ukiyo

WHITEPAPER

Venture Capital and Private Equity technology stack to kickstart Blockchain and Real-World projects. A community driven protocol powered by Ethereum

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Disclaimer

The following document is solely for explaining the ukiyo project, its scope, and the problem it resolves in the existing financial products market. It is a collective effort of the ukiyo team for educating enthusiasts and readers about the company's vision. It must be noted that the following document is not a legal contract or an agreement; it is not an offer, a guarantee, an advisory statement, a recommendation, or a public invitation to invest. The provisions of the document should not be considered as a standard while purchasing the ukiyo project tokens ($KXO).

We strongly recommend our readers to do their own research (DYOR) and study the document in detail. They should thoroughly consider all sections of the document concerning risks, statements, warnings, assurances, and guarantees.

General information on the Issuer

Issuer Name
ukiyo LLC

Trade Name
ukiyo Labs

Registered office(s)

167-169 Great Portland Street, 5th Floor, London, England, W1W 5PF

Euro House, Richmond Hill Road, Kingstown, St. Vincent and the Grenadines, P.O. Box 2897, VC0100

WARNING

The crypto-assets or tokens subject to this issue as described in this document may

1. lose their value in full or in part;
2. may not always be tradable on organised markets;
3. may not be liquid; and
4. may not be redeemable for the goods or services described in this document, especially in cases of failure or interruption of the project carrying out the issue.

Potential conflicts of interest

Any party related to the Issuer, such as majority shareholders, companies controlled by the Issuer or in which the Issuer has an interest, and any other subsidiary of any kind, may perform and continue to perform transactions with other related entities, which could give rise to conflicts of interest.

In the event of a conflict of interest between any of the Issuer's affiliates and any other party related to the Issuer, this could result in the suspension of token transactions for reasons unrelated to market forces.

However, if a conflict of interest is identified, the Issuer's managing body will make every effort to prioritise the interests of the token holder above all others.

Overview of the Company

ukiyo draws inspiration from the Japanese concept of a cosmopolitan lifestyle, which values simplicity, sophistication, and access to global opportunities. The ukiyo protocol aims to embody these ideals by providing an easy-to-use, decentralized platform that allows anyone with a cryptocurrency wallet to invest their assets in a variety of financial products, investments, and assets. The ultimate goal is to create a borderless capital world, where anyone, anywhere can access global investment opportunities and enjoy a cosmopolitan lifestyle.

ukiyo Labs' Mission Statement

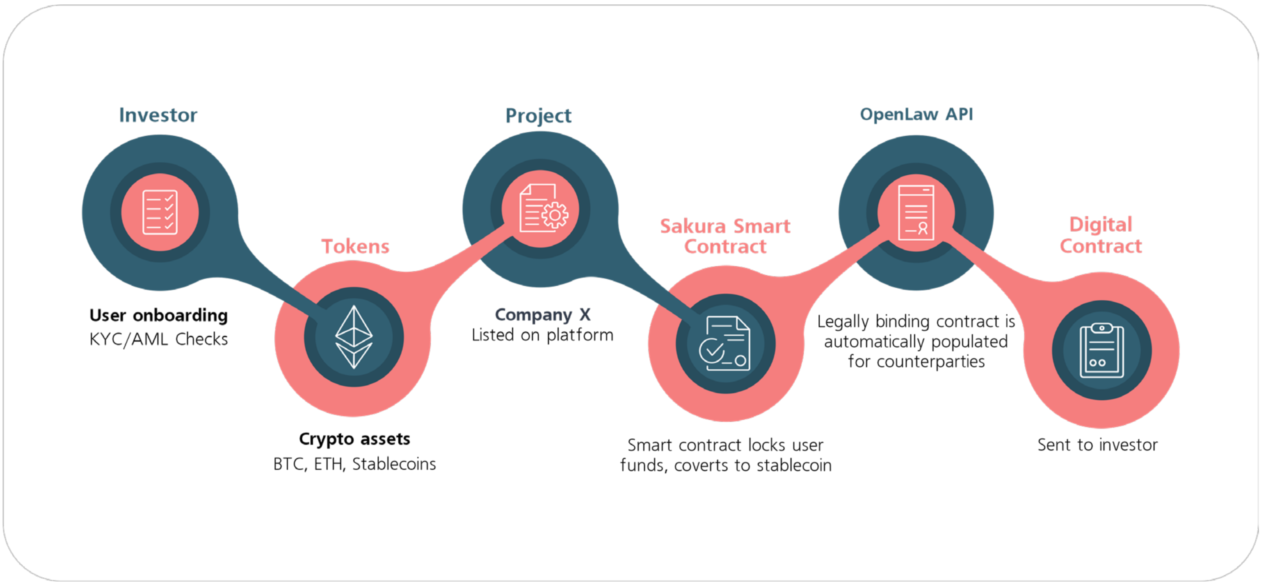
ukiyo is building a DeFi protocol designed to leverage the untapped potential of billions of dollars in cryptocurrency assets. By providing a platform that enables easy access to a variety of investment options and assets, ukiyo aims to empower its users to maximize the value of their cryptocurrency holdings. This is achieved through legally compliant smart contracts that ensure fairness in a free and democratic marketplace. The result is a decentralized, borderless capital world that allows users to invest in private enterprises across the globe without the limitations of traditional finance.

Ecosystem

ukiyo VENTURES

ukiyo uses a disruptive approach to financing projects. Unlike other platforms such as the well-known blockchain Launchpad Model, the protocol bridges the digital world to the physical. The Ventures module is managed not by typical investment managers, but by each user and the community, enabling them total participation and autonomous decision-making over the deployment of their assets. This will have a profound impact on what gets funded and built in the real word—by whom, for whom, and where. It will level the playing field, empower communities of builders, creatives, influencers, and networks to invest in not only new ideas that will re-define the world, but also allow free movement of capital into the global economy to stimulate growth. This brings a radical new model of investing to society that is fundamentally more open, free, and fair.

In simple terms, ukiyo works as an aggregator for investors and projects to connect and find common ground in pursuit of their shared interests and goals. A user may be interested in sustainable investments such as those that are used to offset carbon emissions; or another user may have interest in the AI or blockchain industries and would like to get a foot into these markets using their liquid assets. To accomplish this, users simply access the platform and browse through curated investment opportunities. Whereas project founders access the platform to raise capital.



Every project, be it a start-up or late-stage company that seeks funding is taken through a rigorous programme to participate in an investment round. The ukiyo team vets and qualifies each project based on investment risk, business model, founder(s) experience, financial partners and co-investors (if any), their respective network(s), and a financial forecasts using an internal framework that has been developed by a team of experienced venture capital and private equity deal making specialists.

For instance, a user can be based in North or South America and make investments into projects reaching into the Far East and vice-versa, all legally compliant through meticulously designed smart contracts that comply with regulatory bodies. Users will have the opportunity to contribute whitelisted tokens to each project. Once a project reaches its soft or hard cap, ukiyo smart contracts bind and subscribe each investor to their desired project(s).

