



mangachain

Create New “manga” Economy

OUTLINE

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1.The background of mangachain

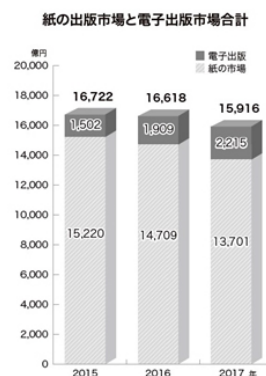
Create New “manga” economy

Manga is one of the leading contents in Japan. However, there are a lot of issues behind the manga publishing industry.

One of the famous example was the pirate website. There are many pirate websites which illegally used Japanese manga contents. From 2018, the example of pirate website “Mangamura” was widely reported in news which causes to gain more users to “Mangamura” after all.

It was said that the monthly PV of “Mangamura” has been browsed maximumly 100 milion of users and the total damage was said to be 320 billion yen.

Because of the pirate website showing up, the opportunities of purchasing manga have been decreased which causes the market of manga industry is gradually decreased as a result.



References: Japan Publishing Association

Of course, it does not mean the government and publishers are not taking countermeasures. They were actually blocking the access to certain overseas website like “Mangamura”. It might be work temporarily to reduce the users to access the pirate websites.

However, does it really solve the essential problem?

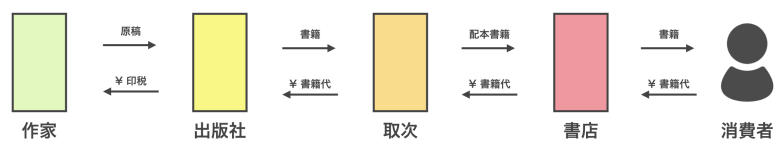
There are numerous pirate websites that have not been found out yet and it is significantly difficult to block all of them. Even if we could block those websites, the new pirate websites will be showing up over and over.

Also, another problem is the publishing industry itself does not have unified organization and lobbying is not progressing.

In the meantime, new pirate websites might have been born again.

In addition, the pirate website is not the only issue for the manga publishing industry. We are concerned the existing business model of manga publishing industry is already reached their limit.

The business model of publishing industry, the publishers raises revenues to sell books to collect the manuscript from the writers and they return the royalty to the writes from the earnings.



The royalties for writes are mostly 10% - 20%, and the remaining 80% - 90% are used for publisher revenue, advertisement fee, delivery, distribution cost, printing cost etc.

However in spite of took 80-90% of sales by the publishers, they tend to publish the books from famous writes and not enough opportunities to amateur.

Also, the publishers are now depending on the writers' sales power and advertising power such as using their SNS or blog. It means there are not beneficial for the writers to request to publish their contents to publishers.

A decade ago, the books were not able to be sold without the bookstore through publishers but now, the development of internet technologies, the situation of sales channel is completely different that the every writers can sell their books directly on the internet.

Now a days, it won't be necessary to bring the book to publishing company to become a manga creator.

So how can we solve these issues?

As a solution, we think there are great possibilities that the creating a web service designed by token economy based on blockchain technology. we think the advantage of using blockchain is to realize a world to be decentralized.

All the rules and contracts on the service are described on the Smart Contract and it is difficult to change it even by administrators. Also, due to reducing the intervention, it causes to reduce middleman to take the margins and to make it easier to connect readers and manga creators directly.

There are several web service designed token economy which called STEEM (<https://steem.io>) from U.S.A and ALIS(<https://alismedia.jp/ja/>) from Japan are already existing.

Regarding STEEM, they are already evaluated 346million dollar which is ranked second in the rating the virtual currency announced by China Industry Information Ministry CCID Institute.

This means the web service with token economy has proven the high potential.

