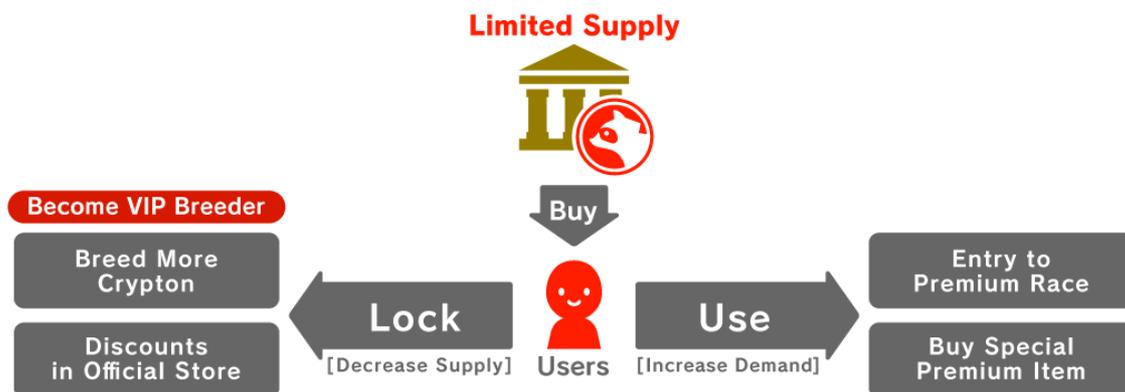
RAKUN Token Economy

Increasing Demand for RAKUN Token

Users will need RAKUN Token to join Premium Races with better Prizes. To increase their chance of winning they can buy special items from the Official Store that can be bought only by RAKUN Token.

Decreasing Supply for RAKUN Token

To get better Crypton and increase their chance of winning a race, users can lock their RAKUN Token and become VIP Breeder with benefits.



Token Introduction

Token Name	Rakun Token
Token Ticker	RAKU
Platform	Ethereum
Token Standard	ERC20
Token Supply (Maximum, Fixed)	500,000,000 RAKU
Token Divisibility	18 Decimal Places
Token ENS Address	rakuntoken.eth

The RAKUN Token is a Crypto Asset (Utility Token) backed on the Ethereum’s ERC20 standard. The higher the quality of contribution on content by a User, the more RAKU that User receives from the RAKUN Reward System.

The upper limit of RAKU planned¹² to be issued us 500 million, 150 million of which is reserved for the result pool where over the next 20 years it will be given to Users and Content Managers.

¹² Logic associated with RAKU Distribution from the Initial Pool can be flexibly adjusted in response to utilization. After initial stability has been reached, Governance over adjustments to distribution logic will be enacted from the votes of those in possession of RAKU tokens.

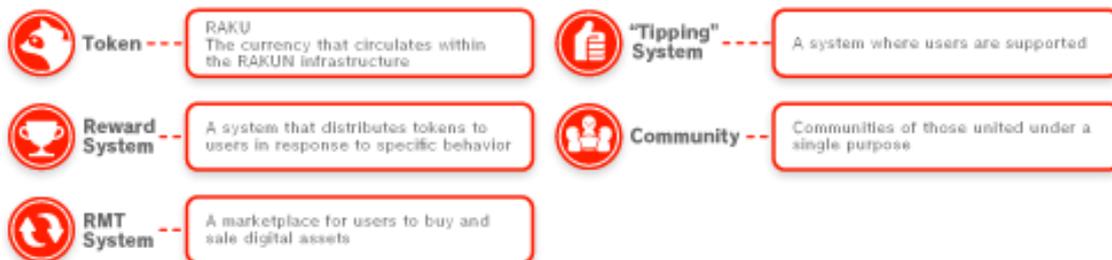
RAKUN Ecosystem

RAKUN Ecosystem Introduction

Crypt-Oink is just one of the game under RAKUN ecosystem.

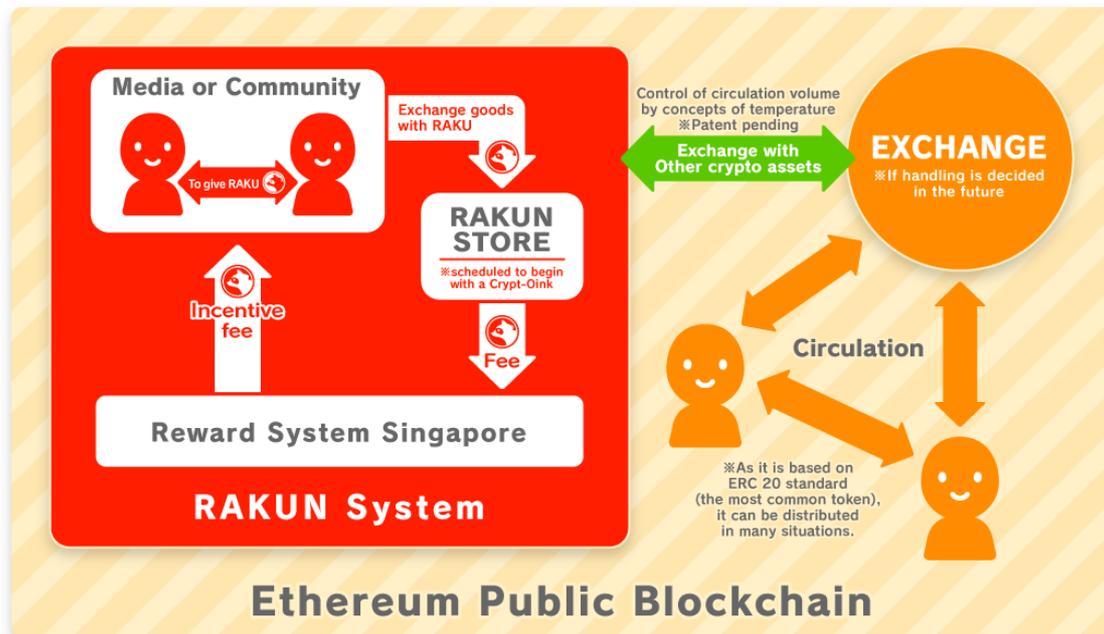


RAKUN is an ecosystem for game developers, players, and communities where incentives can be shared through RAKU.



Within the RAKUN Ecosystem we intend to have RAKU circulate as a common currency in not just Crypt-Oink but other games we will provide. Users whom exhibit certain behavior toward the community will acquire RAKU as a reward which can be given used to “tip” others or purchase items. Utilization of the reward system will spur on the circulation of RAKU and expand the RAKUN Ecosystem itself.

Initial Features



We plan on advancing the digital world by constructing a new type of communication platform where asset management, content, and users are well connected enabling various modes of self-expression possible via NFT content, transactions, and varying games. However in the initial phase of this features will be limited as to verify the effect of the RAKUN Ecosystem. As we adopt user feedback we plan to improve the project. At first launch the below features are expected:

RAKUN System

The RAKUN Platform is chiefly constructed with an Ethereum-based Private Blockchain and an existing server system. As technology continues to develop, we plan to investigate, develop, and advance the RAKUN system into a Public Chain.

Crypt-Oink Diary

The Crypt-Oink Diary will have information and impressions regarding Crypt-Oink published by Players for Players. As Users write, comment, or upvote on articles found in the Crypt-Oink Diary they can obtain RAKUN Token. The distribution of RAKUN Token via the evaluation logic of the RAKUN Reward System is described in a later section.

Tipping

A feature where User's can their RAKUN Token to other Users. If a User finds another User's article interesting, or wishes to support that User, they can do by tipping RAKUN Token

RAKUN STORE

A store where Users can exchange their RAKUN Token for Crypt-Oink Items.

