WHITE PAPER

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1. Introduction

Mission and Vision Statement

The primary goal of the SyFu project is to transform payment data arising from daily consumption activities into digital assets, thereby creating a new financial ecosystem that visualizes economic contribution. Our aim is to realize a society where consumers can understand and recognize this visualized economic contribution as digital assets.

SyFu's vision is to create a world where individual consumers' daily consumption actions are not just seen as spending but are valued as economic contributions that remain as "digital assets." We aim to enhance the consumer experience and contribute to local communities and the global economy, striving towards the "wallet of the future."

Overview of the Project or Service

SyFu is a Web3 wallet with GameFi (Game Finance) features that convert payment data into digital assets. This wallet provides comprehensive services ranging from the ownership and management of digital assets to enhancing the consumer experience.

This innovative Web3 wallet service aims to digitalize the economic contributions generated through modern consumption activities and bring new value to its users. By utilizing MANEKINEKO NFTs inspired by the traditional Japanese "beckoning cat," consumer activities worldwide can contribute economically.

The project enhances the consumer experience and contributes to the growth of local communities and the global economy through a nurturing game that allows the cultivation of MANEKINEKO NFTs using payment data as proof of economic contribution, enabling the acquisition of tokens and NFTs.

Purpose of Existence

Daily economic activities and consumption have a significant impact on the global economy. The consumption suppression in various countries due to the pandemic has proven the magnitude of this impact by reducing the global GDP by more than

3.4%. However, many consumers find it challenging to feel how their everyday shopping and dining contribute to the economy.

Addressing this lack of experience is a significant challenge for future global economic growth, and solving it will greatly contribute to activating consumption. In some countries, the low level of consumption relative to savings amounts is a national issue.

While people can prove their annual income, tax amount, and assets, there has been no means to prove economic contribution through consumption. With the advancement of cashless payments, it has become possible to prove "economic contribution" through payment data.

Solutions and Value Created by SyFu

・ GameFi that Allows Feeling of Economic Contribution

In SyFu's GameFi, users can level up the 3D character "MANEKINEKO" NFT, modeled after the "beckoning cat," using cashless payment data from everyday dining and shopping to earn digital assets (tokens & NFTs). These digital assets are also tradable. The growth of "MANEKINEKO" is directly influenced by the user's economic contribution (payment data). Through GameFi, users can materialize their consumption behavior in the form of "nurturing something," allowing them to feel their economic contribution.

・ A New Reputation in the WEB3 Era

The SyFu wallet visualizes the user's degree of economic contribution as NFT (SBT) using GameFi, making it personally ownable. This NFT becomes a new type of "credit score" indicating how much individual users contribute to society and the economy.

With this innovative approach, SyFu aims to establish new standards in credit rating, achieving a credit society with decentralized transparency and fairness. Unlike traditional credit scores and rating systems managed by specific institutions, SyFu transfers this right to individual users, pursuing the true democratization of credit.

• A New Experience with WEB3 Wallets

SyFu addresses the complexities of using traditional wallets and provides a non-custodial wallet that complies with regulations and is under international patent application. This wallet offers consistent services from the operation of digital assets (DEX/Staking) to real-world payments (cryptocurrency payments).

• A New Bridge Connecting Businesses and Users

SyFu's non-custodial wallet fosters new relationships between businesses and users.

Utilizing "Payment × NFT" technology, SyFu supports companies in adopting Web3 through NFT as a Service (NaaS) and wallet offerings, enabling efficient use of Web3 technology. This facilitates new business models, transforming brand value into digital assets and enhancing Web3-based loyalty marketing.

Amid global economic shifts, such innovations contribute significantly to revitalizing consumption and addressing national challenges of underconsumption compared to savings. The advancement of cashless payments now allows for the demonstration of economic contribution through spending data.

2. About SyFu Game

Overview of the Game

In SyFu, users can prove their economic contribution through payment data from everyday consumption activities, earning digital assets such as tokens and NFTs.

This economic contribution leads to the nurturing of MANEKINEKO NFTs and improvement of the account score.

The improvement of parameters through the growth of MANEKINEKO NFTs and the increase in account score enhance the contribution to earning digital assets.