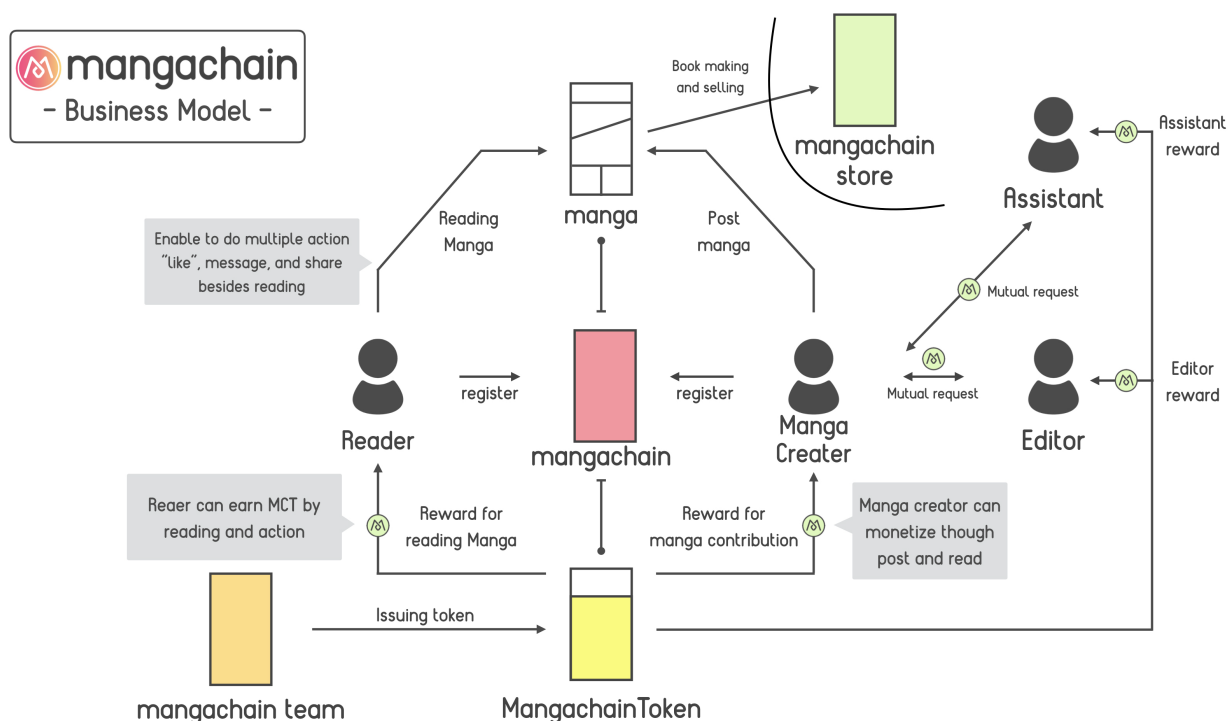
Therefore, we established mangachain project use original token called MCT to solve current problem in manga industry by token economy to make unique eco-system and to realize to create new manga economy.

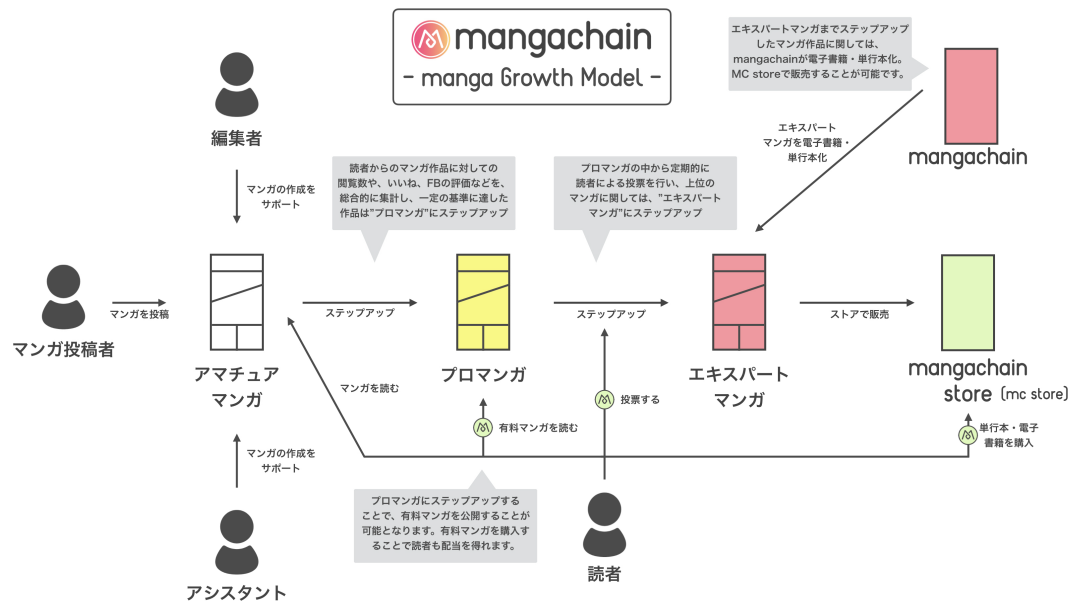
2.What is mangachain?

