



HAPPY BLOCKCHAIN

A block chain-based Social media platform for all contributors

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White Paper

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Abstract

1. Two Growth Markets and Their Challenges

(1) Markets for Beauty and Health

(i) Analysis of the Current Situation

The global population, which was 6.0 billion in 1998, has now exceeded 7.5 billion, and along with the increasing population, the total gross domestic product in the world (Gross World Product) has tripled in the past 20 years.

In particular, in the Asia-Pacific region, which has driven the global population and GWP growth, the markets relating to beauty and health (the aesthetic medical market, the cosmetics market, and the health food market) have benefited from the growing disposable income in household budgets and achieved a two-digit average growth rate in each market, and it is forecast that this trend will continue in the future.

(ii) Issues to Be Solved

Compared to the other general manufacturing industries, the abovementioned three business categories need comparatively a small amount of initial investment and thus have a low entry barrier, while the cost of sales is low (the sales-profit ratio is high). Accordingly, they have ample funds to spend on advertisements, which resulted in excessive advertising competitions on a constant basis in these business categories.

On the other hand, although specialized knowledge and information on the medical, pharmaceutical, and biological sciences are required in order to truly understand the advantages and disadvantages of the services and products provided in these fields, consumers do not have such knowledge, and obtaining correct information is difficult for them.

As a result, a vicious circle has been formed where unscrupulous service providers and sellers who spend huge amounts of money on extravagant or false advertisements have thrived, driving away conscientious service providers and sellers who place appropriate advertisements and eventually forcing consumers to spend their money wastefully or purchase highly risky products and services.



(2) Cryptocurrency Market

(i) Analysis of the Current Situation

In 2008, someone who referred to himself as Satoshi Nakamoto published a paper (Bitcoin: A Peer-to-Peer Electronic Cash System), and then in 2009, the Bitcoin network was launched. For several years, inflows of the speculative funds have rapidly expanded the cryptocurrency market, and the market has attracted worldwide attention as a new means of investment, settlement, and fund raising with an increasing number of the market participants from not only the IT industry but also the finance, distribution, and other industries.

(ii) Issues to Be Solved

As mentioned above, the market has expanded rapidly in a short time, but the blockchain technology that constitutes the foundation of cryptocurrencies is still quite new and has a lot of unverified aspects such as risks. As a matter of fact, there were some cases where cryptocurrencies were stolen or lost due to malicious attacks performed on blockchain systems, which had vulnerability.

In addition, unlike other financial instruments, it is still a new business category, and so regulations by laws implemented by financial authorities in each country have not yet been fully established. Accordingly, there are many unscrupulous and unskilled business operators who are unable to build up satisfactory systems, resulting in some people having been victimized by fraudulent cases.

Furthermore, cryptocurrencies are not the share or bonds (liabilities) in nature issued by the issuers of the cryptocurrencies. Accordingly, if fundraising by means of the cryptocurrency fails, the investment principal is not secured, and even if the business succeeds, it is not guaranteed that the value of the cryptocurrency will also rise due to the success.

2. Solutions Proposed by HAPPY BLOCKCHAIN

HAPPY BLOCKCHAIN proposes solutions to these problems by focusing on the possibilities of these two kinds of the growth markets and realizing an evaluation economy model based on the blockchain technology.



(1) Solution for the Beauty and Health Markets

For the target markets of the aesthetic medical market, the health food market, and the cosmetics market, which constitute the beauty and health markets, HAPPY BLOCKCHAIN develops ecosystems on the platform based on the blockchain technology by concurrently using the token model that contains two tokens and that has convertibility with fiat currencies and an evaluation economy model that relatively quantifies contributions by participants (by deviation).

The reward system on HAPPY BLOCKCHAIN, which the ecosystems advocate, assures the accuracy and reliability of the information on beauty and health that is provided to the participants and secures opportunities for corporate participants to provide conscientious services and products without spending unreasonable amounts on advertising.

(2) Solution for the Cryptocurrency Market

HAPPY BLOCKCHAIN eliminates vulnerabilities in the systems and minimizes the risks of the loss, alteration and theft of the tokens by adopting the latest blockchain technology.

At the same time, full attention is paid for the compliance system including Know Your Customer (KYC) and Anti-Money Laundering (AML) to avoid the infringement of the regulations and guidelines in Singapore, where the issuer is located, and other countries.

As mentioned above, HAPPY BLOCKCHAIN adopts the token model that contains two tokens (the primary token issued by the issuer and planned to be listed on cryptocurrency exchanges and the secondary token generated by conversion from the primary token).

The upper limit of the total number of the primary token to be issued has been determined in the smart contract, so dilution exceeding the upper limit value will not occur. This is because the primary token is a cryptocurrency, for which the most important factor in setting the price is the demand-supply relationship of the token.

When contribution activities and purchase activities by participants are activated on HAPPY BLOCKCHAIN with the token model by the blockchain technology, demand for the secondary token, which is a token derived from the primary token, increases, while



A b s t r a c t



with an increase in the retained tokens on the platform, the total number of the primary token is gradually decreasing, which tightens the demand-supply relationship and consequently becomes a factor to continuously raise the price of the primary token.

By implementing these solutions, HAPPYINCENT PTE. LTD. pursues the realization of an attractive blockchain for the participants and corporate participants in the beauty and health markets as well as for the token holders.



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1. Target Markets

(1) Definition of Target Markets and Size and Trend

HAPPY BLOCKCHAIN (hereinafter referred to as the “Blockchain”) has defined the aesthetic medical market, the health food market and the cosmetics market, which focus on the topics of beauty and health, as the target markets of the Blockchain (hereinafter referred to as the “Target Markets”).