User Experience Flow

1. Purchase MANEKINEKO NFT.
2. Hold MANEKINEKO NFT and check in at designated real-world stores in specific genres, earning digital marbles.
3. Make purchases or use services and make payments at the checked-in stores. *Please check in before making payments.
4. Later, the cashless payment data will be imported into the SyFu app. *The time it takes for payment data to be imported varies by cashless service provider.
5. Bind (link) the marbles earned from check-ins with the relevant payment data. *In SyFu, the act of linking check-in data with payment data is called "BIND."
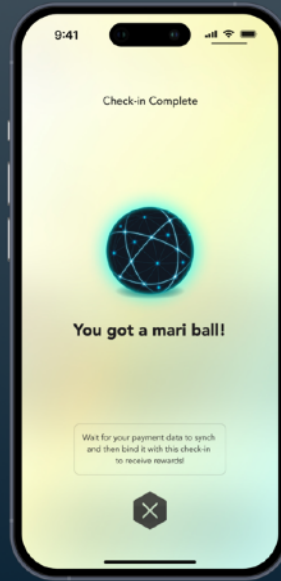6. Successful BIND opens the digital marble, and digital assets are earned.
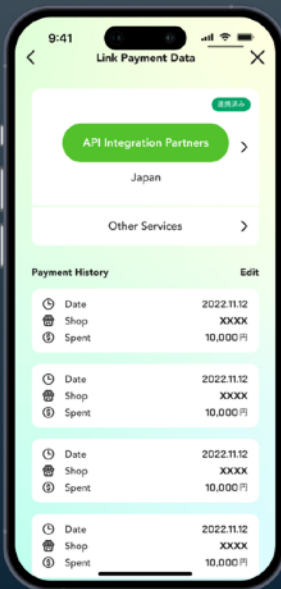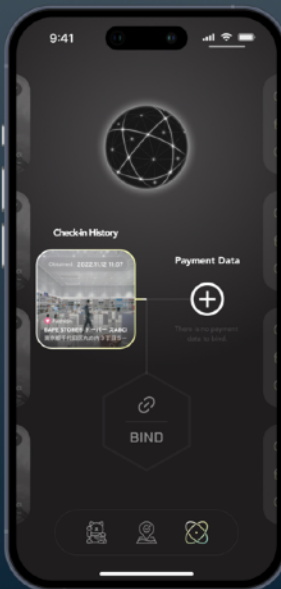
USEREXPERIENCE-1

SyFu

Game TOP

Check-in

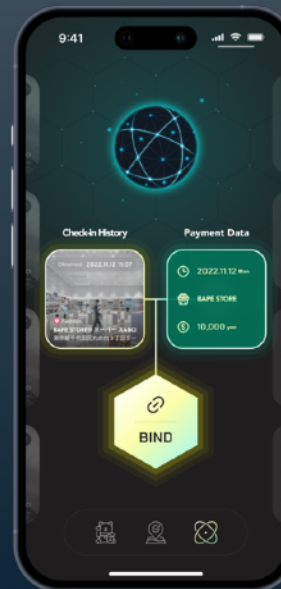Earn digital mari ball

USEREXPERIENCE-2

SyFu

Payment Data Import

Consumer Data Binding

BIND

Store Genres Eligible for Check-in

At the service launch, real stores and in-store payments are eligible for check-ins. The eligible stores are selected based on Google Place information, so stores not registered with Google Place are not eligible. Online payments and transactions on e-commerce sites are not eligible for check-in, but the extension of eligible genres is considered for the future.

Eligible Genres (as of February 12, 2024)

- Restaurants
- Cafes
- Convenience stores
- Bookstores
- Pharmacies
- Gas stations
- Shopping
- Fashion
- Beauty
- Spas
- Medical
- Movie theaters
- Tourism/Leisure
- Accommodations
- Parking
- Others

The eligible genres are based on the above, and variations may occur due to Google Place registration status and special conditions by region. Stores displayed as check-in candidates in the app are eligible.

Check-in Limitations

There is a limit to the number of check-ins possible within 24 hours, which varies depending on the number and rarity of MANEKINEKO owned.

Digital Assets that Can Be Earned

- **Ingame Token (Game-Internal Token)**: The amount earned varies according to the number of MANEKINEKO owned, the amount of economic contribution, and the account score.

- **EVT（Excavation Token）**: Similarly, the amount earned varies based on the parameters of MANEKINEKO, the amount of economic contribution, and the account score.

- **Item BOX**: Contains items necessary for Breeding, etc.
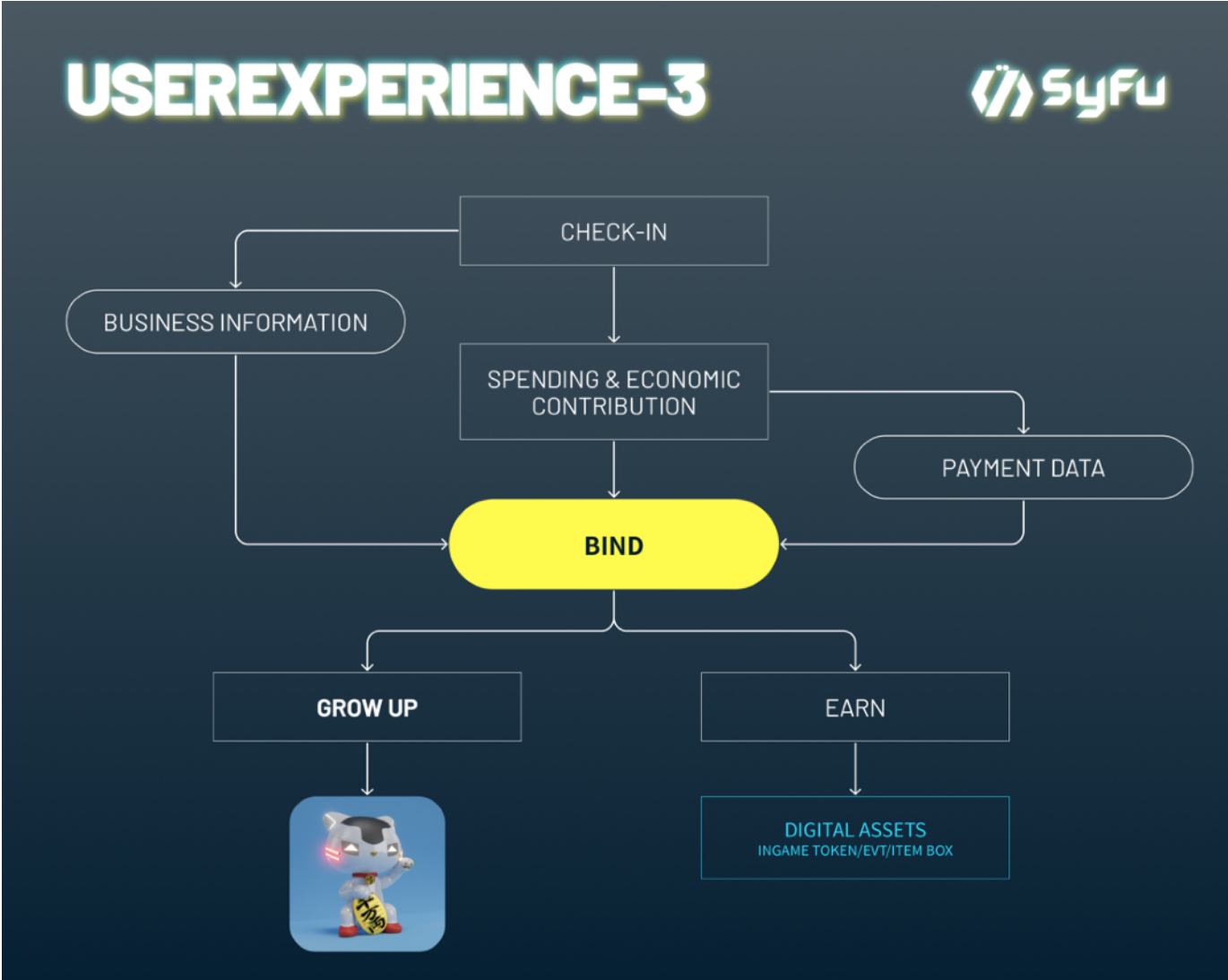
3. Features of MANEKINEKO NFT