2.1 The characteristics of mangachain

mangachain is an online comic platform to connect amateur manga creator and the enthusiastic comic reader without taking commission from middleman such as a publisher.

mangachain is powered by Ethereum blockchain to issue original token called MangaChain Token(MCT) that help monetize amateur manga by reading their manga.





Here are the 5 characteristics on mangachain.

①How it works? (Incentive structure)

Recent manga platform is a not fair enough for amateur manga creator. In point of reader's view, it seems natural that they want to read a comic from the famous creator.

However, this also means an amateur manga creator does not have enough opportunity to be spotlighted.

Therefore, we solve this problem with mangachain.

Phase1 on mangachain, we will deliver core incentive structure to both comic creator and reader.

• Reader

mangachain user can read manga for free and get MCT by the action through read and find manga. "Find" means to find a high-potential manga earlier than any other users so if you find high potential manga, it deserves to get more MCT. This incentive structure makes a cycle that induces a user to be competitive to find and to read a new manga.

- manga creator

Enable to monetize manga by posting on the platform. Also, once a manga is posted and it's read by more people makes more MCT is given to manga creator.

By the incentive structure, it will be motivating a reader to read a manga even it is new contents written by amateur manga creator.

Also, to find manga faster than anybody directly results in earning more MCT which makes the dynamism of competitive environment to find better contents.

MCT is of course given to manga creator who posts their contents so it is possible to be incentivized manga creator to post manga contents on mangachain.

②Transparency of Reward System

Existing manga platform has uncertainty of the reward system for manga creator. Let's think about the publisher.

How the profit is used besides manuscript fee and royalties. Also, think about a web manga platform. How is the subscription fee is returned to manga creator.

On mangachain, the profit from a reader is directly returned to manga creator. Although mangachain adopts a commission model as monetization, it is lower than any other existing platform and all commission fee and any return for both manga creator and reader is stored in blockchain so anyone can check.

③Feedback function

We think the simplest way to get more manga fun is to read a manga by as many people as possible with their feedback.

This feedback has a positive effect to understand how reader feels and think about the contents which make improve the quality of manga itself. Therefore, mangachain is designed feedback function on manga contents and It will be able to function PDCA cycle for manga creator to make them popular.

④Purchase and Rewards

Phase 2 on mangachain, manga creator will be able to post a paid contents. However, it is no difference compared to existing manga platform.

Therefore, on mangachain, a user who purchases paid contents will be able to earn dividends from a part of the profit of paid contents. The dividends are distributed to a user depending on the number of paid contents are purchased and amount of MCT is hold on the wallet.

*Logic of increase MCT by the number of holding is explained at a different section.

From the above, to earn MCT as dividends is to be an incentive for the reader to support manga creator by the purchase of favorite contents and to build a relationship between manga creator and reader.

⑤Prevention of Unauthorized Contents Use

Considering circumstance of violation of contents use, it is difficult to completely protect manga contents on mangachain from the pirate website. However, it takes the advantage of reading contents through our platform due to mangachain incentive structure to earn MCT by reading. This is what we think the solution of protection of contents from any improper use.

2.2 System of incentive structure

MCT has no value by itself when it has been issued. However, through the first steps as *listed on an exchange, MCT will be traded by people gradually and it'll be able to create value for MCT.

MCT as a key currency that is used by payment and tipping on the platform advances a liquidity of MCT and price. we assume the price of MCT will be stable at the certain point by ensuring liquidity.