The global size and trend of these Target Markets are as follows:

(i) Aesthetic Medical Market

According to the information published by the International Master Course on Aging Science (hereinafter referred to as “IMCAS”) held in 2017, the global aesthetic medical market reached 8.5 billion euro (+ 8.3% year on year, approx. 1,000 billion yen) in 2016 and is expected to grow to 12 billion euro (approx. 1,450 billion yen) in 2020.

According to the statistics of the International Society of Aesthetic Plastic Surgery, the countries ranked in the top three in the aesthetic medical market are the United States, Brazil and Japan, and a total of 8.4 million surgical and non-surgical treatments were performed annually in these three countries (2017; total number of treatments performed in the target countries was 23.39 million).

The data by IMCAS on the future growth rate by region forecasts rapid development in the Asia-Pacific region, and it is expected that the market size in the region will be over 3 billion euro (approx. 370 billion yen) and exceed the European region in 2020.¹

(ii) Health Food Market

In 2014, the global health food market expanded to 108.0 billion US dollars (approx. 11.9 trillion yen). By country, the United States, which occupied 34% of the world market, was ranked at the top with 36.7 billion US dollars (approx. 4 trillion yen), followed by China (13%, 14.4 billion US dollars, approx. 1.6 trillion yen) and Japan (10%, 10.6 billion US dollars, approx. 1.2 trillion yen).

Like the aesthetic medical market, this market has seen remarkable growth in the

¹ May 4, 2017, AFP Paris [Cosmetic Surgeries Are Prevalent Worldwide, Market Size 1 Trillion Yen, Non-incision Operations Are Popular]



Asia-Pacific region, where the average annual growth rate in China topped 30% and two-digit annual growth has been achieved in Thailand, Vietnam, Indonesia and Malaysia.²

(iii) Cosmetics Market

According to the data on the global strategies of the cosmetics companies published by TPC Marketing Research in March 2018, the cosmetics market in the 15 main countries developed 4.5% year on year to 16.3 trillion yen in 2016. By country, the United States was in the foremost position with a composition ratio of 17.9%, 2.915 trillion yen, followed by China with a composition ratio of 17.8%, 2.9006 trillion yen, and Japan was ranked No. 3 with a composition ratio of 14.4%, 2.3388 trillion yen.

In terms of the growth rate, Asian countries showed the strong year-on-year growth rates in 2016. Among them, the high growth rates were achieved by India 14.8%, Indonesia 10.3% and Russia 9.8%.³

As described above, it is considered that these three target markets of the Blockchain have some important points in common: they all have the theme of beauty and health for female customers; they are expected to attain global growth in the future; and they have achieved remarkably high growth in the Asia-Pacific region.

(2) Participants Who Constitute the Target Markets

The Blockchain classifies the participants who constitute the Target Markets as follows and assumes that they are the targets to be invited to join the platform operated by the Blockchain.

(i) Service Providers

Aesthetic medical clinics, cosmetic surgery clinics, and aesthetic dermatology clinics that provide aesthetic medical services (hereinafter collectively referred to as the “Aesthetic Medical Service Providers”).

(ii) Product Developers, Manufacturers and Sellers

Product developers, manufacturers, and sellers of medicines relating to aesthetic

² Nutrition Business Journal [2016 NBJ Global Supplement Report]

³ March 25, 2018, Zaikei Shimbun [Global Cosmetics Market, Strong Growth in Asia, Japanese-affiliated Companies Have Accelerated Overseas Expansion]



medical treatments (e.g. Botox and Hyaluronic Acid), medical devices (e.g. laser irradiation apparatus), health foods and cosmetics (hereinafter collectively referred to as the "Sellers").

(iii) Customers

Customers who are receiving or considering receiving the medical services described in (i) above. Customers who are buying/using or considering buying/using the health foods and cosmetics described in (ii) above.

(3) Problems and Issues to Be Solved

(i) Supervision and Regulation by Regulatory Agencies

In each country, the act by medical practitioners is applied to the aesthetic medical services that are deemed to be medical practices, regardless of whether it is medical treatment or surgical treatment, and they are supervised by the government agencies that control medical administration. In addition, drugs and medicines, and medical devices of which effects and efficacy are advocated are also under supervision by the regulatory authorities.

There is currently a trend of tightening the regulations such that the regulatory agencies have made it mandatory for cosmetics that are used continuously for the skin to display all their ingredients, and for health foods (supplements) ingested orally for which effects and efficacy are advocated to undergo clinical tests similar to those for drugs and medicines.

In addition to medical and health administration, regulatory authorities for consumer administration have regulated and instructed medical service providers and sellers of health foods and cosmetics via laws and guidelines on proper advertising methods and sales methods from the viewpoint of consumer protection.

(ii) Disparity of Knowledge and Information

The abovementioned regulations and instructions are based on the fact that the disparity of knowledge and information concerning the services and products between the Aesthetic Medical Service Providers, Sellers and customers is overwhelmingly large compared to the other business categories, and they are intended to convey appropriate information and remove inappropriate information.



Most of the customers are not experts in medicine and pharmacy, so it is difficult to accurately understand the details of the medical treatment provided in the aesthetic medical services and the ingredients of health foods and cosmetics. As a result, in the current situation, they receive the provision of services and purchase the products without a sufficient understanding of what kinds of risks they will face from the surgical operations, the use of medical devices, the ingestion of health foods, and the external application of cosmetics.

(iii) Advertisements by Service Providers and Sellers

As mentioned above, because customers do not have expertise in the aesthetic medical services, health foods and cosmetics, when they make decisions when buying such services and products, they depend on the advertisements made by the service providers and sellers.