About MANEKINEKO NFT

MANEKINEKO NFT is a core digital asset in the SyFu ecosystem. There are infinitely issued types and limited issuance types, supporting economic activities.

- There are two types of MANEKINEKO NFT: infinitely issuable types and MANEKINEKO Genesis (MNG) with a capped issuance (3120).
- MANEKINEKO Genesis is issued on the Ethereum chain based on the ERC-721 standard.
- In the future, MANEKINEKO NFTs are planned to be issued on EVM (Ethereum Virtual Machine) compatible blockchains.
- MANEKINEKO NFTs are generative NFTs, with each NFT having unique body colors and types of outfits, making each NFT unique.
- MANEKINEKO has several rarity levels (three or more), and the NFT's parameters vary according to its rarity.
- A limit is set on the number of times MANEKINEKO NFT can breed.

Growth and Nurturing of MANEKINEKO

MANEKINEKO grows in response to user activities, contributing to parameter improvements.

- MANEKINEKO dynamically grows through three stages: "Pod," "Mini," and "Prime."
- It is born as a "Pod" and can be nurtured using the user's economic contribution and Ingame Tokens to grow to the next stage.
- Depending on the growth stage of MANEKINEKO ("Pod," "Mini," "Prime"), the types and amounts of digital assets that can be earned change.
- Regular maintenance and care are necessary, requiring the consumption of Ingame Tokens.
- While MANEKINEKO has a lifespan, methods to extend this lifespan are provided.

Pod
First Generation

Mini
Second Generation

Prime
Third Generation

About MANEKINEKO Genesis

MANEKINEKO Genesis is a limited issuance NFT, holding special rights and rarity within the game.

Allocation

- **Total Supply**: 3120
This will be the maximum number of issuances.

- **Team & KOL**: 312
Medium to long-term distribution for teams and KOLs significantly contributing to the SyFu ecosystem.

- **Community Supply**: 2808
Supply amount for "SyFu 2024 Q1 Exclusive Mint." The non-supplied amount for 2024 Q1 will be distributed in stages according to project progress. After 2024 Q1,

Genesis is planned to be kept below 5% of the total issuance amount of MANEKINEKO NFT.

Details of MANEKINEKO Genesis

- **Access to Private Discord Community**: Provides access rights to the private Discord community "Genesis Alliance," which will be established after Discord becomes open.

- **Role in the Breeding Program**: Genesis plays a crucial role as a rare lineage in the Breeding program, enhancing the rarity of MANEKINEKO NFTs.

- **Events in Product Launch Phases**: Genesis holders may experience various events in future product launch phases.

- **Ongoing Role**: Genesis continues to play a significant role within the SyFu GameFi ecosystem.

4. Tokenomics

SyFu adopts a dual-token system, consisting of two types of tokens that exist on the chain, SyFu tokens and EVT, as well as Ingame Tokens that exist only within the game.