By ensuring the stability of MCT price, we will be able to distribute MCT which motivates holds our token manga creator and reader.

Although this is a new concept, the pioneer of token economy, STEEM is evaluated 346million dollar and similar project "ALIS" in Japan is evaluated 390million yen. As a result, we assume the scheme is highly possible to be work.

*We will comply with Japanee law in terms of listing on an exchange.

2.3 How MCT is treated on mangachain

How is MCT used?

For mangachain, it is very important to ensure liquidity and improvement of value to use MCT as a key currency. Therefore, we will use MCT on mangachain as below. Also, the purpose of use is still discussing and willing to add on mangachian project member.

Reader

- Enable to read paid content
To pay by MCT, you can read paid contents from professional manga creator.
- Enable to purchase eBook and paper book on mangachain store
By MCT, you can purchase eBook and paper book from the expert manga.
- Vote to expert manga
Enable to vote expert manga as the highest status to pay MCT
- Request writing a manga to manga creator
Enable to request writing manga to your favorite manga creator to pay
- MCT.Donate to manga creator
In order to support manga creator, you can give MCT to your favorite creator.

Manga Creator

- Enable to give incentive to editor and assistant
You can pay MCT to editor and assistant on mangachain store (Provisional)
- Fee for the accelerator program
Enable to join mangachain accelerator program (Provisional) to pay MCT

Where is the token come from?

MCT is distributed by the action in accordance with a logic (WIP at 2.4). It is distributed to issue 50% as annualized based on the amount of MCT hold on the wallet in mangachain. The ratio of distribution is to be 9:1 = manga creator:reader from mangachian admins.

How is possible to issue 50% as annualized?

Generally speaking, it is said that to issue 50% as annualized could be losing the value of token. However, 50% of MCT issued as annualized account for 10-20% of the overall issued. We assume by the number of users increased and recognized as valuable of MCT on mangachain, the price of MCT will be increased.

Nonetheless, it is concerned the price of MCT is to be less valuable by newly of the annual issue. Therefore we will distribute less MCT during product testing stage such as release of β version. Also, we plan to distribute MCT from the stock as the marketing budget to keep a new issue as annualized.

Subsidiary, we are considering to repurchase MCT from future advertising income and distribute from commission income.

It is very important to deal with MCT, at the same time we think it should be optimized with the best solution depending on a phase of mangachian.

2.4 Logic of token distribution(WIP)

*We are in progress.

2.5 Prevention from the improper acquisition

As discussed above, mangachain is the platform to earn MCT by reading and taking action such as "like". As long as the reward system is working, it is difficult to avoid people who commit fraud for the acquisition of MCT.

Therefore we discuss the major 3 improper act and how we prevent them. There are major 3 improper act.

1. Just likes contents without reading
2. Multiple account use and hoax
3. Read and like by use of bot

There are the solutions for improper act.

1. Regulate "likes" to contents by the indicators such as visit time
2. Phone number authentication
3. Google reCAPTCHA(<https://www.google.com/recaptcha>)

The ideal of platform use is the system works to give MCT users who contribute mangachain. However, if we don't prevent improper acts, the numbers of users who just like contents without reading will increase. Therefore, in order to give MCT, for the users who enjoy mangachain properly, we are considering to regulate the numbers of "like" per day. By the count of visit time, we provide safe and better service to proper users and by the regulation of the numbers of "like", it will be advantageous to proper users.

Also, we have to discuss the prevention of multiple account use and the hoax. It is difficult to prevent completely but by the phone number authentication, it will be possible to prevent a lot of them. If this does not work, we will consider another approach.

The 3rd topic, regarding a bot use, we are considering to suspend the improper account or not to give MCT. Also, this will be prevented many of them by Google reCAPTCHA. If it does not work as well, we will think about another plan.

Those 3 major improper acts are not only to lower the mangachian but to be the cause of user left mangachin. Therefore, we will provide the best way of adopting a technology phase by phase.