Although there are some regulations and guidelines provided by the regulatory authorities concerning the advertisements made by the Aesthetic Medical Service Providers and Sellers as described in (i), there are currently no specialized research and investigation institutions like the Securities and Exchange Surveillance Commission in the financial and securities administration, and advertisements, especially those on the Internet, are flooded with misrepresentations of the quality of products and misrepresentations of the advantages of products that could easily sway the judgement of customers.

In recent years, there has been another frequently observed advertising method, in which the Aesthetic Medical Service Providers and Sellers do not function as direct advertisers but the advertisements are contracted out to Internet advertisement Aesthetic Medical Service Providers who place advertisements on the websites carrying sharing of customers experiences and reviews of the services and products.

Despite the style of these advertisements involving publishing reviews by customers as third parties, because the cost (compensation) is actually paid by the Aesthetic Medical Service Providers and the Sellers, bad reviews tend to be omitted and only good reviews are emphasized, so it is difficult to secure objectivity.

(iv) Vicious Circle of the Bad Habits in the Industry

These bad habits are partly attributed to the particularity of the profit structure of the aesthetic medical service business and the health foods and cosmetics sales business in addition to the shortage of specialized knowledge and information on the



1 . T a r g e t M a r k e t s



side of customers and insufficient regulations and instructions by the regulatory authorities.

A common characteristic of these businesses is the low ratio of the cost of sales. Most of the cost of sales of aesthetic medical services is occupied by the personnel expenses of medical practitioners, which is allegedly around 20% of the sales amount. The ratio of the cost of sales of health foods and cosmetics is generally 15% to 25%, and the low ratio has become the source of financing huge amounts of money for advertisements to attract other customers.

As a result, improper Aesthetic Medical Service Providers and Sellers who dare to conduct large-scale advertisements regardless of such misrepresentations of the quality and misrepresentations of the benefits have succeeded in attracting customers and gaining new funds for new advertisements. In such situations, conscientious medical service providers and sellers are forced to spend more money on advertisements to compete with them, and consequently the priorities of investments to improve customer services and develop new products are lowered. An adverse vicious circle for both conscientious Aesthetic Medical Service Providers and Sellers and customers has been formed.



2. Mission and Visions of HAPPY BLOCKCHAIN

(1) Mission of HAPPY BLOCKCHAIN

To address the problems and issues to be solved of the Target Markets described in the preceding chapter, the Blockchain constructs a platform with the blockchain technology and establishes a series of just and fair ecosystems on the platform by applying the evaluation economy model for information provision, information evaluation, rewards based on evaluation and purchases based on evaluation and rewards for the mission of the Blockchain to provide a safe and efficient environment for Aesthetic Medical Service Providers and Sellers as well as for customers.

(2) Vision of HAPPY BLOCKCHAIN

The Blockchain has the following visions.

First of all, its short-term visions include the construction of the Blockchain system with the funds gained from the sales of the tokens (HAPPY TOKEN) issued by HAPPYINCENT PTE. LTD. (hereinafter referred to as the “Company”). The HAPPY TOKEN is generated in compliance with the protocol of ERC20.

The system is composed of a three-layer hierarchy, in which the lowest database layer stores information collected by the upper layers and all information on the activities by participants in a safe, tamper-proof manner using the blockchain technology.

The second layer, which is the mission-critical operation layer, structures the core platform of the Blockchain. In this layer, the participants who constitute the Target Markets gather and engage in a range of activities on the basis of the ecosystems established by the Blockchain.

For example, a participant writes a review of an Aesthetic Medical Service Provider based on his/her experience. If the review is appropriate and useful, the evaluation values of both the reviewed subject and the reviewer are raised in the platform based on the evaluations made by the participants. A system is constructed in which rewards are paid to the reviewers in accordance with the quantitative calculation.

The evaluation economy model on the platform has established a system that enhances the incentives for reviewers and ensures the truth of information by increasing



2. Mission and Visions of Happy Blockchain



and decreasing the reward amount depending on the evaluation of the third parties of the reviewed subject and the reviewer.

In addition, as the rewards for participants, tokens (HAPPY CENT) are granted. HAPPY CENT can be exchanged with HAPPY TOKEN, so that the participants can convert them to fiat currencies via HAPPY TOKEN, and they can also be used in the market prepared on the platform (Market Place) for payment for services and products provided by the Aesthetic Medical Service Providers and Sellers who have participated on the platform.

In the third layer, which is the external operation layer, not only sales of services and products but also expansive development by various business operators are expected, such as the planning and development of new services and products through surveys of participants by using the platform API.

The medium and long-term visions planned by the Blockchain through these business activities are to eliminate the unnecessary and unproductive advertisement competition in the aesthetic medical market, the health food market and the cosmetics market, give back the costs spent on such advertisements to consumers for their profit and build up efficient markets for conscientious Aesthetic Medical Service Providers and Sellers who have joined the markets. Furthermore, in addition to the initially planned participation of Aesthetic Medical Service Providers and Sellers, the participation of travel agents and hotel service providers relating to the medical tourism businesses that are expected to develop in the future is assumed as well, aiming for expansion and development into a virtual business community on the topic of beauty and health.



3. What is HAPPY BLOCKCHAIN?

(1) Structure of HAPPY BLOCKCHAIN

(i) Database Layer

The system of the Blockchain consists of a three-layer hierarchy, in which the database layer is located in the deepest position in the system. In the database layer, information collected by the upper layers, i.e. the mission-critical operation layer and the external operation layer, and all information on the activities by participants are gathered and stored in a safe and tamper-proof manner using the blockchain technology.

In view of the increasing number of participants on the platform and the increasing number of activities undertaken by the participants, the system design and construction of the database layer are carried out based on the requirement that it can simultaneously use a capability to handle the loads at high capacity and a capability to cope with the extremely frequent uses of the system so as not to impair the comfort of participants while maintaining the confidentiality of the information managed.