About Tokens

- **Dual-Token System**: SyFu employs a dual-token system, including the excavation token EVT (Excavation Token) and the governance token SyFu Token (SyFu Governance Token).

    o **SyFu Token**: Exists on the chain and is tradable on DEXs and CEXs. It is distributed based on contributions to the SyFu ecosystem, including long-term holding of digital assets and trading volume in the marketplace.

    o **EVT**: Exists on the chain and is tradable on DEXs. It is a semi-finite issuance token. The amount of EVT that can be excavated is determined by the number of businesses worldwide and the quantity of EVT buried, and excavation is only possible in stores with a certain level of economic contribution. EVT is excavated by BINDing check-in data and payment data, and is necessary for Breeding as a raw material for MANEKINEKO. Used EVT is locked in a smart contract, reducing the circulating supply in the market. Moreover, MANEKINEKO can be converted back into EVT, requiring items and Ingame Tokens, with a fee of 10%-15%. Returned MANEKINEKO are burned, and a portion of the fee goes into the SyFu treasury.

    o **Ingame Token**: Exists only within the game and can be earned through economic contributions (BIND), SyFu Pay payments, and activities in the Discord community. They can be purchased with credit cards or cryptocurrency and are used for opening item BOXes, nurturing and maintaining MANEKINEKO, and Breeding. The usage of Ingame Tokens within SyFu's Game is expected to increase in the future.
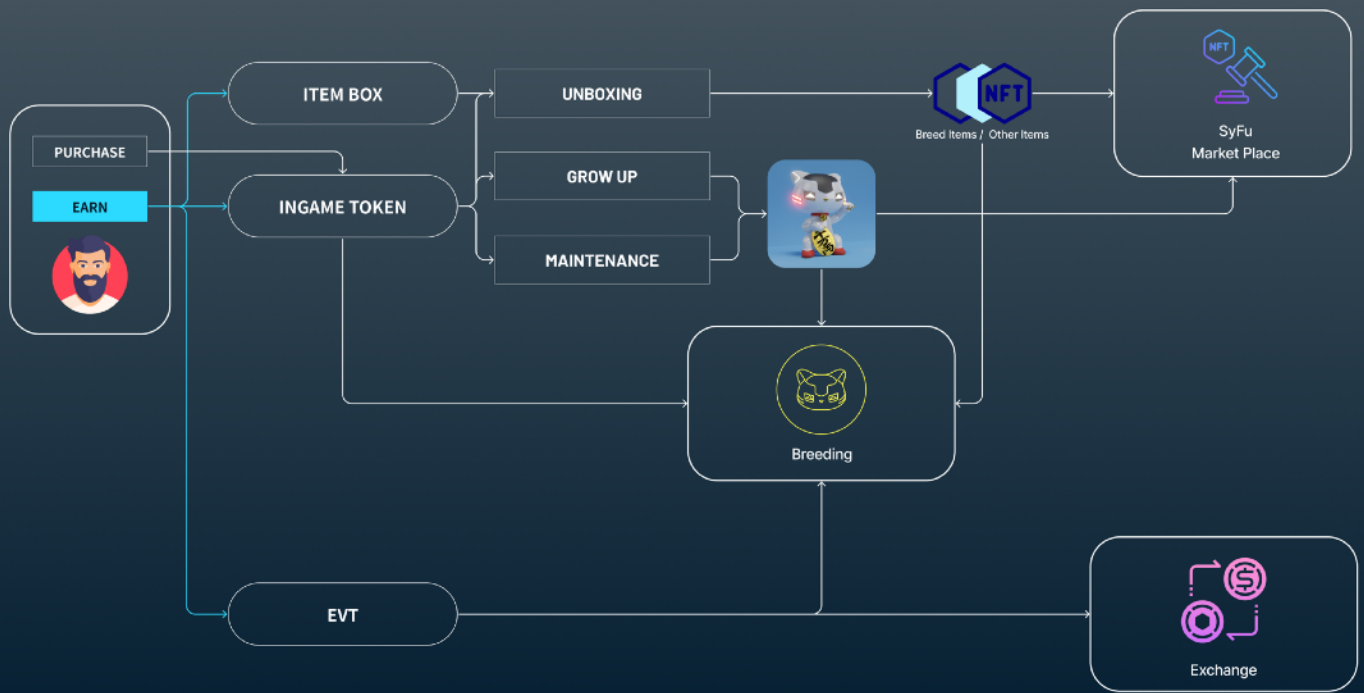
EVT and MANEKINEKO Economic System

- **Finite Nature and Difficulty of EVT Excavation**

Users cannot excavate more EVT than the amount set against the number of target businesses worldwide. This limitation closely ties the value of MANEKINEKO to the rarity of EVT. EVT becomes a virtually finite token like oil or gold, based on the number of businesses worldwide. As time progresses and users worldwide continue to excavate EVT, the number of stores yet to be excavated decreases, increasing the difficulty of excavation.

- **The Relationship Between the Value of MANEKINEKO and EVT**

To generate new MANEKINEKO in the Breeding process, EVT is required as a raw material, resulting in a strong correlation between the total issuance of EVT and the total issuance of MANEKINEKO. This token design reduces the circulating supply of EVT in the market as the issuance of MANEKINEKO increases, and conversely, when MANEKINEKO is converted back into EVT, the circulating supply of EVT increases.