2.6 Blockchain technology of mangachain

MCT is powered by ethereum in compliance with ERC223. Although the most of token is issued in ethereum, there is a major weakness which is to disappear the token by sending the wrong contract address. It is said that 350 million yen has disappeared by sending to the wrong contract address. ERC223 has solved the issue by disappearing to send your token back to original address. This is why ERC223 is more safe and reliable.

Also, MCT by itself is to make it valuable by implimentation of "burn" which is to reduce a total issue and "lock up" which is temporarily to stop transferring of the token. Furthermore, MCT is implemented mint which is to distribute token for a new issue.

Next, we'll explain the blockchain technology to control MCT. there are 2 types of blockchain "public chin" and "private chain". In a public chain, the transaction is verified and built a consensus by minors so it is extremely difficult to manuplate or fabricate the data stored in blockchain by some indivisuals. This is the advantage of blockchain in terms of ensuring verification and validity of transaction history.

On the other hand, the major disadvantage of blockchain is a structure of consensus algorism. Since all transaction data is verified by minors, it spends much time which causes to lower the speed of processing big transaction data.

A recent year, there is a new blockchain technology called DApps (Decentralized Apps) is developed. In order to use DApps, it is required to use MetaMask and Ethereum wallet.

However, this would be the barrier of entry for users who are not familiar to cryptocurrencies due to the requirement of MetaMask and Ethereum wallet.

A solution of the above issues, MCT is regulated in private chain so we will solve the issues occurring on a public chain.

Here are the advantages of a public chain:

1. Rapid transaction approval

On a private chain, a specific administrator is regulating blockchain, so the time of verification and building consensus is faster than a public chain.

2. No transaction fee

minors are limited so a reward of transaction approval is unnecessary.

3. High usability

On mangachain, it is not required to use MetaMask so easy to use.

However, on a private chain, there is a risk of manipulation and fabrication since regulation is not fully decentralized.

Our approach for the issue is to increase the number of nodes which is to approve a transaction on a private chain and to be decentralized mangachain admins. Also in the future, when the technology to solve the issues of the above on private chain is developed, we will consider adopting the technology.

3. Allocation and Detail of MCT

3.1 Detail of MCT



Token name : Mangachain Token

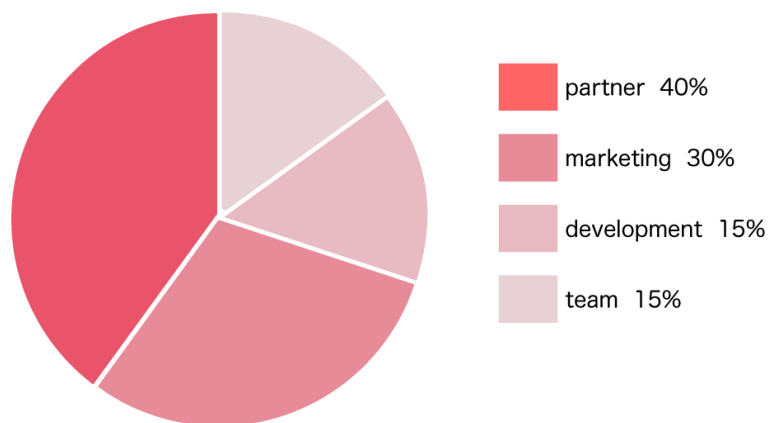
Symbol : MCT

Total Supply : 50,000,000,000

Type of Token : ERC223*

*ERC223 is powered by ethereum to solve the issue by disappearing of token due to sending wrong address. This is more safe and reliable for token holders.

3.2 Allocation of MCT



- partner

We will use the alliance as an incentive for companies, organizations and individuals who will proceed with the project with mangachain.

- marketing

We will use it for marketing activities such as airdrop, logo, character competition and so on.

We are also considering utilization as a listed funding to the second and subsequent exchanges.

Also we are considering using it as a reward in beta version of service.

- development

We will use it for personnel expenses, server / tool expenses etc. in developing products.

- team

We will hold the team to maintain sound incentives for team members to develop the platform.

In addition, team · development holdings will be locked up for 1 year from 2018/7/1, so we will not be able to sell or transfer by management.