Technology

RAKUN Token is developed initially on the Ethereum blockchain, with utilization of its Smart Contracts and the ERC20 token standard. This section contains the flowcharts for the various Smart Contracts that are used by RAKUN Platform and explains how the Token Sale interacts with Smart Contracts and the Token Sale Platform.

Nonetheless, RAKUN Token are in principle network-agnostic and may transfer to other networks subject to scalability requirements. Should this happen we will do a snapshot of the current token holder addresses, and will allocate the same number of tokens on the new chain.

Smart Contract Source Code

RAKUN Platform smart contracts are developed with Solidity version 0.4.24. They will be deployed on Ethereum mainnet (public network). The source code is available at <https://github.com/RAKUNproject/Contract> .

Token Smart Contract Audit

Token Smart Contract has been audited by LayerX Inc.¹³ and they said they were not able to detect necessary points that require immediate revision.

¹³ <https://layerx.co.jp/>

Token Sale Information

RAKUN Token Sale Key Metrics

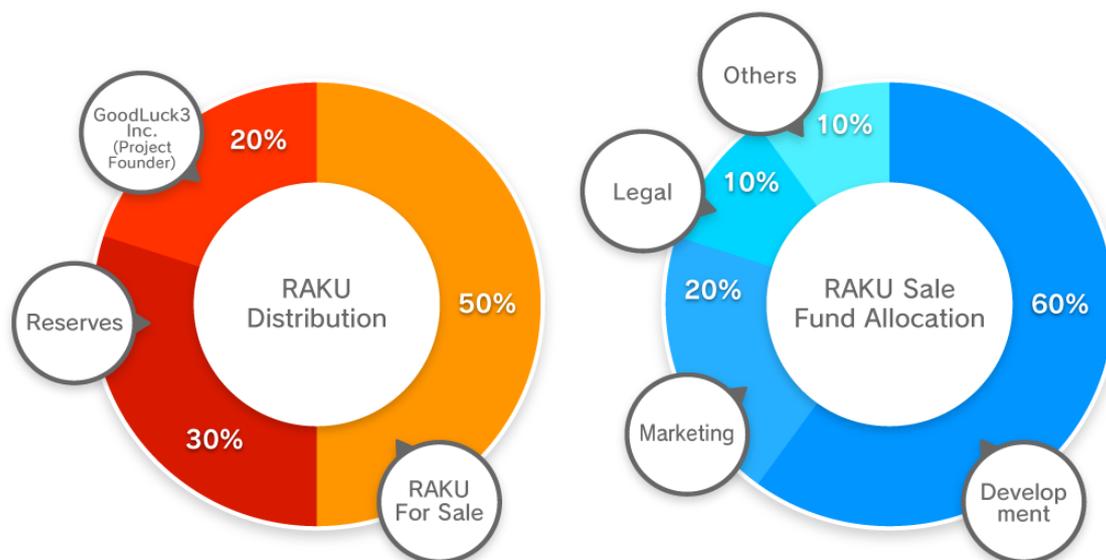
RAKU Total Supply	500,000,000 RAKU
Total Number of RAKU For Sale	250,000,000 RAKU (50%)

Token Sale Platform (to be announced)

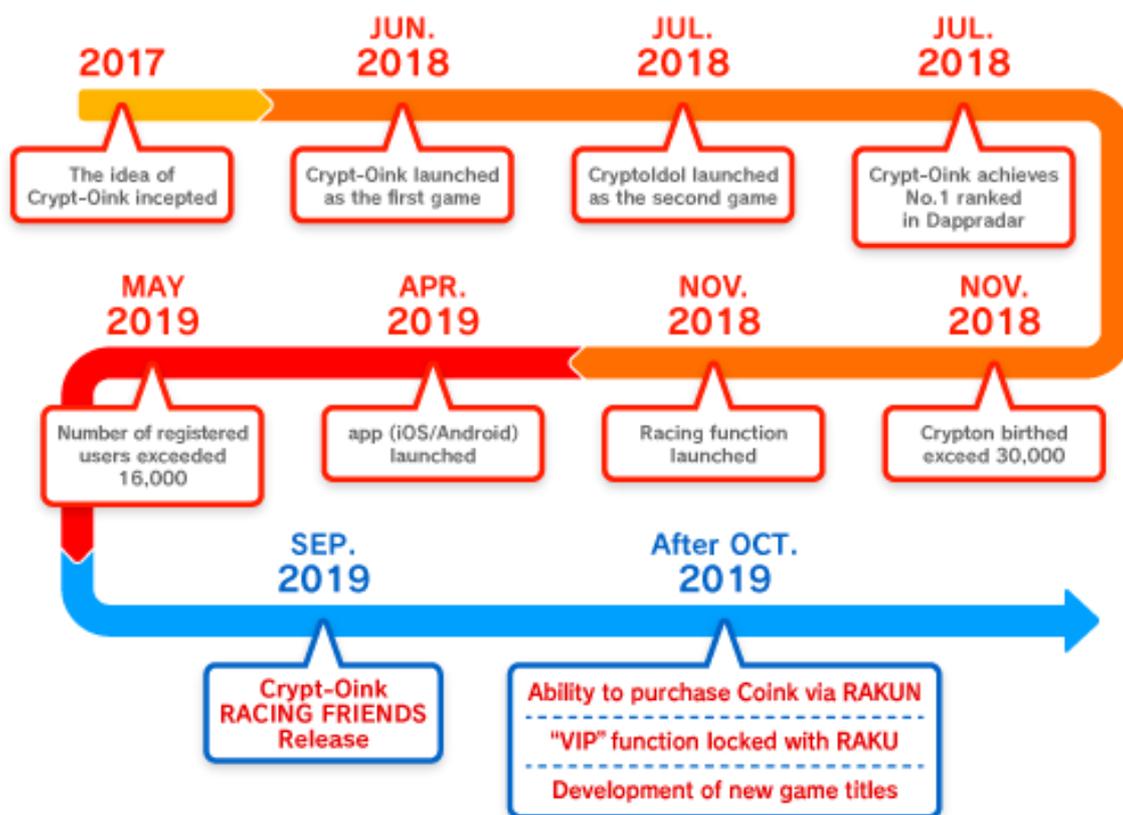
The Token Sale platform allows for Token buyers to register and get whitelisted to contribute ETH to RAKUN Platform as part of the pooling of resources. Approved contributors will receive newly generated RAKUN Tokens (“RAKU”). Debut tokens from the Initial Token Sale will be priced as discussed in the “Initial Token Sale” section.

RAKU Distribution and Fund Allocation

RAKU Distribution and Fund Allocation



Roadmap



Legal Structure

RAKUN Platform is based in Singapore, which has a structurally stronger regulatory enforcement regime than traditional offshore locations. RAKUN Platform aims to establish a new ecosystem with game and blockchain technology. GOOD LUCK 3 SINGAPORE PTE. LTD is the legal vehicle to manage RAKUN Platform. GOOD LUCK3 SINGAPORE PTE. LTD is a 100% subsidiary of Good Luck 3 Inc., developing and publishing Crypt-Oink.

Operating a corporation in a highly regulated jurisdiction such as Singapore also demonstrates RAKUN Platform’s willingness to meet legal obligations demanded by a country with a reputation for incorruptibility and just governance.

External Audit

GOOD LUCK 3 SINGAPORE PTE. LTD will be subject to external audit on its financial and overall operational activities.