HOW IT WORKS

1. Signup/Register to the platform
2. Pass KYC/AML checks
3. Register as an accredited investor
4. Connect wallet
5. Browse proposed projects
6. Pledge whitelisted tokens to projects
7. Sign OpenLaw contract on the blockchain
8. Wait for the completion of project funding
9. Track investment, news updates, and press releases through user dashboard
10. Receive dividends through ukiyo Ventures

The Role of Venture Capital and Private Equity

In venture capital (VC) or private equity (PE) deals, large ownership chunks of a company or project are created and sold to limited investors through independent partnerships that are established by VC and PE firms. Usually, these pools consist of multiple enterprises.

In the case of ukiyo Ventures, due to the technical prowess of blockchain and non-custodial technology, each investor can independently deploy their funds to single entities rather than multiple enterprises selected by a "Management Committee" or "Investment Managers" by firms we find in traditional finance.

Currently, the VC and PE industry's proximity to Silicon Valley and other major global financial areas including the city of London, Frankfurt, and Tokyo, mean that the overwhelming majority of deals financed by venture capitalists and private equity are in the technology industry—the internet, healthcare, computer hardware and services, and mobile and telecommunications. But other industries have also benefited from VC or PE funding. For example, Tech behemoths Google and Intel have separate Ventures to invest in emerging technology. In 2019, Starbucks also announced a $100 million venture fund to invest in food start-ups. High-Net-Worth (HNWI) individuals have also established companies and entered the fray in recent years. Deploying their almost unlimited resources into assets around the globe which they only have access to in thanks to their elite social networks.

> **American VC-backed companies raised nearly $330 billion in 2021, roughly double the previous record of $166.6 billion set in 2020.**

With an increase in average deal sizes and the presence of more institutional players in the mix, VC and PE have matured over time. The industries now comprise an assortment of players and investor types who invest in different stages of a company's evolution, depending on their appetite for risk. As the market demand for VC and PE grows year by year, it still remains in the hands of those connected to those industries. Usually, this liquidity is provided by HNWI's, investment banks, financial institutions – limiting the average investor to smaller avenues such as stock trading apps, real estate and cryptocurrency trading.

But VC and PE are no longer the preserve of elite firms as ukiyo aims to break these barriers by providing a global investment solution via web3 providing access to individuals who have been largely been kept out of these industries. ukiyo users will act as "venture capitalists and private equity" investors acting in a global stage financing projects throughout any part of their life cycle. Therefore, focus will not be targeting only emerging companies but ukiyo will also seek to capture a market where established and mature projects require equity infusions.

Though it is risky for investors to put up funds, the potential for above-average returns is an attractive payoff. For example, in recent months, investors have seen over 20,000% in return of their initial investment via Series A and Series B funding for companies that include Telegram, Coinbase, Bitfinex, Exodus, Coin Payments, Bitpay, Circle, Ripple Labs and many, many other companies. Some of these equity rounds were conducted via online platforms with the option to co-invest with partners that include Google Ventures, Andreessen Horowitz (a16z), Founders Fund, Blockchain Capital, Index Ventures and a whole host of others. The goal of the ukiyo protocol is to create strategic partnerships with certain elite firms that will in turn provide a less risky environment for ukiyo Ventures' userbase.

Types of Venture Capital and Private Equity

Venture Capital and Private Equity can be broadly divided according to the growth stage of the company receiving the investment. Generally speaking, the younger a company is, the greater the risk for investors.

The stages of VC or PE investment are:

- **(VC)** Pre-Seed: This is the earliest stage of business development when the founders try to turn an idea into a concrete business plan. They may enrol in a business accelerator to secure early funding and mentorship

- **(VC)** Seed Funding: This is the point where a new business seeks to launch its first product. Since there are no revenue streams yet, the company will need VCs to fund all of its operations

- **(VC)** Early-Stage Funding: Once a business has developed a product, it will need additional capital to ramp up production and start generating revenues before it can become self-funded. The business at this point requires one or more funding rounds, typically denoted incrementally as Series A, Series B, etc.

- **(PE)** Mid to Late-Stage Funding: This is when a business is fully developed, has a revenue stream in place but is seeking quick access to liquid cash to further grow or enhance the business through new strategies

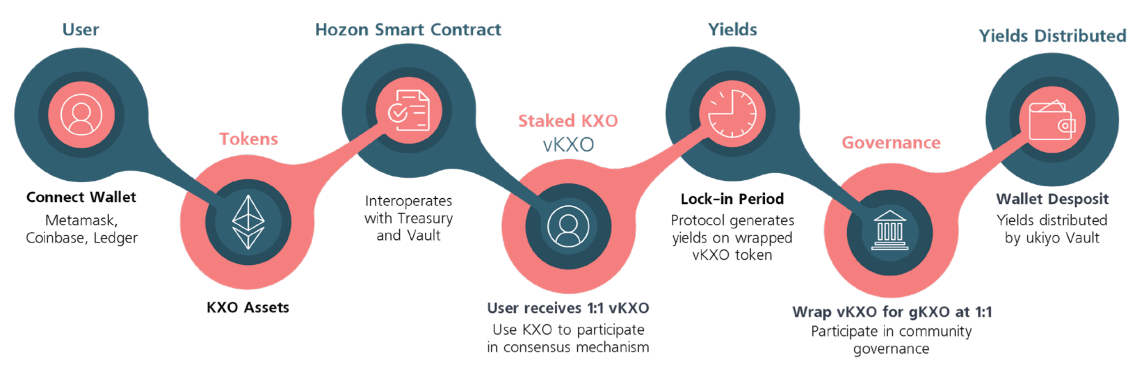
The Bottom Line

Venture Capital and Private Equity represent a central part of the lifecycle of infant or mature companies. Before a company can start earning revenue, it needs enough start-up capital to hire employees, rent facilities, and begin designing a product. This funding is provided by VC's in exchange for a share of the new company's equity. Whereas, when a healthy company develops a new growth strategy that is likely to create greater rewards, it is necessary to seek PE funding in return for equity or profit sharing rather than the company attempting to broker a loan with institutional banks where interest may flatten out the rewards.

STAKING

Staking plays a significant role within the ukiyo ecosystem since the protocol is a community driven DAO. Importantly, it enables the platform's native $KXO token to remain stable during volatile bear markets.

Due to technical gaps and lack of knowledge, the potential of crypto staking is still underutilized. Today, the market value of cryptocurrencies stands at more than $USD 1 trillion. ukiyo's staking module promotes the development of this infant but blooming staking industry by deploying a simple DApp and removing technical jargon that creates barriers for everyday users. This will allow the ukiyo community to stake their $KXO tokens for preferential time-locks in return for yields based on the value of the ukiyo Vault and its dynamic APY.



THE VAULT

The vault will initially contain 5% of the total supply of the $KXO token. These are rewarded to stakers over a 5-year period from launch of the Staking module. APY% is calculated by the sum of users staking their tokens. i.e. the more staked $KXO on the platform, the less the APY% generated in yields. Whereas, lower supply of staked $KXO earns stakers higher APY% yields. Stakers with a longer locking period are rewarded with more $KXO to increase their reward rate.