As a result, in the system construction, a blockchain protocol that can minimize communication processing costs significantly while being equipped with a communication processing capability of at least 2,000 TPS⁴ is planned to be adopted for the database layer.

Furthermore, the database system adopts an information management protocol that can classify the information on each participant into shared information and specific information in accordance with the access restriction criteria based on the intentions of participants and store them separately. The information management protocol makes it possible for participants to set access restrictions arbitrarily on their own information such as information published on the platform, information disclosed only to specific persons whose access is permitted and information to be kept confidential.

(ii) Mission-critical Operation Layer

The second layer, which is the mission-critical operation layer, structures the core platform of the Blockchain. In this layer, the participants who constitute the Target

⁴ TPS (Tweets Per Second) means the number of tweets per second. The blockchain system will have communication processing capability that does not impair stability for the traffic of 2,000 TPS as the basic specification.



3 . W h a t i s H A P P Y B L O C K C H A I N ?



Markets gather and engage in a variety of activities on the basis of the ecosystems established by the Blockchain.

For example, a participant writes a review of an Aesthetic Medical Services Provider based on his/her experience. If the review is appropriate and useful, the evaluation values of both the reviewed subject and the reviewer are raised on the platform based on the evaluations carried out by the participants. A system is constructed in which rewards are paid to the reviewers in accordance with the quantitative calculation.

The evaluation economy model on the platform has established a system that enhances the incentives for reviewers and ensures the veracity of information by increasing and decreasing the reward amount depending on the evaluation of third parties of the reviewed subject and the reviewer.

As a key device for realizing the abovementioned reward system, the platform adopts a multiple-token model, which is used in the existing successful example of cryptocurrency SteemIt.

The multiple-token model on the platform consists of HAPPY TOKEN, HAPPY CENT and HAPPY STATUS.

HAPPY TOKEN is the primary token issued by the Company, which are planned to be listed on the cryptocurrency exchanges selected by the Company. Accordingly, after listing, they are sold and purchased on the relevant exchanges, so the value fluctuates and is convertible to fiat currencies.

HAPPY CENT is the secondary token whose use is limited to within the platform. Although HAPPY CENT cannot be directly purchased with fiat currencies, they can be obtained by exchanging them for HAPPY TOKEN or being granted as rewards to contributing activities on the platform. In addition, HAPPY CENT can be converted to fiat currencies by exchanging them again for HAPPY TOKEN or can be used in the market prepared on the platform (Market Place) for payment for services and products provided by the Aesthetic Medical Service Providers and Sellers who have participated on the platform.

HAPPY STATUS plays the most important role in realizing and developing the evaluation economy model of the platform. HAPPY STATUS cannot be purchased with fiat currencies or obtained by being converted from HAPPY TOKEN or HAPPY CENT.



3 . W h a t i s H A P P Y B L O C K C H A I N ?

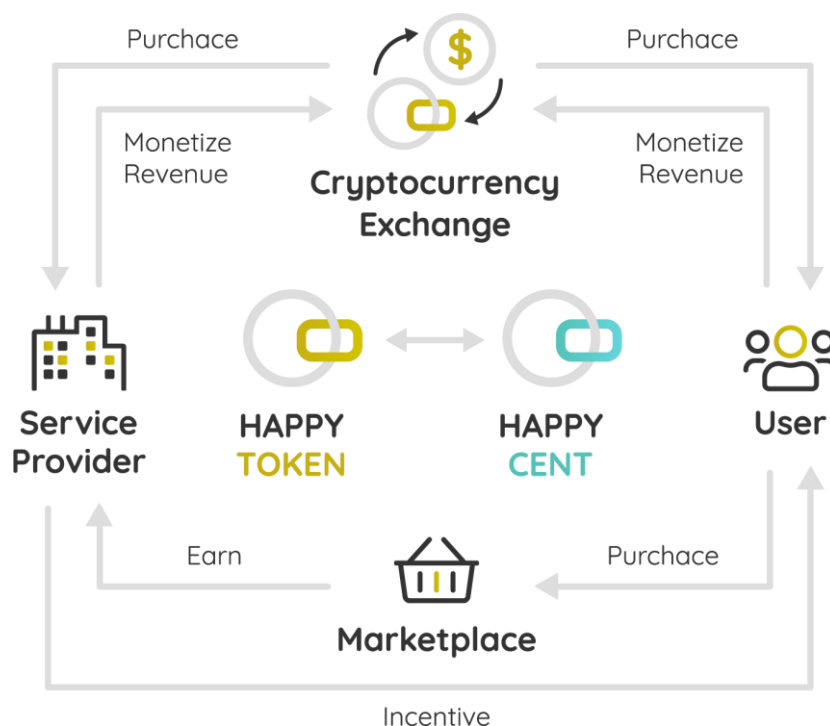


HAPPY STATUS is an index that quantifies a degree of contribution by participants on the platform and evaluation and degree of trust by other participants, so it can be said to be a rating of the participant.

With the abovementioned multiple-token model, on the platform of the mission-critical operation layer, motivated participants provide useful information including personal information and receive rewards in accordance with their degree of contribution and evaluation. Based on this information, in the market prepared on the platform (Market Place), participants purchase the services and products provided by the Aesthetic Medical Service Providers and the Sellers who are participating on the platform. A spiral is then generated where the purchasers provide their experiences and evaluations as information to the platform. As a result, HAYYPY BLOCKCHAIN is realized where conscientious business operators who have made efforts to improve their services and product quality can attract customers and conduct sales without producing useless advertisements.