Securities Regulations

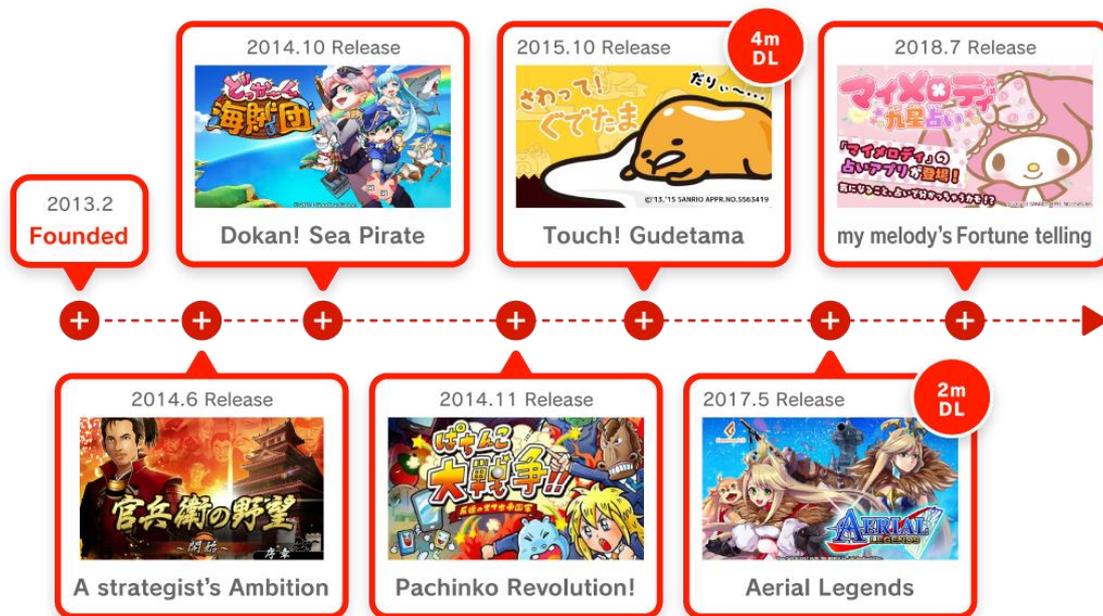
RAKUN Platform has obtained legal opinions in Singapore that the RAKUN Tokens have low risks of being classified as securities. Neither RAKUN Platform nor its affiliates are currently regulated or subject to the supervision of any regulatory body in Singapore. In particular, RAKUN Platform and its affiliates are not registered with the Monetary Authority of Singapore (MAS) as any type of regulated financial institution of financial advisor and are not subject to the standards imposed upon such persons under the Securities and Futures Act, Financial Advisors Act, and other related regulatory instruments.

RAKUN Tokens are a “medium of exchange” of RAKUN Platform only. They are not intended to be regulated financial products of any kind.

Company Behind Crypt-Oink (Good Luck 3 Inc.)

Past experiences and success

Good Luck 3 Inc. Title Track Record



Team



Kazuhisa Inoue
Founder & CEO

2004 graduate of Tokyo University's department of Engineering and Science.

Entered Dream Incubator in 2004.

where he performed Business Strategy Consultancy for Internet, and Mobile Content.

Led Venture Anime Studio DLE to Initial public offering.

In 2011, assumed the role of managing director at "Delight" (Subsidiary of Dream Incubator) expanding the development base of the social game business in Fukuoka.

In 2013, Founded Good Luck 3. Aspiring to construct a type of "Mobile Amusement Park", after raising over 10 million in seed funding, acquiring the content rights from "Sanrio", and creating a partnership with Huis Ten Bosch Amusement Park he served as the executive producer of mobile titles, the "Touch! Gudetama." series (exceeding 4 million downloads) and "Aerial Legends" (2 million downloads)



Masaaki Hatamura
Director & Producer

Entered DeNA in 2004 and conceived the construction of Japan's leading Game & SNS site, "mobage".

5 times awarded 1st place and grand prize as the top contributor to web development at the "Web Creation Awards".

While still as DeNA, he constructed and led the localization of English and Chinese platforms contributing to business expansion.

In 2012, Entered Square Enix where he created numerous platforms catered towards both domestic and abroad markets, and through Social Game based platform "Square Enix Bridge", unified players and service members.

From August of September 8th, he has focused on Bitcoin and Blockchain and in wanting to realize a platform that is ran for users by users, has taken part in this project.

**Jerome Coquard****Advisor**

Born in France.

Working as a game director at GameLoft he was in charge of the hit racing series "Asphalt".

In 2006 he transferred to the Japanese branch of GameLoft and helped build and lead the development team intended for the Japanese market.

Following Gameloft, he worked with the indie game developer "I-Friqiya" as a lead engineer and director for a Playstation 3 title. Later at the company FIELDS he served as a social game engineer as well as producer.

At Good Luck 3, he served as the lead engineer for the game title "Aerial Legends" which surpassed over 2 million downloads and is currently a project lead on the Blockchain game "Crypt-Oink"

**Darvin Kurniawan****Advisor**

Darvin is a co-founder of Crowdvilla, a blockchain startup based in Singapore, creating a community-based real estate ownership for holiday properties on the Ethereum blockchain. As a graduate of NUS School of Computing Darvin is well positioned to capitalise on the growth of the blockchain technology. Prior to Crowdvilla Darvin was involved in a few new businesses both in the low-tech and hi-tech space. Darvin is a big believer and follower of Blue Ocean Strategy and Emergenetics.

**Hiroshi Shimo****Advisor**

CEO of Blockchain-focused Consensus Base. Hold significant knowhow and experience with implementing Blockchain Technology into large industries including Japan Exchange Group, Daiwa Securities Group and Softbank. Currently Consensus Base offers ICO Consulting along with ICO Launchdesk. In collaborating with NEC has published numbers Bitcoin and Ethereum books and has been mentioned in Blockchain magazines, books, and articles. Furthermore he serves as a member of the Blockchain investigation committee within the Ministry of Economy, Trade and Industry (METI).

**Kazutaka Muraguchi****Advisor**

Representative of Japan Technology Venture Partners (NTVP). Through participation with Nomura Securities Venture he came to found NTVP. Holding a long history as a Venture Capitalist in Japan, He has invested into multiple start-up ventures and stands accomplished in taking companies DeNA and Infoteria to public listings on the Nikkei index.

**Katsumori Matsushima****Advisor**

Prior Industrial Scientist of Jet Engines, Researcher of Automation, Marketer at IBMJapan, Managing director of Pricewaterhouse and Graduate Professor of Engineering at Tokyo University. He currently serves on a board overseeing engineering research and a number of businesses.

**Gento Mogi****Advisor**

Associate professor in the graduate school of engineering at Tokyo University. Research includes risk management and Energy, Resource Economics, Real Option analysis, Project evaluation, Social system modeling, and the advancement and evaluation of renewable energy as policy. Author of, "What's to become of Oil? Electric Power? And the Next Generation. The Story of Energy to come." and "The workings of the Oil business through pictures."

**Shinto Teramoto****Advisor**

Graduate research professor of law at Kyushu University. Through being a former graduate research professor or law at Tokyo University, he currently does research to service companies involved with digital currency and smart contract utilization while also advancing its growth and expansion to the public. Furthermore, he does legal education of practical intellectual property and provides legal support for the organizations.

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Complemental Information : More on the RAKUN Reward System

Objective of the RAKUN Reward System

The RAKUN System aims to evaluate the conduct users take towards content and incentive them via Cryptoassets.

In 2016 “Steemit”¹⁴ launched a successful model where Cryptocurrency was distributed to users whom evaluated quality blog posts. We most certainly conceptualized our idea from this model, however we intend to actualize a more gamer-centric community, where conduct related to the posting of game related info is rewarded. Furthermore, we’re developing a ecosystem where such rewards can be levered to play games themselves.

Although there are many hurdles, we want it possible in the future for even gamer conduct, like that of unifying one’s community through an in-game guild, to become a target for evaluation and thus reward within the RAKUN Reward System.