This way, the value, demand, and supply balance of EVT and MANEKINEKO NFTs mutually affect each other. Long-term holding of EVT and MANEKINEKO is considered a contribution to the ecosystem, leading to SyFu token rewards. The

problems of oversupply of NFTs and utility tokens within the game and price volatility due to demand-supply imbalances seen in traditional infinite issuance designs are mitigated by this design.
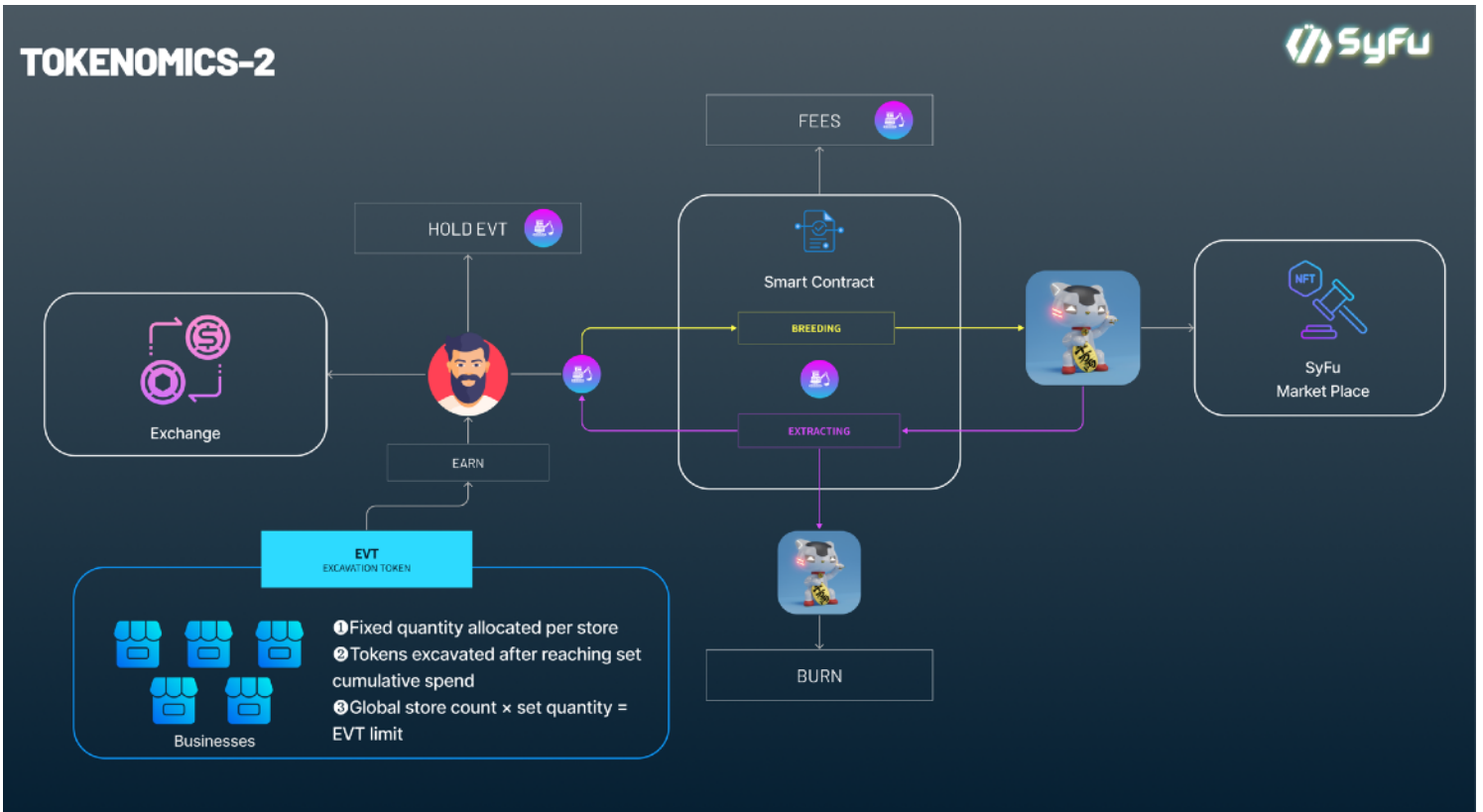
5. Overview of the Breeding Program

In the Breeding program, new MANEKINEKO can be generated. Specific items, tokens are required, and the concept of lineage is introduced.

The Birth of New MANEKINEKO

- **Breeding Process**: Through Breeding, new MANEKINEKO are born.

- **Necessary Elements**: To generate new MANEKINEKO, 2 MANEKINEKO, 2 Breeding items, Ingame Tokens, and EVT are required.

- **Target Rarity**: Only MANEKINEKO with a rarity of Uncommon or higher can be used for Breeding (Common is excluded).

Breeding Algorithm and Rarity

- **Determination of Rarity**: The rarity of the newly born MANEKINEKO is determined based on the Breeding algorithm, considering the rarity, economic contribution value, and lineage of the 2 MANEKINEKO used for Breeding.

- **Influence of Lineage**: Using MANEKINEKO with special lineages (e.g., "Genesis") for Breeding increases the likelihood of birthing MANEKINEKO with higher rarity.

Details on Lineage

Definition of Lineage

- **Scope of Lineage**: In SyFu, "lineage" includes not only the 2 MANEKINEKO used for Breeding but also their ancestors, extending back two generations or more.

Types of Lineage

- **Inbreeding**: Refers to Breeding between closely related individuals, allowing for the enhancement or retention of specific traits. However, strong inbreeding, such as between first-generation MANEKINEKO sharing the same parents, can carry risks.
- **Outbreeding**: Refers to Breeding between individuals with low lineage relatedness, increasing genetic diversity.