APY is a function of the number of tokens available in the vault, the 5-year timeline and the number of users.

$$APY = \frac{\$KXO}{\text{Numbers of users}} \times \frac{\text{Total } \$KXO \text{ in Vault}}{\text{Circulating } \$KXO} \times \text{Locking period}$$

the vault is not necessarily static with a fixed 5% supply of $KXO. Rather, key dynamics like protocol revenues, proposals and voting, token taxation, and re-allocation of ukiyo Treasury tokens can increase as well as decrease the supply of the Vault.

The staking module displays all earnings including fees through the user dashboard. With simplification being a key element. To earn rewards users will wrap and exchange their $KXO with a vested vKXO token. The vKXO can then be wrapped to yield a governance gKXO token providing voting rights to the user.

KXO → vKXO → gKXO → KXO

HOW IT WORKS

1. Connect Wallet
2. Choose lock-up period (time)
3. Lock assets into Hozon Smart Contract
4. Receive vKXO
5. Participate in governance via consensus using wrapped gKXO
6. Waiting period
7. Receive yields from the vault

The Role of Staking in the DeFi Economy

DeFi staking can vary greatly from one DeFi platform to another. In certain cases, it relates to an act of trust and commitment towards something which one believes it worth risking its integrity. Having a stake in something, means having an interest or involvement in it.

In the crypto industry, staking usually refers to pledging crypto assets, to support a blockchain network using a Proof-of-Stake protocol. By staking their assets, users obtain the right to process and verify transactions, hence providing security and efficiency to the protocol. Each time a transaction is executed and verified, the staker earns rewards, usually in the form of the blockchain's native currency.

Additionally, Yield Farming and Liquidity Mining can be regarded as other forms of staking. Both entails providing liquidity. The first involves the provision of crypto assets to DeFi protocols such as liquidity pools, borrowing and lending services; in returns for annual percentage yields (APY). The second is a subset of Yield Farming, focusing on providing liquidity to a DeFi project. Notably, Liquidity Mining helps to maintain tradability on decentralized exchanges (DEXs), generally in return for native tokens which can confer governance rights.

ukiyo staking requires that a user is interested in either $KXO rewards or becoming a part of the governance committee, and this committee must post a "bond "or stake to be eligible in return for these rights.

TREASURY

Funds in the Treasury ensure a sustainable model with future audits, advanced security, smart contract updates, customer service enhancements, and eventual parachaining to other major blockchain networks.

The Treasury also plays a major role in instances where liquidity or collateral risks arise during early and maturity phases of the protocol. Think of it as an insurance or stop-gap where the protocol might find itself in difficulties during volatile bear markets.

The Treasury is composed of:

- **Research and Development (R&D)**
  ukiyo will retain 20% of the total $KXO supply for R&D purposes such as protocol maintenance upgrades and for the promotion of new products that are seen as having a high rate of adoption in the web3 industry - considering forward looking possibilities of placing tokens between chains, setting up bridges to allow token interaction in chains with a higher level of innovation and capital flows.

- **Reserve**
  10% of total supply is retained as Reserves to maintain healthy market activity for the $KXO token and provide flexibility in the early stages of the protocol. For example, in the unlikely event of a technical or security breach resulting in the loss of funds, the reserve will be used to compensate affected users.

- **Treasury Shares**
  The final 10% is retained as Treasury Shares to hedge against other assets. Based on governance by the community, decisions are made to diversify the Treasury. This means certain supply of $KXO will be sold on the open market in exchange for crypto assets such as ETH, wBTC, USDT, and DAI to hedge against liquidity crises and creating a liquid market for $KXO.

Governance

GOVERNANCE

The ukiyo community will benefit from the authority to govern the protocol and its Treasury. When a user stakes their $KXO tokens in return for a wrapped vKXO (vested KXO), a further wrapping into a gKXO (governance KXO) allows users to simultaneously earn staking rewards and participate in ukiyo's consensus mechanism.

What is the Consensus Mechanism?

Consensus in DAO's are created to absorb the stigma of top-down governance that traditional finance carries. By consensus, it means that a general agreement has been reached by a group of people. If there is agreement between holders of the gKXO tokens on a proposal, then a consensus is achieved and the process is formalized when 66% of active gKXO voters agree on proposals.

Proposals and Voting

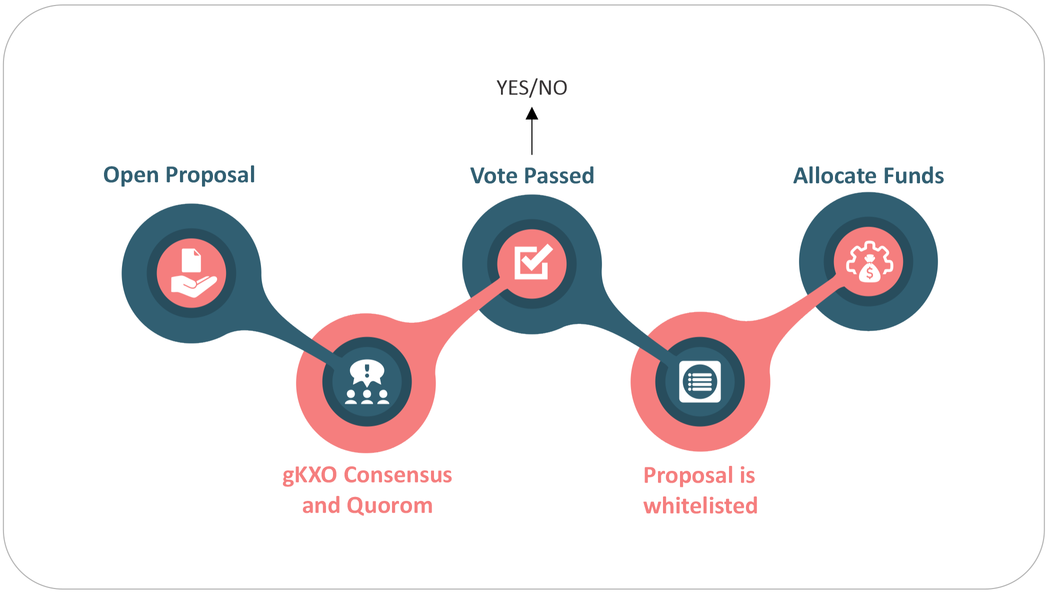
The consensus mechanism works through a simple Proposal and Voting system. The process is initiated by an internal discussion by the community which is then created as a proposal and is posted to the Governance forum containing all relevant information.

Following this, a quorum consisting of the governance committee (gKXO holders) will try to reach consensus via the 66% threshold. If no agreement is reached then the proposal may be passed on to the ukiyo DAO Council who will then provide additional input via their own internal discussions. Amendments and adjustment are made, and the proposal is then forwarded back to the quorum.

If agreement is reached, the proposal is sent to an actionable vote to the governance committee. If the vote does not pass, i.e. does not meet the minimum threshold, then it is pushed back again for internal discussions and further amendment or improvement. If it passes, the proposal is whitelisted to ukiyo's Snapshot space.