In order to comply with Japanese laws, mangachain will not do any selling tokens such as ICO (Initial coin offering) or IEO (Initial exchange offering) for Japan domestically without obtaining a license.

4. What we want to achieve on mangachain

We have started a project on the mission to "create new manga economy". In this chapter, we will describe what future is to be drawn based on the mission and what we want to realize.

4.1 Create New “manga” economy

Everyone has a smartphone, and it is possible to connect to the Internet anytime and anywhere. Also, SNS has developed, and individuals can also transmit various information. Furthermore, with the emergence of a sharing economy, it has become possible to provide services that are equal to those of corporations, or even more than that, by honing services even for individuals.

In just a few years, we are thinking that the manga publishing industry may not be able to cope with the change as the times are changing rapidly, especially in the Internet industry.

Of course, I believe that the business model of the existing manga publishing industry also has a lot of needs, and I think that our achievement of creating many famous manga works is totally immeasurable.

However, as the times have changed, I think that the process of the creation of "manga works" is changing. Some people debut from the publisher as a result of their illustration buzzed on SNS, some people make comics by themselves and collect money at cloud funding who sells them kindle, We have created all kinds of means, such as people who make works. Nevertheless, there are parts depending on the ability of individuals with the means currently being implemented, and the reproducibility is not high.

Even if you have the skill, you can not sell manga, work does not become popular unless you have outgoing power.

That is why, through mangachain, we wanted to create a "New Manga Economic Sphere". The new economic zone is a place where everyone can use easily and fairly, and can grow manga. And this economic zone does not receive interference from the outside and rules can be decided by themselves.

In order to realize this economic zone, it is necessary not only for manga artists but also for readers. In mangachain, by giving benefits to both, we are conceiving a system that allows manga artists and readers to cooperate in order to grow manga.

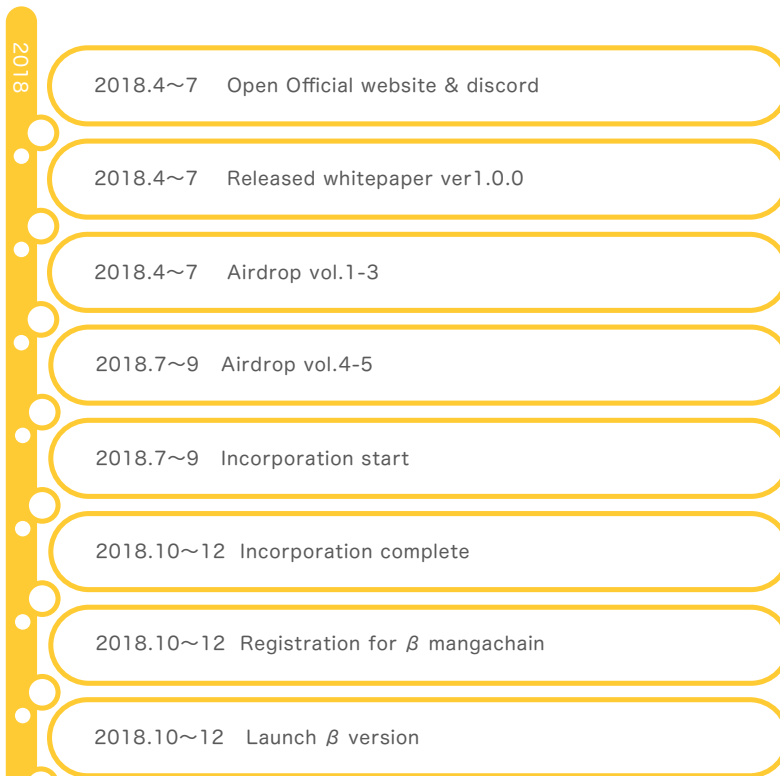
It never applies to traditional methods, laws. I think that it takes a considerable amount of work to realize what I have not existed so far, and I am 100% well aware that it will not be realized easily. But we believe in the future of the block chain from the bottom of my heart.