More of the function of RAKU and the RAKUN Reward System (RRS)

While RAKU fundamentally is rewarded to users who exhibit quality action in the form of writing, commenting, upvoting articles within the community, we have constructed RAKU with 4 major, unique functions to evaluate community activity:

① “Temperature” which dictates fluctuations in circulation

RAKU adopts a “Temperature” System¹⁵ which is found in one’s Wallet offered by RAKUN. When you wish to deposit RAKU, lowering the “temperature” puts a restriction on the RAKU that can be withdrawn from the wallet¹⁶.

② Merit to long-term holders of the RAKU

While RAKU with a “low” temperature are held in the wallet and restricted from being withdrawn, users whom maintain this setting and keep RAKU in their wallet

¹⁴ <https://steemit.com/>

¹⁵ Patent Pending

¹⁶ To be in accordance with Japanese legislation depositing RAKU will not be available at release

for a wallet for a long period of time have a chance to obtain more RAKU at a faster rate.

③ Awards distributed from Token Pool of Capital

During a fixed valuation period, evaluated scores acquired from submitting articles as well as evaluated scores acquired from evaluating (via comment or upvote) other's articles, trigger distribution of RAKU from the Token Pool of Capital

④ Bot & Spam Articles are Excluded

Article Spam from Bots or irresponsible evaluations will not be scored. A logic system is in place to exclude these from results.

① and ② are measures to restrain the depreciation of value in the instances RAKU that was acquired through articles or evaluation is immediately withdrawn to exchanges¹⁷ and traded for another cryptocurrency.

As temperature drops it becomes harder to withdraw RAKU from one's wallet and furthermore increases the "rate of influence" parameter that boosts distribution of RAKU over time to the user. The strength of the "rate of influence" reward-type system acts as an incentive for users to lower the temperature of their RAKU and restrict depreciation of value for the chance to obtain more RAKU at a faster rate.

Furthermore ③ and ④ are meant to eliminate spam and other noise from the system, and correctly evaluate high quality articles. At the current stage with this objective in mind the Raku Reward System (RRS) is being constructed. However as the usage and state of our services is evaluated, RRS Ecosystem will be adjusted with more effective features.

Also, the expressed logic below regarding RAKU distribution and anti-spam measures were conceived and inspected at this current stage of development.

¹⁷ At this current time exchange listings are undecided

However please note the possibility of change as the system adapts to requirements. Our company, to our utmost ability shall announce changes beforehand.

The Nature of RAKU

On RAKUN, Users who demonstrate large influence via contributing quality articles over a long period of time or assessing posted articles, bring forth the RAKU token.

RAKU is bestowed to users who perform quality conduct. Accordingly, the amount of RAKU in a user's possession expressing the degree of quality behavior on the RAKUN system. Thus on RAKUN the more RAKU in one's possession the more they are rewarded.

Stemming from negotiations with exchanges we foresee the possibility of RAKU being exchangeable for other cryptocurrencies in the future. It is also possible that the strength of RAKU expands, allowing it to be carried and purchasable in exchanges and furthermore brought into other platforms.

In this instance, we envision users contributing their time and effort on a platform integrated with RAKU instead of accumulating activity over time within RAKUN system itself.

Below is a use case on how we anticipate to handle Token distribution on RAKUN for an exemplary user who consecutively posts quality articles and evaluates posted articles:

- ① RAKU Accumulation by consecutive quality content and behavior and at the same time an accumulation of rewards and trust.
- ② As to expect continued quality articles and behavior in the future, within the platform the preservation of the RAKU in one's possession will be safely maintained. Once a user has withdrawn all RAKU outside the platform it is no longer treated by us.

To stimulate the conduct of an exemplary user, on RAKUN there is ① the RAKU “influence” system based on time and ② the “temperature” system of restricting the withdrawal of RAKU from a wallet within a certain amount of time.

On RAKUN Tokens have a “temperature” concept ranging from -50 to 50, depending on the fluctuation up or down, the degree of influence (on articles posted of evaluation) and liquidity (the percent of RAKU that can be withdrawn from a wallet) are decided.

When a RAKU token is at -50 degrees it has 100% influence within RAKUN, at this time withdrawal of RAKU from one’s wallet is restricted to 8%. Conversely, RAKU of degree +50 can be 100% withdrawn, but it’s degree of influence within RAKUN, on submitted articles and evaluations, becomes 0%.

A user cannot directly control the temperature, and a token can only be switched to a "Cooling mode" or "Heating mode". In the initial state "Cooling mode" is default. Cooling between +50 to -50 degrees takes 91 days. So too "Heating mode", from -50 to +50, also takes 91 days. To rephrase, starting from a degree of -50, the time it takes to completely withdraw all RAKU tokens residing in one's wallet is 91 days.

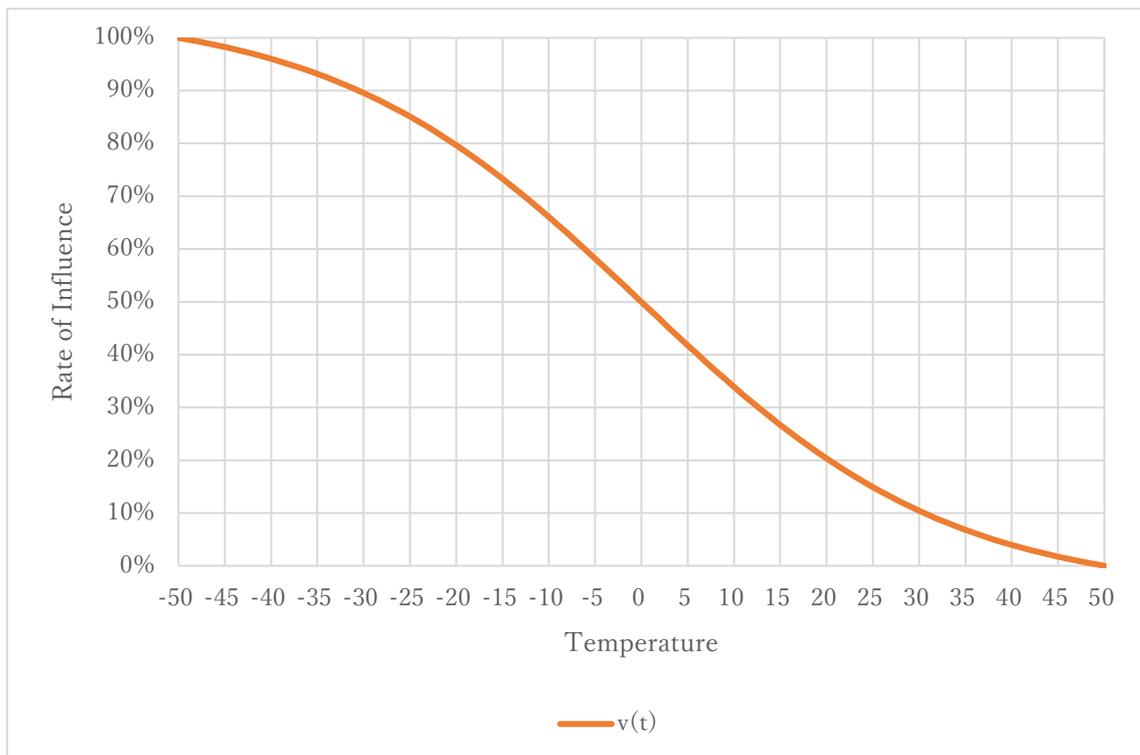
Below is a specific calculation of the validation percentage and the withdraw potential percentage. Here [t] is a variable expressing the temperature, using a valuation between -50 and +50.