If the proposals are R&D or financial related proposals, Multisig notifications are sent to engineering. Treasury funds are then allocated by unlocking funds via Multisig keys operated by "keyholders".

In the case of non-financial or R&D related proposals, once a proposal is passed, the Management Committee will convene and execute proposals as necessary.



Staking to Incentivize Protocol Growth

By utilizing the industry standard staking model which derives crypto-economic security from a rewards and penalty method for users (staking and rewards) - the structure encourages $KXO holders to operate in their own self-interest.

Inherently the mechanism is an entire stack of protocols within the ukiyo ecosystem – to bring incentives and ideas that will allow the protocol to grow into a multifunctional DeFi Platform. Amounting to several positive benefits to the protocol:

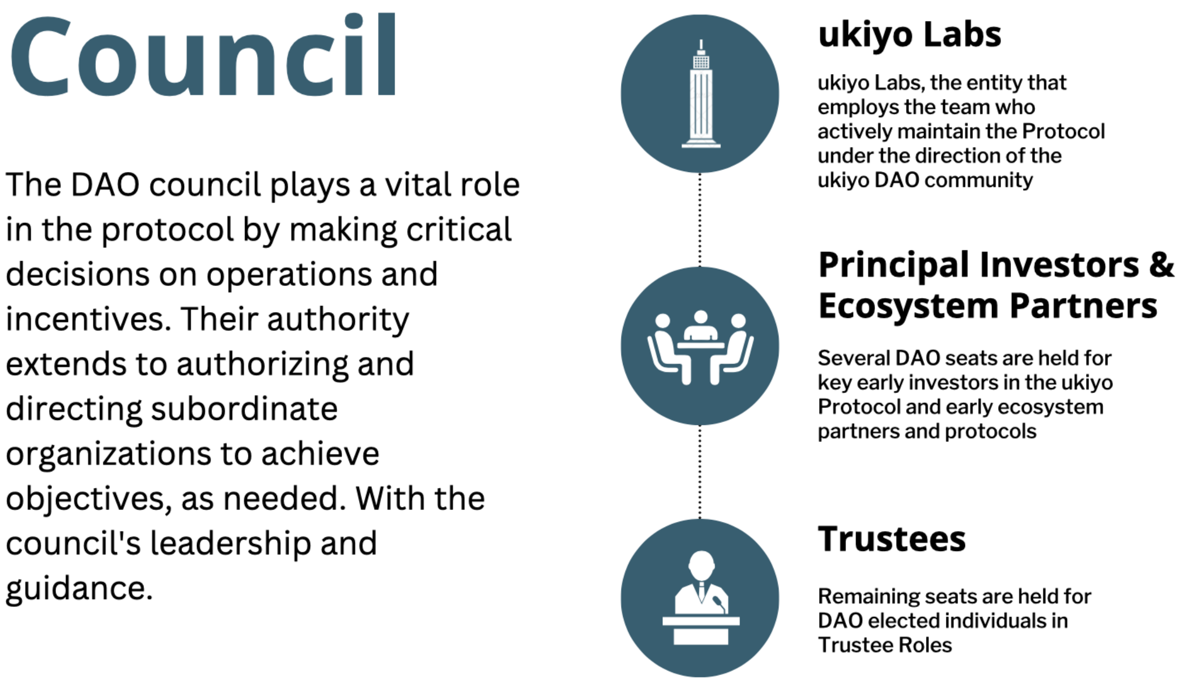
- Rewards in the shape of $KXO tokens received from the **Vault**
- Incentive to vote diligently towards positive proposals and outcomes
- Incentive to keep the token price stable and deflationary via a high-growth model
- Disincentivizes the ukiyo project from being completely abandoned

The Council

ukiyo COUNCIL'S ROLE

The ukiyo Council is made up of 3 Trustees, and 3 Management Committee members. Above them, are the Board of Directors which consists of several individuals who are part of ukiyo Labs – the entity that developed and currently maintains the ukiyo Protocol – along with a diverse set of early investors and ecosystem partners. Within this board are 7 individuals who hold Multisig keys to unlock Treasury funds. At least 4 keyholders must sign on-chain via mutual agreement to unlock Treasury funds.

Keyholders are advised when and where to unlock funds by the Council, who ultimately represent the ukiyo DAO Community.

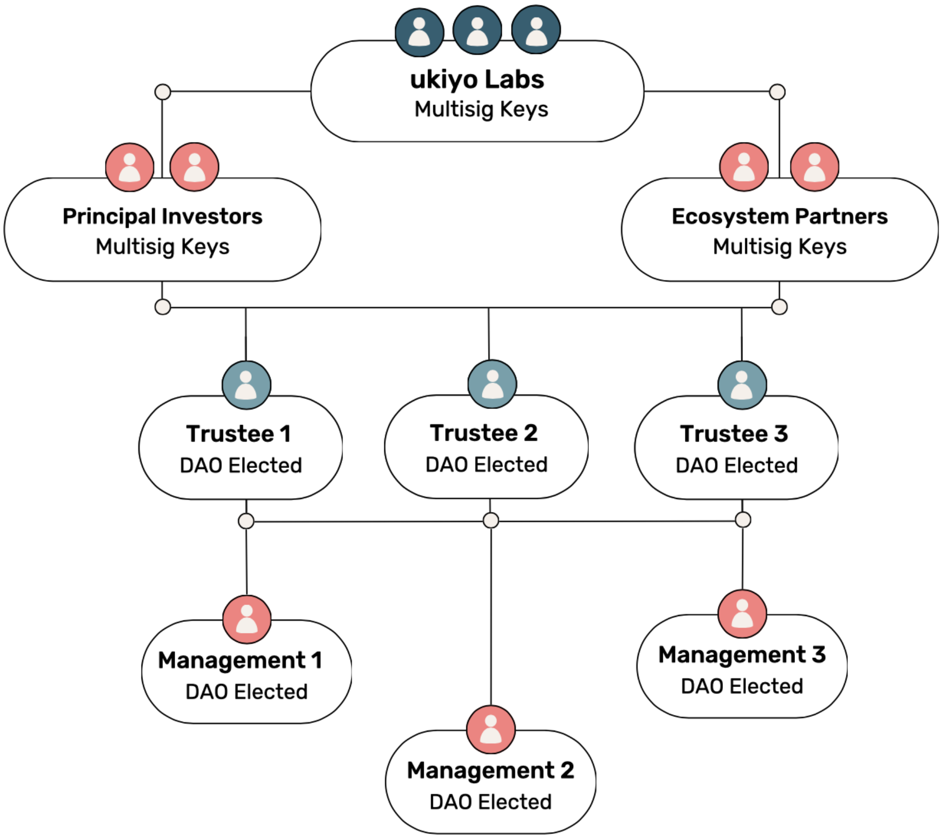


The Management Committee's role is to actively manage the protocol, consensus, proposals and voting which are then directly passed onto the Board of Directors.

The Board of Trustees ensure security, a stopgap, and oversight over the Board of Directors and the Management Committee. Where there are conflicts of interests, the Trustees can engage in discord between the multiple parties consisting of the Board of Directors and Management Committee to mediate on behalf of the ukiyo DAO Community through dispute resolutions.