(iii) External Operation Layer

In the third layer, which is the external operation layer, the Company provides external business operators with an Application Programming Interface (API) that enables them to use the Blockchain system, and the external business operators who are equipped with it can realize new functions and services for participants on the platform.





(2) Token Economy of HAPPY BLOCKCHAIN

(i) HAPPY TOKEN

HAPPY TOKEN is the primary token issued by the Company for the Blockchain and fall under those generally called cryptocurrency or cryptocurrency token. Because HAPPY TOKEN is a digital token, it does not have any substance like bank bills and share certificates, but all the history information concerning the past transactions and ownership of HAPPY TOKEN has been managed decentrally in a large number of nodes in a tamper-proof manner with the blockchain technology, so that the participants in the Blockchain are secured against risks such as the loss and alteration of the data due to destruction, theft and other accidents of the tokens possessed by the participants.

For the issuance and handling of the tokens in the Blockchain, a contract program called a smart contract that is performed automatically has been programmed in the blockchain system, whose rules (rules for total issuance quantity, distributions and so on) cannot be arbitrarily changed by specific persons including the Company.

HAPPY TOKEN is planned to be listed on the cryptocurrency exchanges selected by the Company. Accordingly, after the listing, they are sold and purchased on the exchanges, so the value fluctuates and is convertible to fiat currencies.

In the Blockchain platform, HAPPY TOKEN has the following important roles. HAPPY CENT is granted to participants as rewards for their contributing activities such as providing information, evaluating information and participating in research and surveys conducted by the participating companies. Participants can use HAPPY CENT as a means of payment for the services and products purchased in the Market Place on the platform provided by the participating company, and they can also convert their HAPPY CENT to HAPPY TOKEN. After the listing of HAPPY TOKEN, it also becomes possible for participants to convert HAPPY TOKEN, which are obtained by converting from HAPPY CENT, to fiat currencies on the cryptocurrency exchanges.

On the platform, corporate participants request participants to provide useful information and participate in research and surveys, and HAPPY CENT is given as rewards. To give the rewards, the corporate participants can use HAPPY CENT that are received from participants for payments in the Market Place. If there is a shortage of HAPPY CENT (because HAPPY CENT cannot be purchased directly), the corporate participants purchase HAPPY TOKEN to convert them to HAPPY CENT.



Furthermore, as described below, the quantity of HAPPY CENT had an influence on the calculation of HAPPY STATUS, and participants who want to maintain or raise their own HAPPY STATUS may purchase HAPPY TOKEN and convert them to HAPPY CENT for possession.

(ii) HAPPY CENT

HAPPY CENT is issued as the secondary token whose use is limited to within the platform. Although HAPPY CENT cannot be purchased directly with fiat currencies, they can be obtained by being exchanged for HAPPY TOKEN or by being granted as rewards to contributing activities on the platform.

In addition, HAPPY CENT can be converted to fiat currencies by exchanging them again for HAPPY TOKEN or used in the market prepared on the platform (Market Place) for payment for services and products provided by the corporate participants.

The Blockchain differentiates itself from business models on other blockchains by the existence and distribution of the secondary token that play a role in increasing the market value (market capitalization) of the primary token, HAPPY TOKEN.

In a general blockchain business, an issuing company issues tokens for the purpose of raising funds to carry out some business. Then, using the raised funds, the company seeks to develop and expand the business, and if the business achieves success, the corporate value (share value) of the issuing company increases. However, because tokens are not the shares of the company, the token holders cannot directly receive the benefit of the increased share value of the issuing company. What they can expect is just an indirect increase in the token value as the tokens of a company that is successful in its business.

On the other hand, in the ecosystems of the Blockchain, the success of the platform businesses tightens the supply-demand relationship of HAPPY TOKEN that is listed on the cryptocurrency exchanges, and consequently makes it possible to directly increase the market capitalization of HAPPY TOKEN.

An overview of the ecosystems of the Blockchain shows that the total amount of HAPPY CENT in circulation in the Blockchain is equivalent to the total of two economic activities on the platform, i.e. rewarding contribution activities undertaken by participants on the platform based on the evaluation economy model and paying the cost of consumption activities between participants and corporate participants in the Market



Place.

Because HAPPY CENT is generated only by conversion from HAPPY TOKEN, when contribution activities and consumption activities on the platform are expanding, the total amount of HAPPY CENT possessed and retained by participants and corporate participants are increasing proportionally. Then, as a result, demand for HAPPY TOKEN grows.

In addition, as described below, the quantity of HAPPY CENT possessed (by participants) is used as a parameter for the calculation of HAPPY STATUS. Accordingly, participants who want to receive a high evaluation value on the platform are motivated to retain HAPPY CENT rather than using them, or to purchase HAPPY TOKEN to convert them to HAPPY CENT, which will contribute to an increase in HAPPY CENT retained.

As described above, the Blockchain has designed and constructed a business model where the adoption of the secondary token, HAPPY CENT, makes it possible that the success of the ecosystems will have a direct and positive influence on an increase in the market capitalization of the primary token, HAPPY TOKEN.

(iii) HAPPY STATUS

HAPPY STATUS plays the most important role in realizing and developing the evaluation economy model of the platform. HAPPY STATUS cannot be purchased with fiat currencies or obtained by being converted from HAPPY TOKEN and HAPPY CENT. HAPPY STATUS is an index that quantifies a degree of contribution by participants to the platform and evaluation and degree of trust by other participants, so it can be said to be the rating of the participant.

HAPPY STATUS classifies the participants into levels 1 to 20 with values from 0 to 500.