Rate of Influence $v(t)$:

$$v(t) = \frac{\tanh(-at)}{2 \cdot \tanh(50a)} + \frac{1}{2}$$

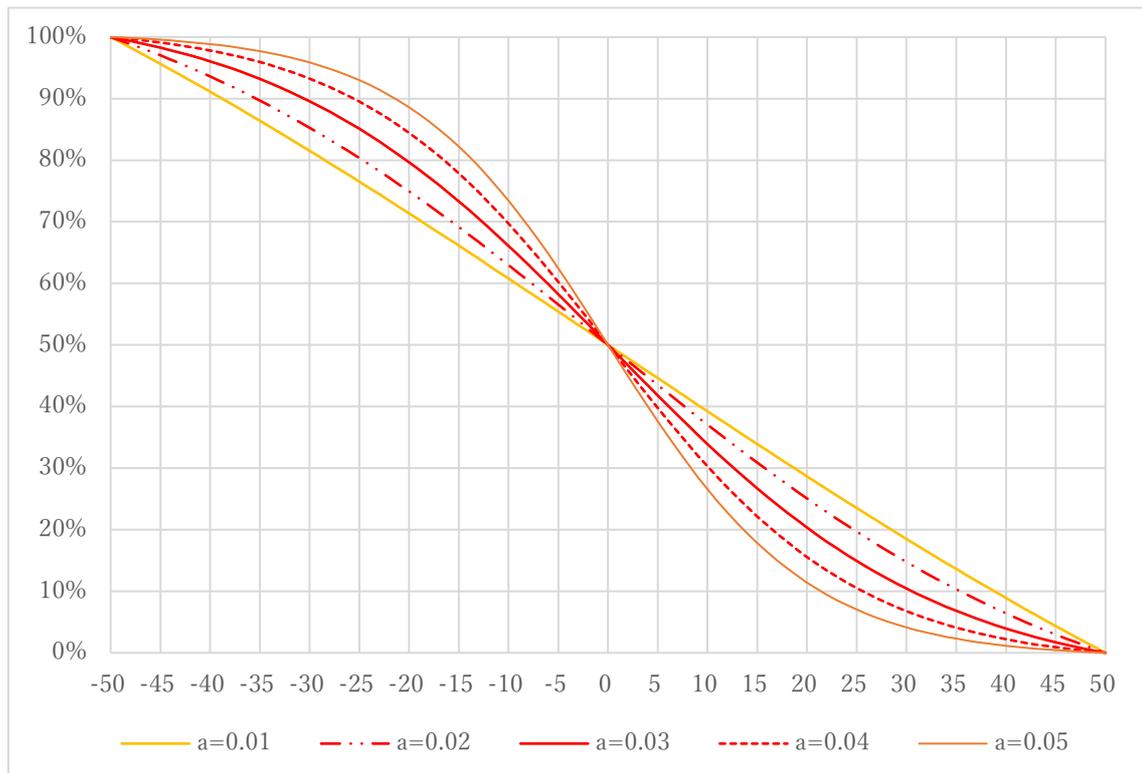
$v(t)$ increases to the degree [t] lowers; where $t = -50$, $v(t) = 1$ and a RAKU has 100% influence.

Also, when t is in the vicinity of "0" the ascension speed (that is to say, $v(t)$'s ascension range when t drops by 1 point) becomes larger.



Fluctuation of $[t]$'s value as a function to the rate of influence

$[a]$, is initially set to 0.03, however we'll also consider adjusting this value based upon utilization of RAKUN.



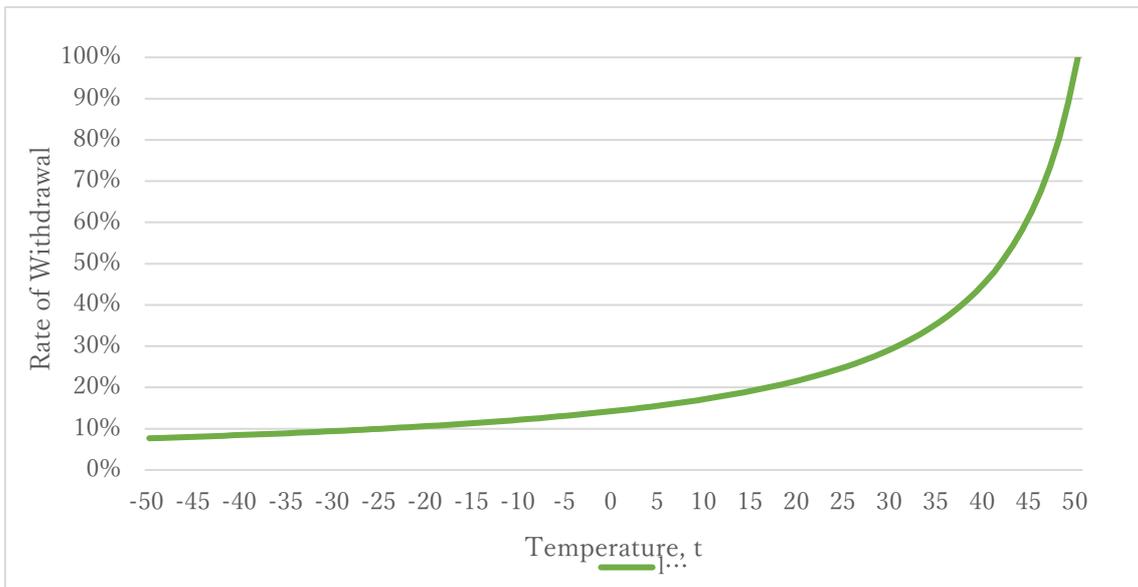
Fluctuation of [a]’s value as a function to the rate of influence

The reason why we use this nonlinear function is to alter the ease of influence in response to how RAKU is obtained. More specifically, its nonlinear to curb the ease of influence when RAKU tokens are rewarded from article posts and upvotes (i.e. "likes"), while making RAKU tokens brought into RAKUN (via purchase at exchange) have less influence. Please refer to “Additional RAKU brought in from an External platform” below for more details on how Outside RAKU are treated.

Withdraw potential rate $l(t)$

$$l(t) = \frac{100}{(50 - t)(n - 1) + 100}$$

$l(t)$ increases to the degree $[t]$ rises. When $t = 50$, $l(t) = 1$ and a RAKUN has the potential to be withdrawn at once.



Fluctuation of [a]’s value as a function to the rate of potential withdrawal

Users cannot directly control this state, instead as time passes, [t] rises (ie "Heating mode") as well as decreases ("Cooling mode") are the only way courses that influences the Withdraw potential rate.

in "Heating Mode" the ascension speed Δt of [t] over 1 day is expressed below:

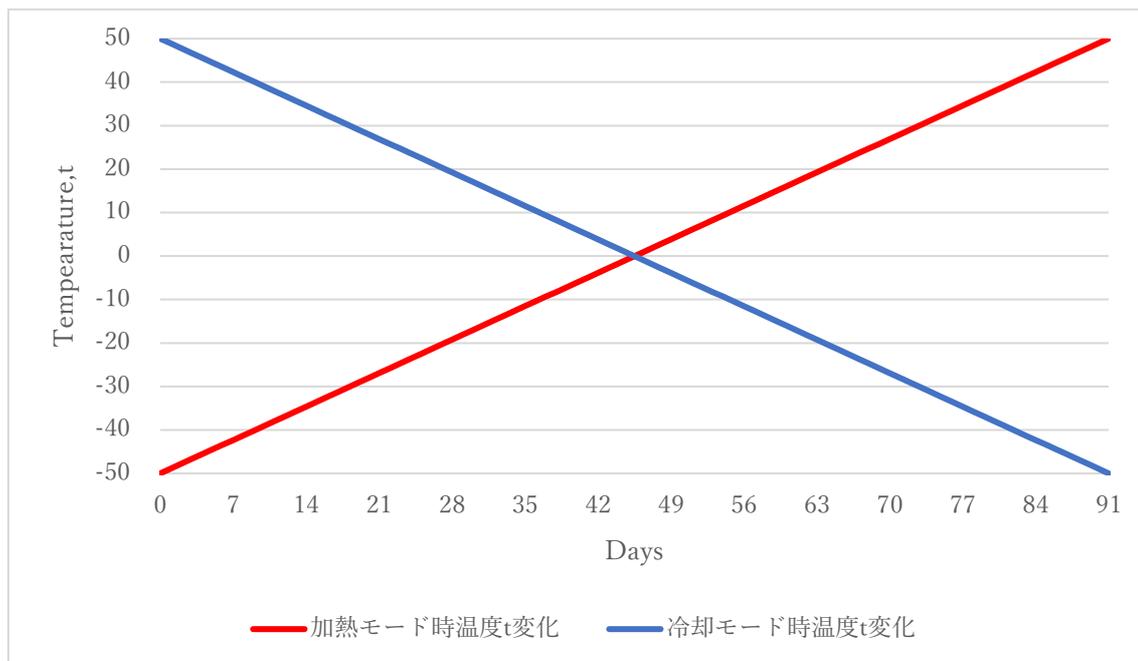
$$\Delta t = \frac{100}{n \cdot d}$$

[n] represents that max number of times necessary to withdraw all RAKU, and [d] represents the interval at which RAKU can be withdrawn (in number of days). For example, in a setting where d = 7 (potential to withdraw once a week), and n is set to 13, over an interval of 91 days all RAKU tokens can be withdrawn.

In "Cooling Mode", the above-mentioned notation for Δt is inverted.

Summarizing the above, in "Cooling Mode" as the degrees of [t] drops, a RAKU token hardens and becomes stable. In response to this, as a RAKU gains influence (represented above as v(t)), the withdraw potential percentage (represented as l(t)) drops. From this definition, a temperatures lowest value is a -50 degrees.

Conversely, in "Heating Mode", as [t] comes to increase, RAKU "melts" and becomes gains liquidity. As this occurs a RAKU token's validity diminishes and it's withdraw potential comes to increase. From this definition, a temperature highest value is 50 degrees.



Fluctuation in t over time for Heating and Cooling Modes

Next is the explanation of the adjustment of [t] in the case when a RAKU is added to a user's wallet.

[A] represents the number of RAKU tokens possessed in a wallet prior to the addition of a RAKU token, and ΔA is the number of RAKU tokens to be added. A RAKU is added, the temperature transforms from [t] to [t'].

The addition of RAKU from within the platform (as a reward for posting an article etc..)

1. In this case, the temperature of influential RAKU in one's possession decreases only by the exact amount of RAKU to be added (ΔA).

Expressed as,

$$(\mathbf{A} + \Delta\mathbf{A}) \cdot \mathbf{v}(\mathbf{t}') = \mathbf{A} \cdot \mathbf{v}(\mathbf{t}) + \Delta\mathbf{A}$$

From this, t' is expressed as $v^{-1}(y)$, the inverse function of $v(t)$, that is, when $y = v(t)$ or $t = v^{-1}$,

$$\mathbf{t}' = \mathbf{v}^{-1} \left(\frac{\mathbf{A} \cdot \mathbf{v}(\mathbf{t}) + \Delta\mathbf{A}}{\mathbf{A} + \Delta\mathbf{A}} \right)$$

The addition of RAKU from outside the platform

2. The instant that a RAKU is brought in, $[t]$ raises to a level where the total number of RAKU tokens brought in--in addition to tokens in one's possession that can already be withdrawn--could be immediately re-withdrawn from the wallet.

Expressed as,

$$(\mathbf{A} + \Delta\mathbf{A}) \cdot \mathbf{I}(\mathbf{t}') = \mathbf{A} \cdot \mathbf{I}(\mathbf{t}) + \Delta\mathbf{A}$$

From this t' can be defined as,

$$\mathbf{t}' = \mathbf{I}^{-1} \left(\frac{\mathbf{A} \cdot \mathbf{I}(\mathbf{t}) + \Delta\mathbf{A}}{\mathbf{A} + \Delta\mathbf{A}} \right)$$

Rewarding Article Posts and Evaluations

Overall Framework

All valid RAKU tokens that can be considered capital are subject to a set inflation rate, thus at the minting of new tokens, a value of 25% is withheld as an operating expense while the remaining 75% is reward capital.

Of the reward capital, 90% is distributed to the user who contribute to the post (including those who comment), and 10% for the users who upvoted the content.

The share of RAKU tokens distributed to the each user result from a proportional score give to those whom posted an article, made a comment, or upvoted.

In addition, within this distribution method, the number of RAKU tokens distributed to a single article contributor goes through a large fluctuation if multiple articles are posted at the same time. **Thereupon, we have a system to utilize as necessary, to curb unfairness in excessive reward distribution when the number of articles (at a set time of RAKU distribution) are few in number.**

For example, in the case that the number of posted articles is below 10 of [n] posts, the reward capital to an article contributor is represented as $\sqrt{\frac{n}{10}}$ of actual reward,

where $(1 - \sqrt{\frac{n}{10}})$ is the remainder taken as an operation fee.

The amount of rewards (RAKU tokens) granted to a user for posting articles or comments is connected to the number of upvotes received

Moreover, The scoring of upvotes on article posts or comments is associated with the reward given to the initial upvoting user and increases as the logic is set to give a higher value to upvotes that are made quickly on articles or comments, thus incentivizing quick discovery and action.

In order to reference the score of a upvote on an article post for the scoring on a posted article or comment, the following section will first explain the upvoting user’s scoring, and then an explain the scoring of articles and comments.

Below are the defined terms used in in the following equations:

U: All users

A_i: Users[i]'s number of valid RAKUN tokens in possession.

A: All valid tokens

$$A = \sum_{i \in U} A_i$$

IR: Inflation rate (>0%)

IIR: Initial Inflation rate (20%)

|X| : Numerical expression of x when grouped

Evaluation Period

The evaluation period of a posting user and an evaluator (one who comments or upvotes), is constructed from an initial and additional evaluation period.

In the initial evaluation period is from the time of posting until 7 days however is first dependent upon an additional evaluation occurring. This additional evaluation period is represented as,

$$N \times 10\% \text{ or } 10 \times \frac{b \cdot IIR}{(b-1) \cdot IR + IIR}$$

And commences when N (represents the scoring and rewards from the past number of upvotes) is exceeded by new upvotes on a new article.

From the point where upvotes are given until rewards are distributed, while the initial evaluation period hasn’t been shortened, the frequency of scoring and reward calculations are suppressed. This is set to guarantee performance.

In addition, the conditional formula, $10 \times \frac{b \cdot IIR}{(b-1) \cdot IR + IIR}$, uses a prescribed number of upvotes to filter articles that may have too few upvotes (thus identifying the high probability of spam articles). **This inflation rate adjustment set from a prescribed number of upvotes is designed to maintain reward capital in the future event of lower interest rates, making reward capital harder to obtain in the presence of more articles and more RAKUN tokens issued.**

Also, In the set 7 day period of the initial and additional evaluation periods, the number of upvotes necessary to trigger the additional evaluation period, as well as [b] (initially presumed to be 10) may be adjusted given the state of RAKUN.

Evaluation of the User

An evaluators score is constructed from a base score of the amount of Influential RAKU tokens possessed and a Quality Weight made in response to the *early* evaluations made by multiple users on a specific article.

Both a Quality Weight made before adjustments and Quality Weight made after adjustments exist.