And, along with manga artists, readers, community members and people who are involved,

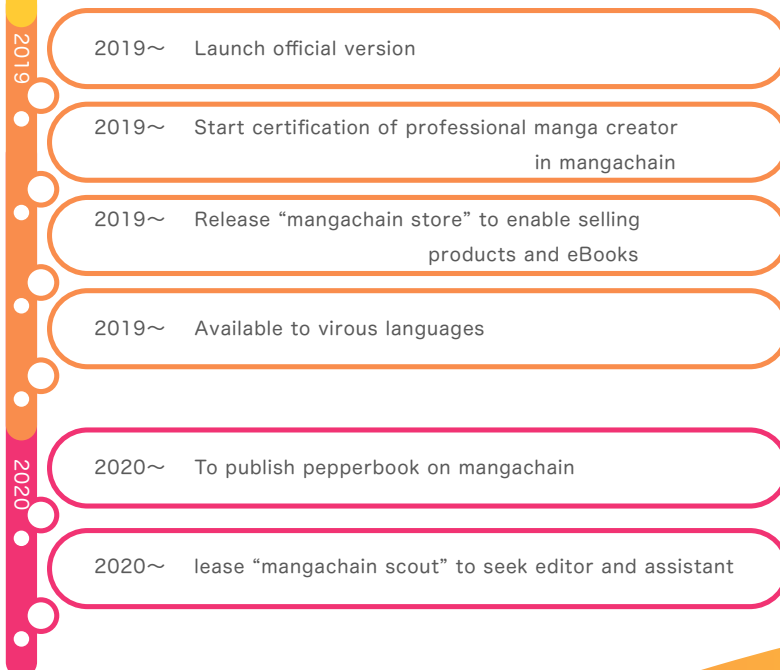
I would like to push forward towards the creation of a new manga economic zone.

5.Roadmap and Marketing story

Phase1



Phase2



Phase 1

Phase 1, we will focus on deploying MCT, establishing community, and fundraising. Regarding the community management, we are going to make a strong community through online by discord and twitter. Also we will have a offline event such as meetup. In addition, regarding to the fundraising, we will discuss to lawyer and make decision. At the same time, we will develop β version of mangachain with collecting the opinions from manga creator.

To guarantee the quality of service, we will prepare to launch the service smoothly without any critical system failure.

After releasing β version of mangachain, we will verify the service with following three details as the most important KPI.

- Adjustment of token distribution logic parameters
- Adjustment of feedback content to manga
- Number of posts by manga creator

Also, in order to make strong enterprise strategy, we will build alliances and partnerships with the mangachain platform.

Phase2

Phase 2, we will release the service from β version and add a function which can be sold paid contents.

Basically, we will focus on logic adjustment of the service and promotion of use that mangachain to move on to the next stage.

Also we will support multiple languages in the service.

We also put our effort into the real event such as meetup so we can consider to add function that is necessarily for users.

In addition, we are planing to launch mangachain store and mangachain scout. In mangachain store, you can sell any products and ebook and to publish manga on the platform. In mangachain scout you will be able to find editors or assistants.

6. Team mission and Introduction of members

Mission

"Create New manga economy"

Member

• Yusuke shimura	Business & Marketing
• Yosuke hori	Blockchain engineer
• Tsubasa oshima	Blockchain engineer
• Kotaro umezawa	UX designer
• Kazuumi hori	Blockchain engineer
• Yuki matsumoto	Global relationship

7.Team Policy

From our experiences, we are suspicious to the traditional vertical division organization. Because the vertical organization tends to centralize the power in one place which might be inducing in-house politics. Those organizations as a result, will become less productivity and weakness of team management.

As we mentioned the previous chapter, to advance the token economy service, we should avoid the transparency of corporate governance.

Therefore, to build a full flat and open organization, we will adopt a “holacracy” instead of the traditional vertical division organization. Please look at the rules below.

- 1.We will eliminate the job role and take the acts by the role instead.
2. All team members can access all information(including the payroll)
- 3.The progress of the project can be seen by github
- 4.We will take a vote when there are significant changes in team direction and product.

In Japan, there are some examples such as diamond media, casters, ISAO, etc. which have already succeeded by adopting a horsecracy organization. I think that establishing a horsecracy organization is not easy, but we also root the the organization in the team.