Both the Board of Trustees and Management Committee are voted in periodically by the ukiyo DAO Community via voting consensus annually.

Organizational Chart



In Summary

- **Pass approved proposals to the Board of Directors**
  The system is managed and maintained by the Management Committee

- **General improvements of the DAO system**
  Feedback and suggestions are received by Management. They also regularly discuss improvements that can be implemented in the systems and operations within the DAO

- **Facilitate the initiative process**
  Management reviews initiatives submitted through the DAO platform and ensure that all initiatives are beneficial to the DAO community are aligned with ukiyo's vision

- **Form an arbitration committee**
  The Trustees receive and review any dispute or issue raised by members. They are responsible for forming a temporary arbitration committee composed of selected DAO members who will settle the dispute

Technical Report

ukiyo VENTURES

ukiyo Ventures is driven by the innovative Sakura smart contract, alongside a suite of additional engines.

SAKURA

At the heart of the ukiyo Protocol lies Sakura, a revolutionary vision that enables potential investors to connect with global projects. Unlike traditional Venture Capital and Private Equity models, Sakura enables anyone, anywhere to invest in ventures and projects.

Through the ukiyo dashboard, investors can easily access and navigate multiple projects. Once funding milestones are achieved, they can track their investments, receive progress reports and dividends directly into their wallet, if profitable.

The development of Sakura is a significant challenge for the ukiyo team. Currently, the technical framework is undergoing alpha testing, while the legal framework and structures are being finalized. The ukiyo community will be kept informed of its progress, from testing to launch. The team and developers are confident that Sakura will bring about a paradigm shift not only in the DeFi and web3 industry, but also in the global financial industry. By leveraging blockchain technology for fast, efficient and borderless transfer of capital and assets, Sakura aims to overcome the limitations and barriers present in traditional finance.

Multi-Token Compatibility with Sakura

The versatility of Sakura is highlighted by its ability to accept range of whitelisted tokens to be deposited into the Ventures module, making it possible for the projects to (i) receive user contributions in stablecoins and digital assets (ETH, wBTC etc.), and (ii) in the future manage other forms of investments including utility tokens and tokenized securities of on-chain and off-chain companies and projects.

Redemption Process with Sakura

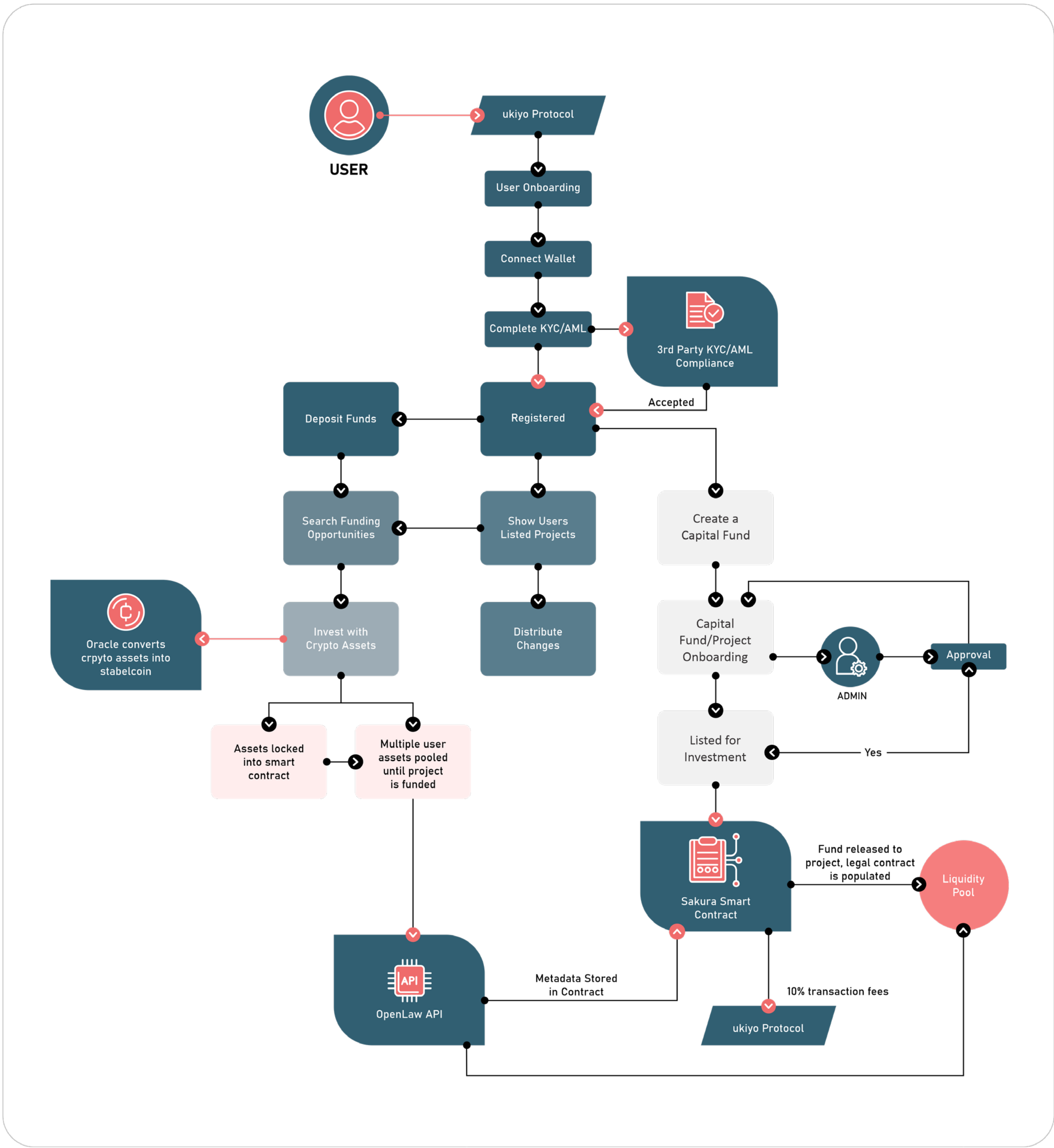
Sakura includes a redemption function for users who wish to exit a project and sell their stake. This can be done through either a sale to members of the ukiyo community or a ukiyo leveraged buyout (protocol buyout). This function offers a secure and seamless process for users who want to divest from their investments.

OpenLaw API

ukiyo utilises the OpenLaw API which wraps smart contracts into a consolidated legal agreement. Such agreements are digitally signed by multiple counterparties. The protocol will implement a customised process to convert the OpenLaw contracts to act as the primary compliance and security related function within ukiyo Ventures.

Administration of ukiyo Ventures

The administration of user investments in ukiyo may require handling real-world transactions, such as audits, compliance checks, licensing procedures, deal-making, and the conversion of proceeds from sales into digital assets. To tackle these challenges, Ukiyo will use a multisignature-controlled administrator role to perform authorized transactions and manage off-chain operational tasks. The primary initial use of this role will be to establish funding pools through a combination of KYC/AML processes and an orderly auction for shares, equity, or other interests that will be sold to accredited investors using Ethereum-based smart contracts.