The equation of the Quality Weight made before adjustment differs depending on the evaluation period. In the initial evaluation stage, evaluation is conducted on the first individuals who comment or upvote an article, the addition evaluation period is fixed at a lower limit value.

The Quality Weight after adjustment removes upvotes that are determined to be spam, a calculation based off the before Quality Weight made before adjustment.

A Evaluating User's score is a resultant of the after Quality Weight adjustment.

The endorsing user's, " $\gamma \in U$ ", base score, " $CBS^{(\gamma)}$ " is defined as follows,

$$CBS^{(\gamma)} = \max\left(\frac{A_\gamma}{A}, 0.001\right)$$

As to be able to reward new users in possession of only a few RAKU, the base floor is set to not fall below 0.001

An Evaluation User's score differs between the initial and addition periods of evaluation done by the system. That is to benefit users to discover and evaluate articles early, stimulating the impetus for quality conduct on the RAKU System.

The following quality weight adjustment, $q_k^{(\gamma)}$, is made on the endorsing user $[\gamma]$ on article $[k]$ taking into account the *order* of when the user gave the upvote (represented as $[n]$ 人中 x_γ):

$$q_k^{(\gamma)} = \begin{cases} 0 & \text{if } n \leq 10 \times \frac{b \cdot IIR}{(b-1) \cdot IR + IIR} \text{ or } \gamma \text{ is the author of } k \\ 1 - \frac{x_\gamma(1 - q_{\text{floor}})}{n + 1} & \text{else} \end{cases}$$

$q_{\text{floor}} = 0.1$ is currently assumed to be the minimum value established for use on the Quality Weight prior to adjustment.

The Evaluating User's Score after from the additional evaluation period is described below.

The additional evaluation period lasts for 7 days, within this period additional new upvotes made on an article become the target for final evaluation and then Scoring occurs.

The quality weight adjustment after endorsing user[γ] upvotes article[k] is calculated below as $q_k^{(\gamma)}$.

$$q_k^{(\gamma)} = \begin{cases} 0 & \text{if } \gamma \text{ is the author of } k \\ q_{\text{floor}} & \text{else} \end{cases}$$

As expressed before, with being presumed, regardless of the number of additional upvotes that are to be evaluation, the Quality Weight prior to adjustment fixed in the initial scoring period.

Moreover, a quality weight adjustment is performed to eliminate the act of giving excessive upvotes without fully reading articles, as well as curbing bots from giving excessive upvotes.

Before the Endorsing User[γ] upvotes article[k], upvoted articles made under 24 hours are assembled and expressed as $H_k^{(\gamma)}$ in the following definition.

$$\hat{q}_k^{(\gamma)} = \begin{cases} q_k^{(\gamma)} & \text{if } |H_k^{(\gamma)}| < M_1 \\ \min(q_k^{(\gamma)}, q') & \text{if } M_1 \leq |H_k^{(\gamma)}| < M_2 \\ 0 & \text{if } M_2 \leq |H_k^{(\gamma)}| \end{cases}$$

M_1 as well as M_2 express the upvote number's quality bound and physical bound.

Assuming a numerical value of 20 for M_1 and 40 for M_2 , q' becomes the minimum quality weight chosen for a given article that has been adjusted with $H_k^{(\gamma)}$. The aim of this adjustment is explained below:

The adjustment is shown in diagram below

First, we assume it's hard for a normal user to read and evaluate a large number of articles (i.e. M_2) within 24 hours, **thus when upvotes exceed M_2 , this user's upvote does not count towards rewards**

Moreover, in the case where the number of endorsed articles M_1 exceeds M_2 --although we can't say

this is considered physically impossible--the possibility is high that such an article was not seriously evaluated or otherwise is bot behavior; we judge based off the quality of upvotes in a 24 hour window. In the case where an ordinary user is earnestly evaluating, attaching an extremely low score is very unlikely and the influence on the adjustment is small. However in the case of a non-earnest evaluation or bot, the scattering of extremely low scoring is abundant and therefore the score of a new upvote will also have such a standard low score by which a reduction adjustment will take place.

From the above, endorsing user[γ]'s score earned from upvoting article[k] is defined as $CS_k^{(\gamma)}$ in,

$$CS_k^{(\gamma)} = CBS^{(\gamma)} \cdot \hat{q}_k^{(\gamma)}$$

The total score earned for the evaluating user[γ] is expressed as $CS^{(\gamma)}$ and aggregates articles[k] that have been upvoted in a set duration of time. This total is expressed as:

$$CS^{(\gamma)} = \sum_k CS_k^{(\gamma)}$$

In addition, the scoring of upvotes on comments share the same logic, but the final score is 1/2 the score of an upvote when given on a posted article,

$$CS_k^{(\gamma)} = \frac{1}{2} CBS^{(\gamma)} \cdot \hat{q}_k^{(\gamma)}$$

Scoring of the Article Poster

The scoring of posted articles is a score constructed from the number of Influential RAKU tokens in one's possession and a fixed “weight” of upvotes taken on the posted article. Articles that do not reach this fixed weight of upvotes aims to reduce giving out rewards to user whom post a large number of articles.

The base score of posting user, ' $\alpha \in U$ ', is represented as $ABS^{(\alpha)}$ and defined as,

$$ABS^{(\alpha)} = \max\left(\frac{A_{\alpha}}{A}, 0.01\right)$$

Starting with a minimum value of 0.01, depending on the evaluating user a higher numerical value is set.

Next, article posting user α 's presumed achieved weight from a prescribed number of upvotes made on the contributed article [k] is expressed as $\delta_k^{(\alpha)}$ in,

$$\delta_k^{(\alpha)} = \begin{cases} 1 & \text{if } |G_k| > 10 \times \frac{b \cdot IIR}{(b-1) \cdot IR + IIR} \\ 2 \cdot \left(\frac{1}{3}\right)^{1+d} & \text{else} \end{cases}$$

However, d is a variable including the number of posted articles that have not achieved a prescribed number of upvotes. [d] is obtained 24 hours prior to user [α] posting article [k]. Incorporating the power of d, **articles that have not surpassed as certain number or prescribed likes will result in a lower score for the user. From this system, we're able to predict and effectively prevent rewarding spam posts that have not been properly evaluated.** b includes the Quality Weight's defining formula $q_k^{(y)}$ prior to adjustment. \mathbf{b} includes the Quality Weight's defining formula $q_k^{(y)}$ prior to adjustment.

From the above, the earned score $AS_k^{(\alpha)}$ of posted users [α] from posting article [k] is defined as

$$AS_k^{(\alpha)} = ABS^{(\alpha)} \cdot \delta_k^{(\alpha)} + \sum_{\gamma \in G_k} CS_k^{(\gamma)}$$

In addition, the scoring of comments contains the same logic, however the final score is ½ that of the submitted article,

$$AS_k^{(\alpha)} = \frac{1}{2} \left(ABS^{(\alpha)} \cdot \delta_k^{(\alpha)} + \sum_{\gamma \in G_k} CS_k^{(\gamma)} \right)$$

Distribution of Rewards

RAKU token distribution, similar to previous definitions, is a proportional score. The number of RAKU tokens treated as reward capital (i.e. the remaining capital of a token after operation expenses are withheld), shown as [RP], is used when evaluating the number of RAKUN tokens evaluating user[γ] earns, shown as $CR^{(\gamma)}$,

$$CR^{(\gamma)} = RP \times 0.1 \times \frac{CS^{(\gamma)}}{\sum_{c \in U} CS^{(c)}}$$

The number of RAKU tokens earned as a reward for user[α] for posted article [k] is described as $AR_k^{(\alpha)}$,

$$AR_k^{(\alpha)} = RP \times 0.9 \times \frac{AS_k^{(\alpha)}}{\sum_{a \in U} \sum_j AS_j^{(a)}}$$

In addition, in terms of precedence of profits, as the offset of RAKU tokens held gets larger and the disparity of rewards amongst users excessively widens, a user's degree of satisfaction may decline. Thus at this stage an adjustment on the disparity is conducted to change the priority of profits on a given user. For example, $0 < p \leq 1$, p represents the parameters for disparity adjustment,

$$CR^{(\gamma)} = RP \times 0.1 \times \frac{(CS^{(\gamma)})^p}{\sum_{c \in U} (CS^{(c)})^p}$$

$$AR_k^{(\alpha)} = RP \times 0.9 \times \frac{(AS_k^{(\alpha)})^p}{\sum_{a \in U} \sum_j (AS_j^{(a)})^p}$$

By this method, without modifying the sizes of a reward, the possibility to mitigate the disparity exists.