Specifically, for a certain participant (N), the total amount of his contribution activities on the platform (A) is calculated by multiplying his activity amount (B) in view of his degree of contribution (b) by his evaluation amount by third parties (C) in view of his degree of contribution (c). Subsequently, the calculated amount is multiplied by the total amount of HAPPY CENT possessed by him/her (D) in consideration of his/her degree of contribution (d) and by the rate of depletion due to the elapsed time (t) to obtain the reference value (n) that works as the basis of the appraisal.



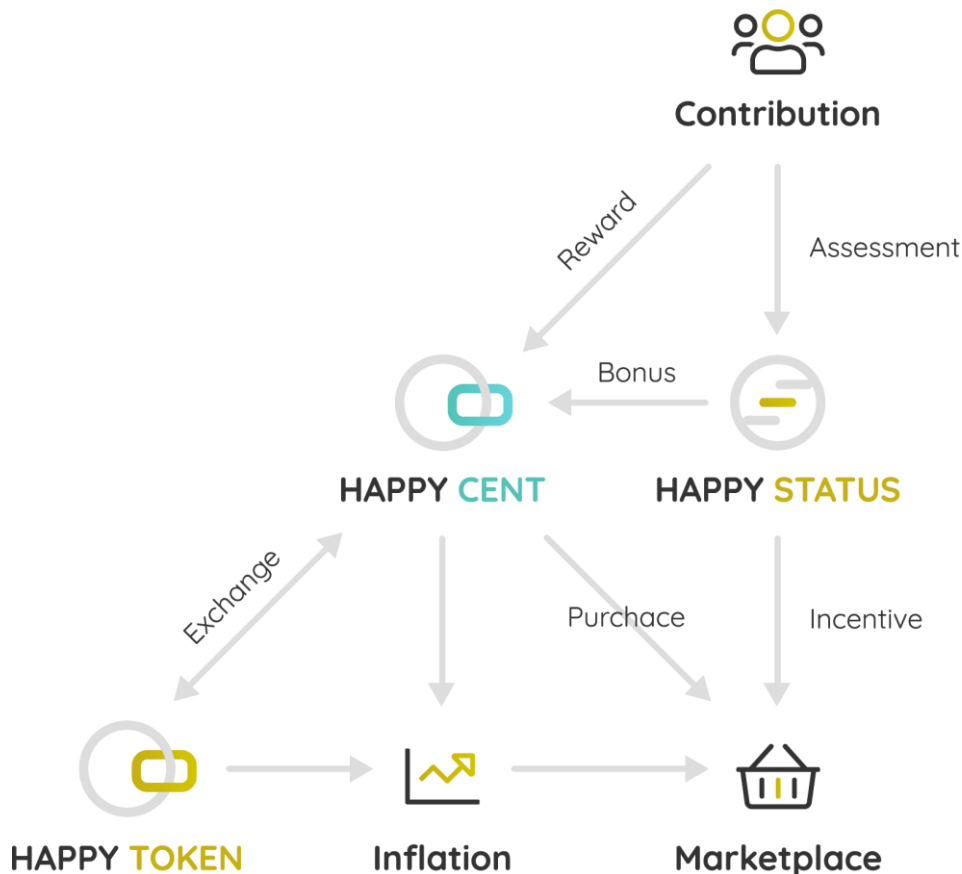
3 . W h a t i s H A P P Y B L O C K C H A I N ?



$$n = bB \times cC \times dD \times t$$

On the platform, through the calculation of deviations of reference values (n) of all the participants, the value and level of HAPPY STATUS is set for each participant. As the value and status of HAPPY STATUS is displayed on the icon of the user, other participants can easily recognize them, and HAPPY STATUS is also displayed on the posted information and reviews.

As a result, high-level participants are deemed to be participants who are given high evaluation values and are trusted by other participants (including corporate participants), and the reward amount is changed according to the level in this system, and thus ecosystems are constructed where strong incentives function for participants to maintain and improve the value and level of HAPPY STATUS.





4. Issuance of Tokens and Use of Raised Funds

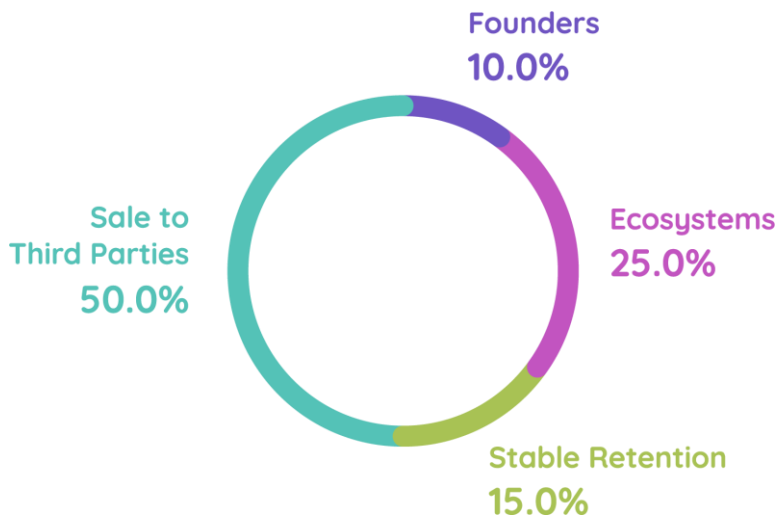
(1) Issuance of Tokens

The outline of the issuance of the token for the Blockchain is as follows:

Token Attribution	Utility Token
Token Type	Ethereum ERC20
Issuer	HAPPYINCENT PTE. LTD.
Name of token to be issued:	HAPPY TOKEN
Total number of tokens to be issued:	1,000,000,000 tokens

Breakdown of planned distribution of tokens

Allocation to the founders:	100,000,000 tokens
Allocation to the ecosystems:	250,000,000 tokens
Tokens for stable retention ⁵ :	150,000,000 tokens
Tokens for sale to third parties ⁶ :	500,000,000 tokens



⁵ Tokens for stable retention means the tokens to be reserved in the Blockchain in preparation for the issuance of HAPPY CENT.