Influence of Lineage

- Lineage affects the traits and rarity of new MANEKINEKO born from Breeding. Inbreeding can enhance specific traits, but excessive inbreeding carries the risk of genetic problems. Conversely, outbreeding promotes genetic diversity and contributes to the birth of MANEKINEKO with lower risks.
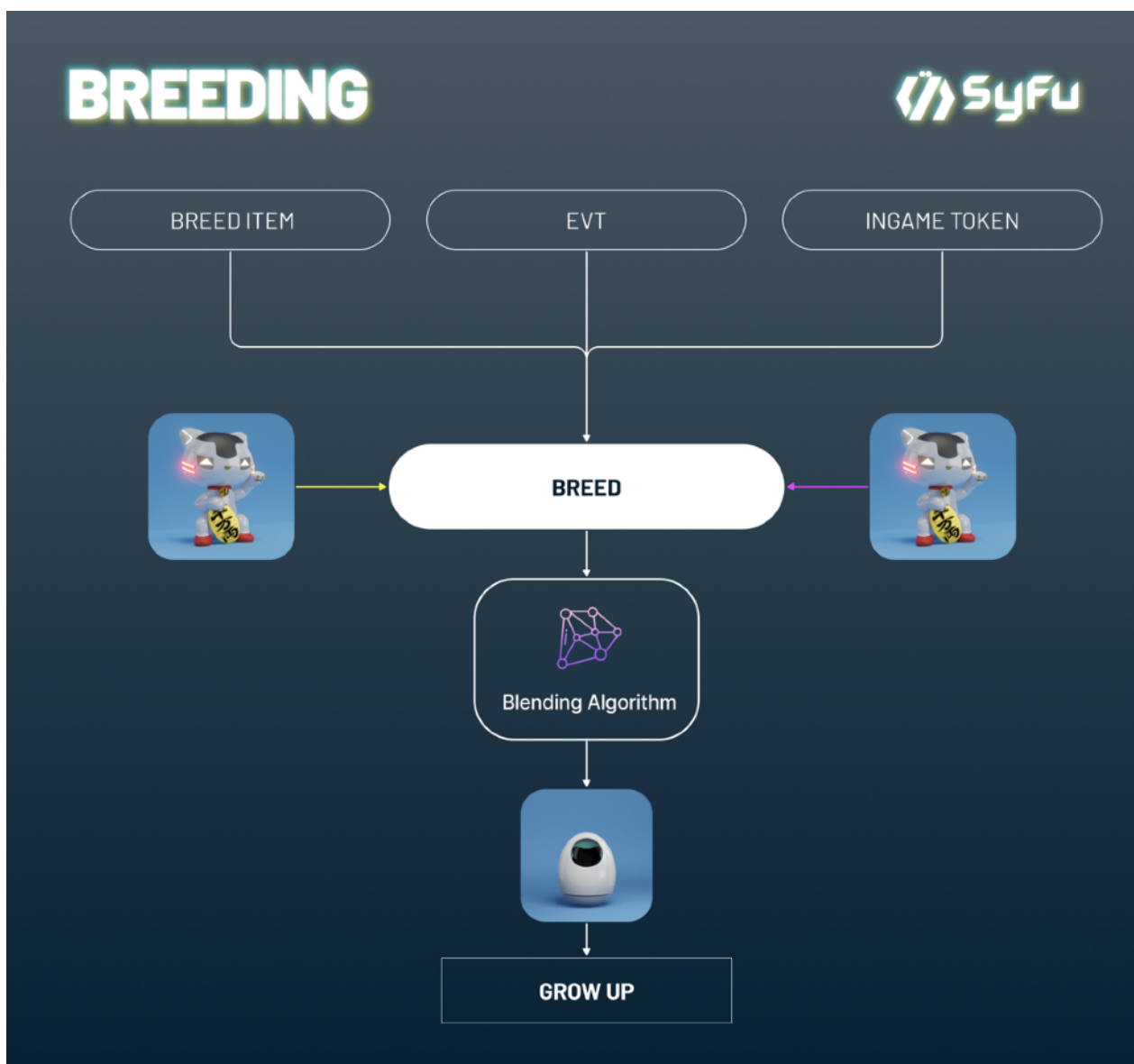
About the Supply Balance of MANEKINEKO
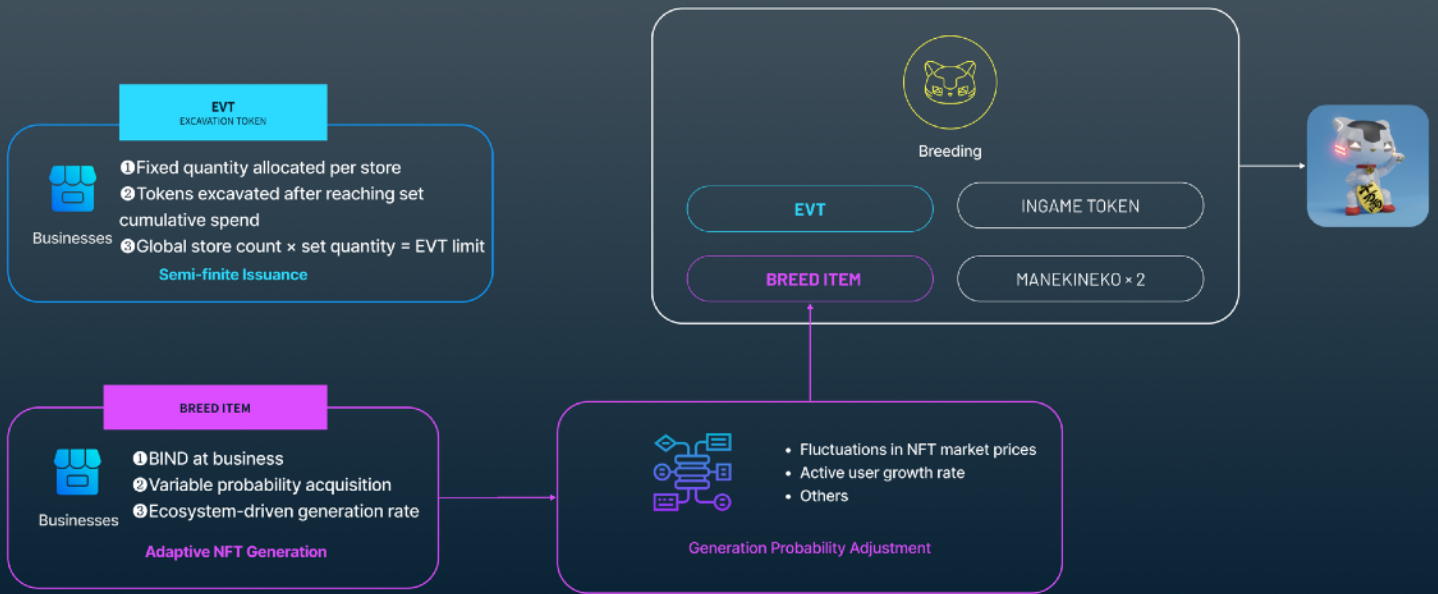
Challenges in the Ecosystem