STAKING

ukiyo's Staking module is powered by the ukiyo smart contract "Hozon".

HOZON

Hozon smart contract serves as the backbone of the ukiyo Staking module, empowering token holders to earn rewards, participate in governance, control the allocation of Treasury funds, and manage the liquidity within the Vault. This intricate smart contract computes multiple functions to ensure that the token is not just a simple "utility" token but rather, a token that empowers each holder to perform roles and tasks that relate to:

Rewards: By staking and wrapping, Hozon produces a 1:1 vKXO token that enables users to earn yields from the ukiyo Vault in the form of native $KXO tokens.

Governance: Users can then wrap their vKXO into gKXO at 1:1. The gKXO token is coded to allow the user to participate in the consensus mechanism to vote on proposals made by the community.

Treasury: With an initial allocation of 40% of the total $KXO supply, holders can use their gKXO to propose and vote on allocation and re-allocation of Treasury funds.

Vault: Hozon controls the initial 5% supply of the ukiyo Vault and plays a crucial role in the protocol by balancing and controlling the supply of $KXO yields, as well as allowing for the dynamic management of the Vault's liquidity.

Rewards

Hozon rewards stakers dynamically, based on the Vault's APY. The lock-up period for rewards is set, preventing compounding and safeguarding against potential price instability of the $KXO token. Hozon's lock-up limits help to eliminate any potential benefits for free-riders and reduce the risk of market manipulation through pump and dump schemes.

Demand and Scarcity

A reduction in supply of $KXO can lead to increased scarcity and demand for the token, potentially driving up its value. When staked, users are essentially decreasing the supply of $KXO to receive rewards in the form of vKXO. By participating in staking, users not only earn rewards but also support the overall health and stability of the ukiyo protocol.

Multichain Incentives

Users not only increase their rewards from staking, but also profit from the ability to participate in on-chain governance. In the future, gKXO will be interoperable with other secure Layer-1 blockchains, such as Polkadot, Avalanche, and BSC, further expanding the potential for rewards and incentives.

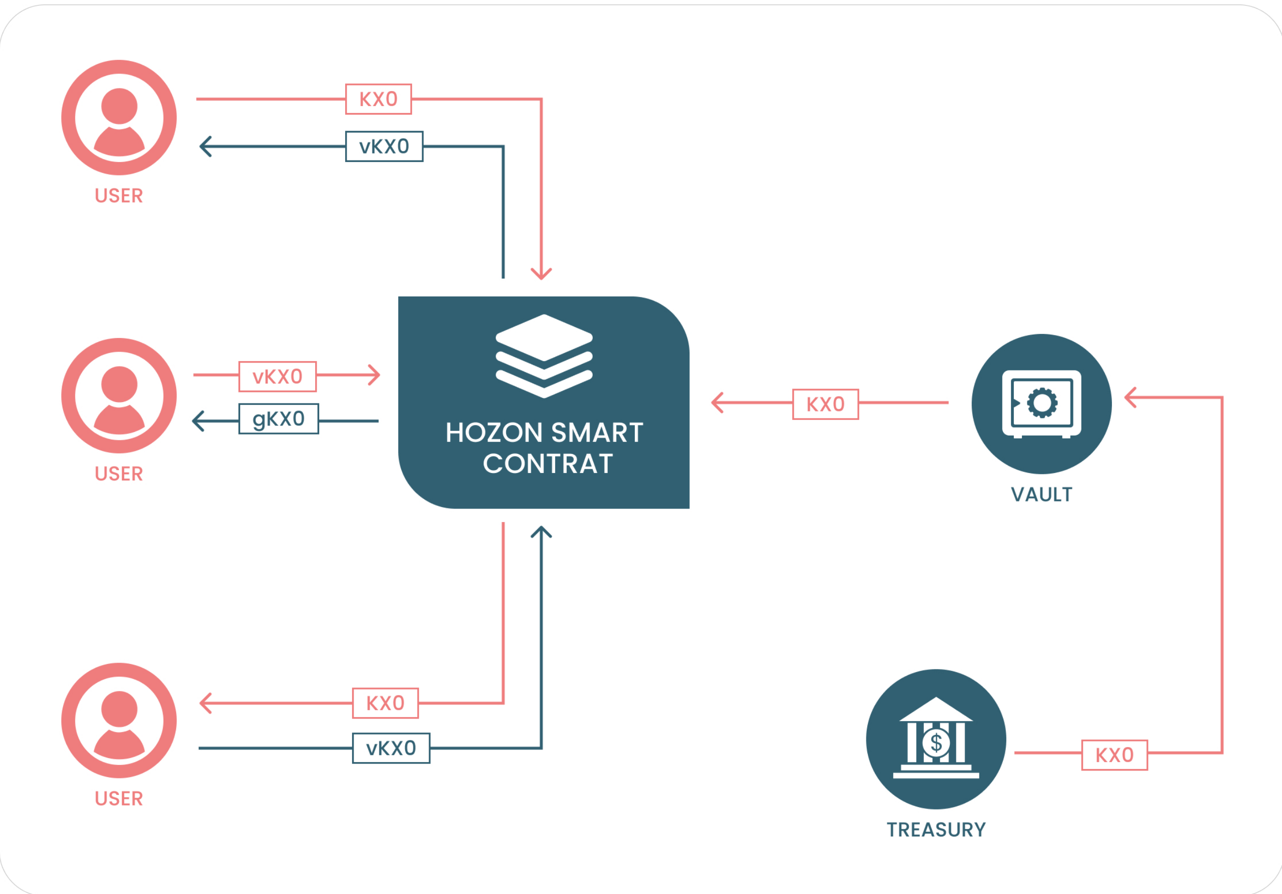
The Hozon smart contract empowers users to maximize their returns while supporting the stability and growth of the ukiyo protocol.

Claim

Hozon distributes deposits among multiple smart contracts to reduce vulnerability and prevent exploitation. This not only removes vulnerabilities that have caused shared pools to be exploited but the approach also helps to maintain the security of the protocol and the funds deposited by users.

Delegate and Validate

Hozon protects user funds by utilizing real-time price monitoring through Chainlink to trigger stop-losses. The protocol also features built-in codebase assessment tools to detect and prevent rugpulls as well as quality assessment parameters to ensure the safety of user funds. With the delegate and validate feature, Hozon prioritizes security and reliability in its operations to provide users with peace of mind while using the platform.



Governance

DECENTRALIZED PROTOCOL

The protocol has been designed keeping decentralization and autonomy at its core. As per the roadmap laid out by the developers and founders, certain parts of the protocol are initially required to remain centralized to fully achieve scaling and therefore reach critical mass such as stabilising a large user base and solidifying the protocol as a titan in the DeFi and web3 space.

There are four aspects to achieving this: (i) minor centralization for scaling, (ii) proposals, (iii) voting, and (iv) full decentralization into a pure DAO.

- **Proposals**
  Proposals are initially identified by developers, bug bounty hunters, and $KXO holders through mutual discord on ukiyo's Governance Forum. This enables the community to identify issues surrounding the protocol which may arise from using the platform itself, press releases through blogs and other channels, as well as potential concerns regarding security flaws, bottlenecks and competition to improve ukiyo services and any implement any disruptive technology or concepts that may arise in the future.