Treating Upvotes on Articles Following Submission

Following the post of an article, if an upvote occurs before sufficient time has passed for the reader to have adequately read the article a certain amount of the reward will be withheld from the evaluator. In the case that [t]minutes have passed between the posting and the upvote, $(1 - \frac{t}{30}) \times 100\%$ of the reward associated with the qualifying upvote is withheld from the evaluating user and instead given to the user who posted the original article.

Distribution Model for Content Providers

RAKU tokens can also be distributed to partnered Content Providers. Of the total capital 25% of new minted and distributable tokens will be allotted to content providers. From this portion, a fixed 25% will be distributed to our company (Good Luck 3, Inc), with the remaining 75% (referred below as “distribution capital”) being distributed by Good Luck 3 or other partnered content providers. Additionally, given the state of RAKU, the fixed distribution rate given to Good Luck 3 may be adjusted.

The Distribution Parameters consist of ① Content Provider’s Degree of activity and ② RAKU tokens possessed by Content Providers. The amount of capital distributed to Content Providers is segmented by a distribution amount from a base activity level and a base level of RAKU tokens in possession.

- ① Base distribution from activity level

When a level of activity, A_m , occurs on Media(m), The distribution rate to Media(m) from a base level of activity within the “distribution capital” is as follows,

$$\frac{(c_m \cdot A_m)^p}{\sum_i (c_i \cdot A_i)^p}$$

Here, C_m represents a coefficient between $0 < C_m \leq 1$ for every “Media” currently operating. p is the parameter representing a qualitative power of difference between $0 < p \leq 1$. C_m is a parameter which is able to normalize the differences in media type; on a basic level C_m is set to low when there are numerous posts with little information upon submission. When few posts are submitted with a large amount of information C_m is set larger. p is an adjustment that keeps the distribution rate from a sudden change in the case that a particular Media’s activity were have a rapid increase.

② Base distribution for possessed RAKU

This is distribution is performed to give fair priority based on the amount of RAKU tokens in the possession of partnered Content Providers,

$$\frac{V_k}{\sum_i V_i}$$

The Expansion of the RAKU Reward System via API

It is possible to provide the RAKUN Reward System to approved Content and easily introduce such content into the RAKUN Project via API. From this system, we anticipate the RAKUN Ecosystem to expand beyond just Crypt-Oink related content providing more fun and use cases for users.

How does RAKU hold economic value?

In general, Ads are placed on Content Providers to serve as PR for products. Thus the anticipation is that an Ad being shown to many people will encourage the purchase and utilization of the advertised product. As result a Content Provider's value is assessed by the capacity to retain multiple readers, and to display multiple ads. In the same vein, the worth of user behavior is merely assessed by how many ads they view and rather or not they purchase something downstream.

With Blockchain technology, we aim for the value of user behavior on Content to not be associated with ad monetization, but rather represented with a cryptocurrency we call the "RAKU"

If a Content Provider's value rests in its ability to amass users, its true nature and quintessential value is in the ability to attract users with quality content which stimulates actions such as upvotes and comments.

"Proof-of-Work" or "Mining" is what secures the value of Bitcoin, but with RAKU, User behavior and participations via such actions as submissions, upvotes, or comments are the "mining" like features that give the economic value to the RAKU. (a procedure coined "Proof-of-Brain" by *SteemIt*)

While Advertisers may still advertise to a certain extent on the RAKUN platform, differing from existing media, users will receive compensation in RAKU tokens for viewing, utilizing or purchasing advertised content.

Risk Factors

The purchase of tokens involves a high degree of risk, including but not limited to the risks described below. Before acquiring RAKUN tokens, it is recommended that each participant carefully weighs all the information and risks detailed in this whitepaper, and, specifically, the following risk factors.

Dependence on computer infrastructure

Our dependence on functioning software applications, computer hardware and the Internet implies that we can offer no assurances that a system failure would not adversely affect the use of the sale participants' RAKUN tokens.

[Despite our implementation of all reasonable network security measures, our processing center servers are or may be vulnerable to computer viruses, physical or electronic break-ins or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay or suspension of services, which would limit the use of the RAKUN tokens.]

Smart contract limitations

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks. [Consequently, although the audit conducted by an independent third party increases the level of security, reliability, and accuracy, we cannot provide any form of warranty, including any expressed or implied warranty that the RAKUN tokens (or the associated smart contract) are fit for a particular purpose or that contain no flaws, vulnerabilities or issues which could cause technical problems or the complete loss of RAKUN tokens.]

Regulatory risks

Blockchain technology, including but not limited to the issue of tokens, may be a new concept in some jurisdictions, which may then apply existing laws or introduce new regulations regarding Blockchain technology-based applications, and such regulations may conflict with the current RAKUN smart contract setup and RAKUN token concept. This may result in the need to make substantial modifications to the smart contract,

including but not limited to its termination, the loss of RAKUN tokens, and the suspension or termination of all RAKUN token functions.

Taxes

RAKUN token holders may be required to pay taxes associated with the transactions contemplated herein, whether in Japan or in their home countries. It will be a sole responsibility of RAKUN token holders to comply with the tax laws of Japan and other jurisdictions applicable to them and pay all relevant taxes.

Force Majeure

Our performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this whitepaper, force majeure shall mean extraordinary events and circumstances which could not reasonably be prevented by us and shall include: acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies, and other circumstances beyond our control and which were not in existence at the time of whitepaper release.

Disclosure of information

Personal information received from RAKUN token holders, the information about the number of tokens owned, the wallet addresses used, and any other relevant information may be disclosed to law enforcement, government officials, and other third parties when we (or our service providers) are required to disclose such information by law, subpoena, or court order. We shall at no time be held responsible for such information disclosure.

Value of RAKUN token

Once purchased, the value of RAKUN tokens may fluctuate significantly due to various reasons. We do not guarantee any specific value of the RAKUN token over any specific period of time. We shall not be held responsible for any change in the value of RAKUN token. In addition, we cannot guarantee that a secondary market for the RAKUN tokens will develop, and we have no obligation to secure the development of a

secondary market. Even if a secondary market does develop, the RAKUN tokens may lose value.

Please note that GOOD LUCK 3 SINGAPORE PTE. LTD, RAKUN tokens and the project may be subject to other risks not foreseen by us at this time.

Change log:

June 12th. 2019: white paper published (ver1.0).

July 4th. 2019: "contact" and "Token Sale Information" updated (ver1.1).

September 6th. 2019: Contents below updated (ver1.2).

- "Exchange Cryptocurrency for the Game Items"
- "Contributing contents"
- "Roadmap"
- "External Audit"
- "Objective of the RAKUN Reward System"

February 17th, 2020: The following items have been updated (ver1.3).

- "Exchange Cryptocurrency for Game Items"
- "team"

March 20th, 2020: The following items have been updated (ver1.4).

- "CryptoIdols is no longer supported and thus has been removed from the RAKUN Ecosystem"