⁶ Tokens for sales to third parties means the total number of the tokens to be sold to third parties on two occasions.



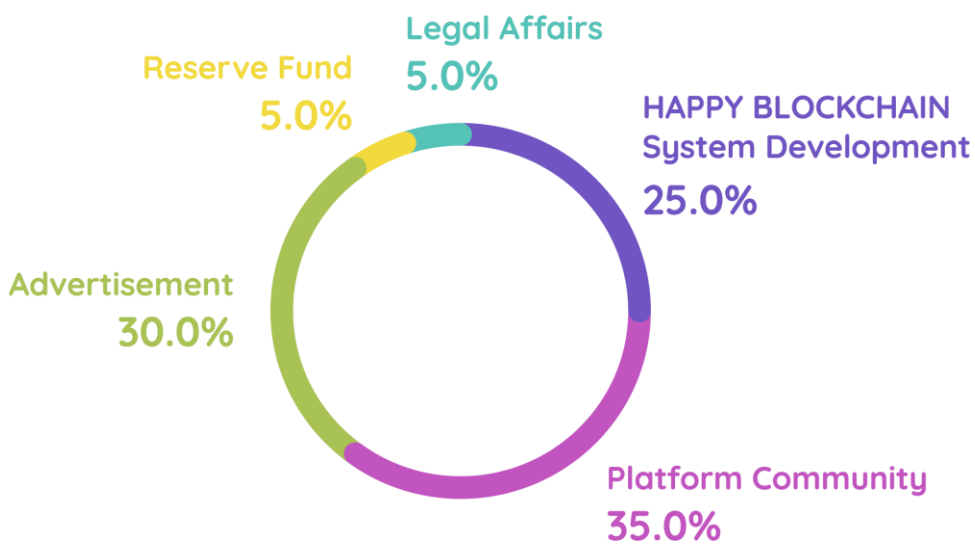
(2) The First Token Sales and Use of Raised Funds

The first token sale is planned as follows:

Date of the Sale	January 2019
The Number of Token Sold	100,000,000 at maximum
Token Price	1 token equals 0.0000298 BTC (1 BTC equals 33,555 tokens, or 1 token equals US\$0.1: 1 BTC equals US\$3,355.455 as of 8 December 2018)
Maximum Token Sales Amount	US\$10,000,000

At present, the total amount to be raised has not been decided, so the use is indicated with the distribution ratio to the total amount raised.

Blockchain system development:	25.0% of the total amount raised
Platform community development:	35.0% of the total amount raised
Advertisement:	30.0% of the total amount raised
Reserve fund:	5.0% of the total amount raised
Legal affairs:	5.0% of the total amount raised





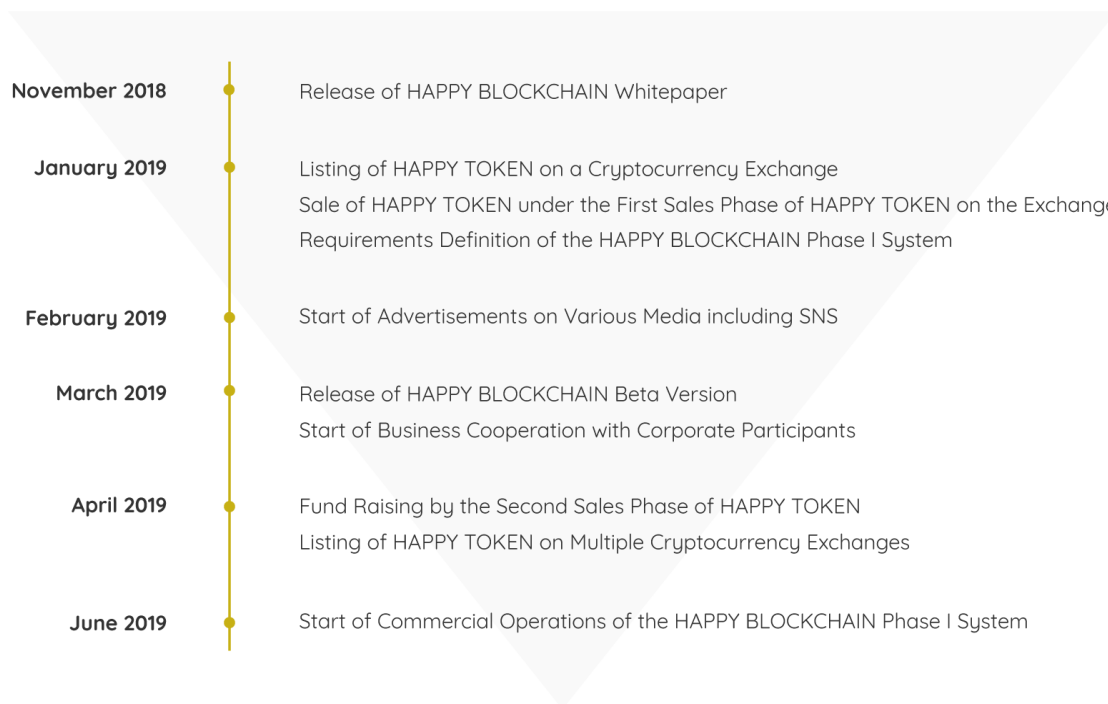
5. Business Plans

On the premise of fund raising by the first sales phase of tokens scheduled in January 2019, the Company has planned to develop the business as follows:⁷

HAPPY TOKEN will be listed on a cryptocurrency market in January 2019, and the Company will sell HAPPY TOKEN on the market to raise funds under the first sales phase of tokens.