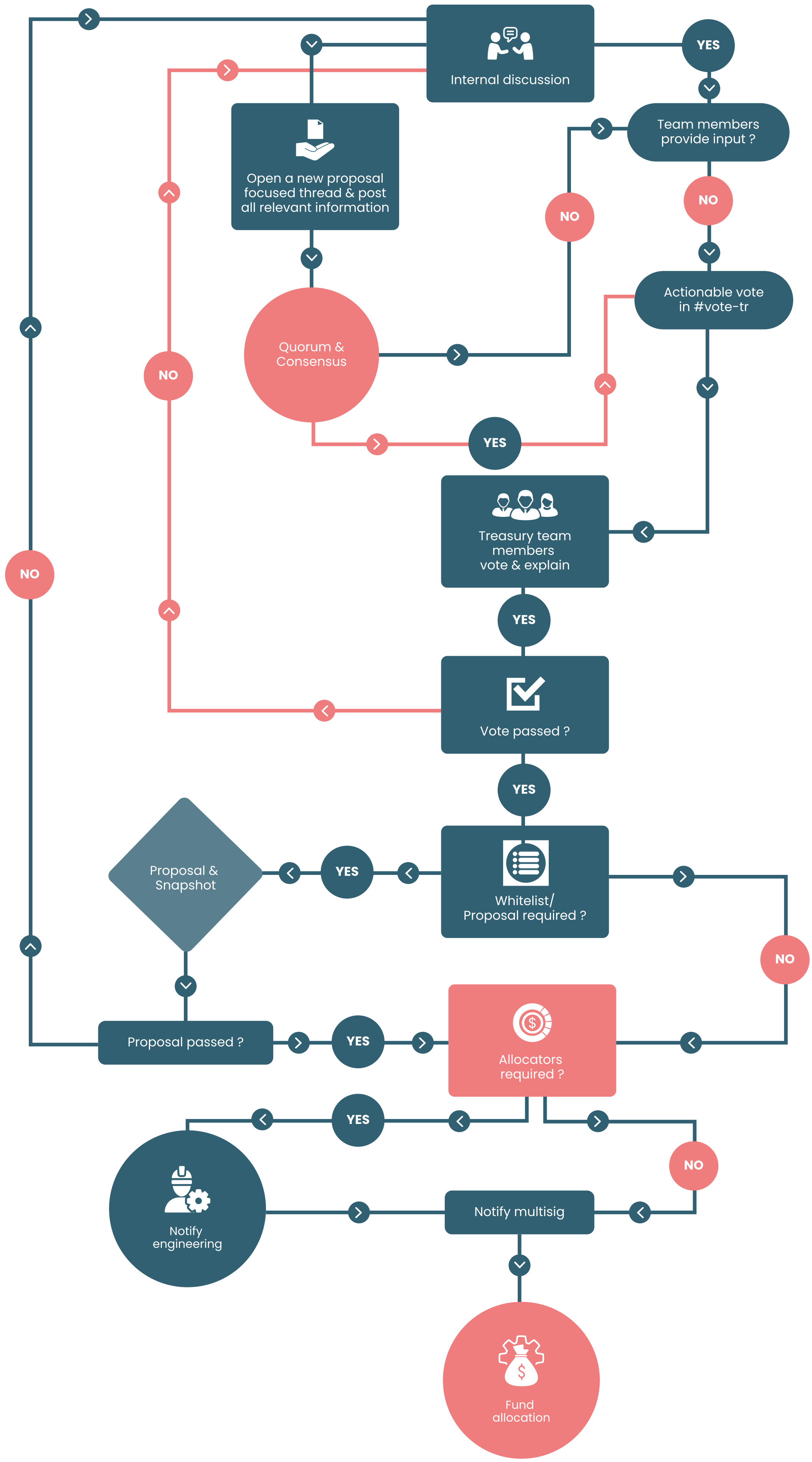
- **Voting and Consensus**
  Popular and pressing proposals are put to a vote among gKXO holders. The voting system operates using a first-past-the-post method, where the proposal with the most votes is sent to the Council for consideration. The Council decides based on the costs and funds available in the Treasury.

NOTE

In the unlikely event of the Treasury becoming illiquid, the community and council will initiate a burn of a predetermined amount of $KXO to reduce the overall supply of the token. This will be followed by the liquidation of an equivalent amount of $KXO to raise the required funds – refer to the token taxing and burning process for more information.

- **DAO Magna Carta**
  The launch of ukiyo will be guided by a roadmap known as the "ukiyo Magna Carta", envisioned by the founders and developers. However, due to the DAO nature of the protocol the Magna Carta is open to changes through governance mechanisms such as Proposals and Voting. Users with more $KXO will have more voting power in the protocol, but no single user or group can gain complete control. The protocol's tokenomics have been designed to give the autonomous Treasury control over most of the circulating supply, while a Council oversees the consensus mechanism and serves for a specific number of terms. This structure makes a takeover of the protocol technically impossible.

- **Entirely decentralized**
  The ukiyo protocol reaches full DAO status upon reaching the Magna Carta's goals.


Internal discussion
YES
Team members provide input ?
NO
Open a new proposal focused thread & post all relevant information
NO
Actionable vote in #vote-tr
Quorum & Consensus
NO
YES
Treasury team members vote & explain
NO
YES
Vote passed ?
YES
Proposal & Snapshot
YES
Whitelist/ Proposal required ?
NO
Proposal passed ?
YES
Allocators required ?
YES
NO
Notify engineering
Notify multisig
Fund allocation

Tokenomics

ukiyo Token

$KXO is a fungible cryptocurrency built on the Ethereum blockchain that adheres to the ERC-20 standard. This standard ensures the compatibility of $KXO tokens with a variety of decentralized applications (DApps) and allows for seamless interoperability across multiple blockchain ecosystems. By leveraging the robustness of the Ethereum network and the flexibility of the ERC-20 standard, $KXO is positioned to to be a versatile and secure token for participating in the DeFi ecosystem.

Properties of $KXO:

- **ERC-20 Compliant:** The $KXO tokens are fully compliant with the Ethereum-based ERC-20 standard, possessing all the standard functions and interfaces of an Ethereum contract, including transfer, approve, totalSupply, and balanceOf. This allows for seamless transfer, trade, and approval of the tokens.
- **Redeemable:** The vKXO and gKXO (vested and governance) tokens are backed by $KXO tokens and can be redeemed for underlying assets and rewards or utilized for governance purposes.
- **Composable:** The composable nature of $KXO tokens enables the creation of multiple layers of concepts and the development of complex, high-performing decentralized services in the future.
- **Trustless:** As an open-source token, $KXO is designed in a manner that prevents any individual or entity from making alterations to the held tokens, with all changes only able to be programmed. This trustless design, coupled with the use of an autonomous and secure smart contract (Hozon), eliminates counterparty risks and helps ensure the stability of the price dynamics of the $KXO token.