In WEB3 games, not only utility tokens but also the rapid increase in the supply of NFTs can risk collapsing the ecosystem. To prevent such situations, SyFu proposes and introduces an Adaptive NFT Generation mechanism, adjusting the generation probability of "Breeding items" required in the Breeding program.

Importance of Adaptive NFT Generation

- **Root of the Problem**: In typical WEB3 games, a sudden surge in user numbers and demand leads to a rapid increase in NFT prices, potentially causing a bubble and subsequent crash in value, risking the collapse of the ecosystem.

- **Naturality of Value Fluctuations**: While digital assets inherently fluctuate in value, sudden value changes caused by imbalanced demand and supply adversely affect the ecosystem.

- **Role of Adaptive NFT Generation**: Adaptive NFT Generation plays a role in maintaining the health of the ecosystem by adjusting the generation probability of Breeding items based on market price indicators and the rate of increase in active users, appropriately managing the supply of MANEKINEKO NFTs.

This mechanism aims to stabilize the supply and demand balance of NFTs, enhancing the sustainability of the SyFu ecosystem.

MANEKINEKO SUPPLY BALANCE

SyFu

EVT
EXCAVATION TOKEN

Businesses

❶ Fixed quantity allocated per store
❷ Tokens excavated after reaching set cumulative spend
❸ Global store count × set quantity = EVT limit

Semi-finite Issuance

BREED ITEM

Businesses

❶ BIND at business
❷ Variable probability acquisition
❸ Ecosystem-driven generation rate

Adaptive NFT Generation

Generation Probability Adjustment

- Fluctuations in NFT market prices
- Active user growth rate
- Others

Breeding

17

| EVT | INGAME TOKEN |
| BREED ITEM | MANEKINEKO × 2 |

6. Long-Term Tokenomics and Ecosystem

The SyFu project is composed of three main elements: games, finance, and wallets. The long-term tokenomics of this project build a broad infrastructure through game utilization, value creation by game users, and value inflow from external entities.

1. Game

- A portion of the revenue generated from the game is used for the buyback of digital assets. This process promotes the sustainability and growth of the in-game economy.

2. WEB3 Finance

- Provides a variety of finance services that allow users to use, operate, and exchange their cryptocurrency holdings and earned tokens. This includes DEX (Decentralized Exchange), payment solutions, staking, lending, etc., with a portion of the revenue generated here allocated for the buyback of SyFu tokens.

3. Solutions for External Entities

- Offers the SyFu ecosystem and infrastructure to real-world businesses through the use of MANEKINEKO in collaborations with brand companies and government agencies, and business solutions integrating wallets and NFT × payment data. This promotes value inflow from external sources, expanding and strengthening the overall ecosystem.