Subsequently, the construction of the platform and system will commence with the funds raised, while the Blockchain will be advertised to acquire participants. In parallel with the above, alliance relationships with corporate participants are being established.

At the time of releasing HAPPY BLOCKCHAIN beta version scheduled for March next year, business cooperation with corporate participants will commence, and fundraising due to the second sales phase of tokens and the listing of tokens on another cryptocurrency exchange with higher liquidity is also planned.



⁷ The business plan has been prepared and drafted on the premise that the funds can be raised through the first and second sales phases of HAPPY TOKEN and based on the information currently available (including legal systems on blockchains in Singapore and other countries). Accordingly, part or all of the business plan could be revised, added, suspended or canceled due to internal or external factors including the occurrence of an event that cannot be foreseen at present.



6. Outline of the Issuing Company

Name: HAPPY INCENT PTE.LTD.
Address: 3791 Jalan Bukit Merah,
#10-17 E-Centre @ Redhill, Singapore
Representative: Benedict Lee, CEO
Business lineup: ICO-related business using the blockchain technology
Capital: 775,000 SGD
Established on: April 18, 2018
Shareholders: Benedict Lee 85.1%, Asset Genius Inc. 14.9%



7. Disclaimer Provisions

In parallel with the second sales phase of tokens scheduled for the same period, listing on another exchange with higher liquidity is planned to improve the convenience of the token holders.

(1) Responsibilities of the Participants, et. In the Blockchain

The Participants, etc. shall bear all the risks and legal responsibilities caused by the activities relating to the Blockchain. The Company, the affiliated companies of the Company, officers, employees, shareholders and council members of the Company and the affiliated companies of the Company, operators, sponsors, corporate participants and the like of the Blockchain (hereinafter collectively referred to as the “Companies”) shall not be in any way liable for any economic loss (including lost profits), emotional distress or other damage that the participants may suffer due to the activities of the Blockchain.

(2) System Failures of the Blockchain

The systems of the Blockchain may suspend the services and functions temporarily due to an attack by a malicious third party (including hackers), computer virus infection, natural disaster or other force majeure, order, regulations, etc. by the regulatory authorities, system maintenance and other maintenance by the Company or other reasons. The Companies shall not be in any way liable for any losses that the Participants, etc. may suffer due to these system failures.

(3) Security Management of the Blockchain

The Companies shall pay sufficient attention to the security management of the Blockchain, but the possibility that the personal information (including information on tokens and so on) of participants might be lost, leaked, unjustly obtained by a third party or tampered with due to the reasons mentioned in (ii) above cannot be denied. The Companies shall not be in any way liable for any losses that the Participants, etc. may suffer due to such problems.

(4) Attributes of the Token



- (i) The tokens issued, sold/purchased, granted and used in the Blockchain shall not fall under the securities, financial instruments or those deemed to be securities or financial instruments that are regulated by the laws on securities (financial) regulations in any country.
Accordingly, the issuance, purchase, disposition and the like shall not fall under actions such as issuance, invitation to subscription, subscription, offering, buying and selling based on the above laws.
- (ii) The tokens are not shares issued by the Companies. As a result, the token holders shall not have shareholder's rights, including voting rights, shareholder's proposal rights or asset priority of the Companies, and there shall be no shareholder's agreement, shareholder's contract and the like with other token holders.
- (iii) The tokens are not the liabilities of the Companies including corporate bonds issued by the Companies. Accordingly, the token holders shall not have the right to demand a refund of initially paid principal, the right to demand the payment of interest or the right to demand conversion into share of the Companies.
- (iv) The tokens shall not constitute part of specific rights or profits or a collective investment scheme that represents the acquisition of specific rights or profits.
- (v) The tokens shall not represent specific values or rights other than those described in (ii), (iii) and (iv) above, and are not guaranteed to be usable as a means of exchange with a specific property or services.

(5) Value of the Token

The Companies have intended to list the tokens on cryptocurrency exchanges, but the listing is not guaranteed at present.

Even after the listing, it is forecast that the value of the tokens may fluctuate significantly due to various internal and external factors, and that if the tokens do not have a sufficient transaction amount, liquidity may not be secured.

The Companies shall not guarantee the listing of the tokens on cryptocurrency exchanges, the increase in the price of the tokens after listing and the securement of liquidity, and shall not be in any way liable for any losses that the participants may suffer



due to whether or not the listing can be made, the fluctuations of the price, the level of liquidity and so on.

(6) Platform Business of the Blockchain

On the Blockchain platform, it is planned that corporate participants provide services and sell products to individual participants as consumers.

Such commercial transactions shall be conducted with the expenses and risks to be borne by each of the corporate participants and individual participants, and the Companies excluding the corporate participants shall not be in any way liable for any losses due to these commercial transactions.

(7) Regulation of the cryptocurrency Industry by Laws

The blockchain technology is quite a new technology, and the history of the cryptocurrency industry based on the blockchain technology has only a short history so far, so there may be unforeseeable risks.

Moreover, regulations by laws regarding cryptocurrency businesses in each country have not yet been fully established, so that any new regulations, instructions and the like that are currently unforeseeable may be enforced by the authorities in each country. If any new establishment, revision, abolition and the like of the laws and regulations affect the businesses of the Blockchain and the token values and result in any losses, the Companies shall not be in any way liable for these.

(8) Forward-looking Statements

This document contains forward-looking statements including the fundraising plan and business plan prepared based on the information that the Company is able to obtain at present. Please note that the statements contain risks and uncertainties, and the plans may be revised, delayed, suspended or cancelled due to various internal factors and external factors, as a result of which the forward-looking statements may not be realized, and the Company shall not guarantee the realization of the plans.