These elements form the foundation supporting the long-term success and sustainability of the SyFu project. Details of each section will be disclosed in the future.
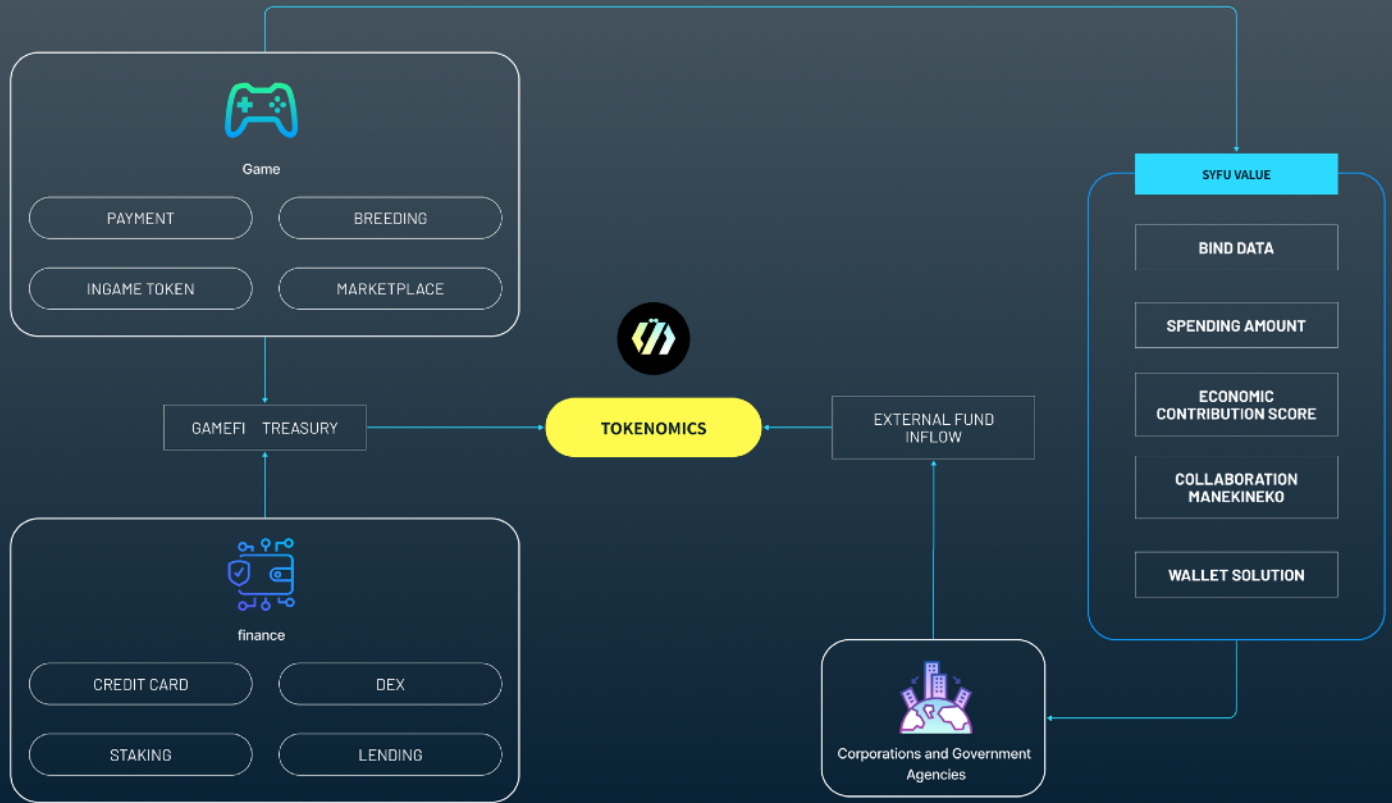
7. Marketplace

In the Syfu marketplace, various NFTs, including MANEKINEKO and items, can be bought and sold. An 8% transaction fee (including royalty fees) is set for the platform, with a portion of this fee used for the buyback of SyFu's digital assets.

8. About Payment Data and Patents

SyFu focuses on partnership strategies to incorporate cashless payment data from users worldwide. Details of this initiative will be disclosed in the near future.

Details regarding patents related to SyFu will be announced later.

9. About the SyFu Team

The SyFu team has been developing and operating the Eat to Earn gourmet SNS app "SynchroLife (currently Livedoor Gourmet)" for about 6 years. In 2018, we issued our own token and distributed token rewards for review postings for approximately 5 years, expanding the gourmet community. After transferring the business to Livedoor Co. on April 1, 2023, we started the SyFu project to challenge Web3 products that impact the real economy. The SyFu team consists of members with extensive experience and knowledge in global token incentive design utilizing blockchain, regulation, finance, product development, and social implementation.

10. Roadmap

The roadmap illustrating the growth and deployment of the SyFu project is as follows. To remain flexible in response to market changes and external environments, no specific timelines are set at this stage.

Priorities may also change daily.

- **Mint MANEKINEKO Genesis**: Minting of the MANEKINEKO Genesis series.
- **Test α version product release (closed)**: Release α version product in a closed environment for initial community as an early test phase.
- **MANEKINEKO NFT presale**:Conduct a presale for MANEKINEKO NFTs.
- **Test β version product release (closed)**: After further improvements, distribute tokens on the testnet and offer a β version product with breeding and Earn experience exclusively to NFT holders.
- **Open β version product release**: Publicly release the open β version of the product and gather extensive user feedback.
- **EVT listing**: List the Excavation Token (EVT) on major cryptocurrency exchanges.
- - Global payment data integration: Expand global compatibility by integrating payment data from various countries.

- **Global payment data integration**: Expand global compatibility by integrating payment data from various countries.
- **SyFu token listing**: List SyFu tokens on cryptocurrency exchanges for trading.
- **Expansion of collaboration MANEKINEKO**: Expand the variety of MANEKINEKO through collaborations with various brands and companies.
- **Enterprise wallet solutions**: Offer wallet solutions tailored for businesses to support their Web3 adoption.
- **Implementation of Web3 finance services**: Implement Web3 finance services, including decentralized finance (DeFi), to enhance platform functionalities.

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