Token Distribution Phases

The distribution of $KXO tokens will take place in three stages. The first stage, Phase I, will be a limited pre-sale open to a select group of early investors. The dates and details of Phase II and III will be determined based on the outcome and conclusion of Phase I.

Investors who take part in the pre-sale of Phase I will have the opportunity to purchase $KXO tokens at a discounted price directly through the protocol. Pre-sale tokens will have a 9-month vesting period and will be released once the vesting period is completed from date of purchase. Unlike tokens purchased through Phase I, Phase II & III tokens will be sold at market price without a vesting period and readily tradeable on various market platforms.

The objective of the pre-sale is to scale the current operations of the protocol. The support and involvement of early investors will provide crucial financial and social support for research and development, increasing the size of the team, and testing and validating the smart contracts. This will also provide valuable insights into the demand and appetite for the $KXO token.

Phase I : Pre-Sale	Phase II : TBC	Phase III : TBC
5% Allocation: 26,050,000 $KXO	**5% Allocation:** 26,050,000 $KXO	**5% Allocation:** 26,050,000 $KXO
Price: $0.077	**Price:** $0.21	**Price:** $0.27
Target: $2,005,850.00 USD	**Target:** $5,470,500.00 USD	**Target:** $7,033,500.00 USD
Vesting Period: 9 months		
Minimum Purchase Limit: $350.00 USD	**Minimum Purchase Limit:** $TBC	**Minimum Purchase Limit:** $TBC
Maximum Purchase Limit: $25,000.00 USD	**Maximum Purchase Limit:** $TBC	**Maximum Purchase Limit:** $TBC

Remaining Token Allocation

The remaining $KXO supply will be spread across internal and external functions.

ukiyo Treasury

The Treasury tokens make up 40% of the circulating supply and are reserved for R&D (20%), Reserve supply to maintain market activity (10%), and Treasury Funds for community proposals (10%). The Treasury is governed by $KXO holders, ensuring decentralization.

Team

17% of the tokens are allocated to the ukiyo team and subject to a 2-year vesting period. This token allocation offers assurance to early supporters and minimizes the risk of pump-and-dump practices seen in traditional ICOs and IDOs. The vesting schedule incentivizes the team to reach key milestones within an 8-quarter period.

Partnerships

4% of the token supply is reserved for strategic partnerships, advisory services, and ecosystem support (DeFi). These tokens will be subject to a 1-year vesting period if any funds are released. The protocol benefits from these partnerships to scale through these relationships.

ukiyo Vault

The Vault contains 5% of the total $KXO token supply, which provides rewards and incentives for every $KXO holder over the lifetime of the protocol. The Vault is dynamic and can increase and decrease its supply through token taxing on DEXs and re-allocation of the Treasury fund.

IDO Partners

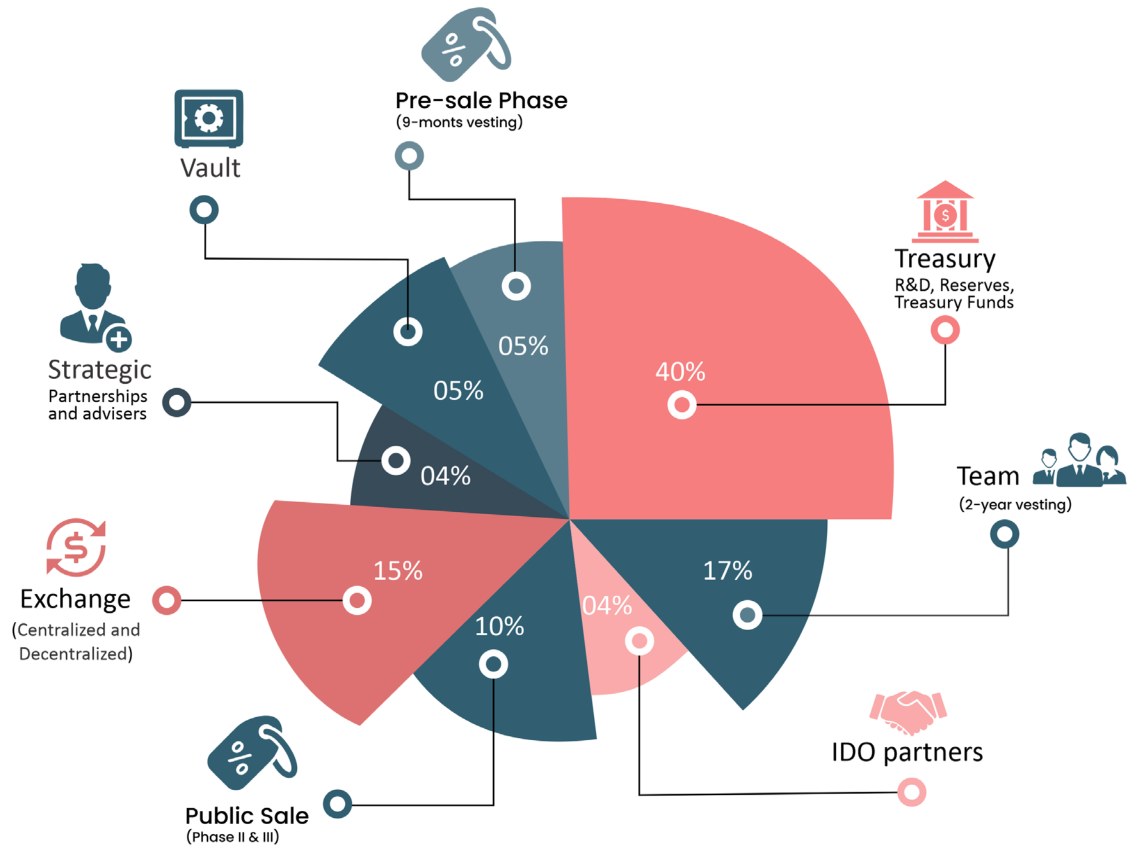
4% of the tokens are reserved for IDO purposes. If an IDO doesn't take place, this supply will be redirected to the Vault or used towards a Phase IV sale, if necessary.

Exchange

15% of the tokens are reserved for DEX and CEX trading volume, ensuring widespread adoption of the $KXO within crypto markets.

This token distribution model fosters trust within the community and prioritizes their interests. The long vesting period for pre-sale, team tokens, and dynamic allocation across various functions ensures consistent involvement in driving the project forward and encourages the community to focus on long-term growth and sustainability.

Token name	ukiyo
Ticker	$KXO
Total supply	521,000,000
Initial Circulating Supply	151,090,000
Blockchain network	Ethereum
Standard	ERC-20



Taxing & Burning

TOKEN TAXING

In cryptocurrency markets, a common pattern emerges where a blockchain project is launched, the technology and infrastructure are developed, and the token is distributed through intense marketing efforts. However, the initial excitement often fades, and the token value often drops soon after the launch. To mitigate this trend $KXO tokens are designed to incur a tax on each sell-side transaction on decentralized exchanges (DEXs). This tax serves as a mechanism to counterbalance the natural market fluctuations and prevent rapid price drops.

While the concept of a tax may not be appealing, ukiyo's founders recognize that it is a necessary step in promoting long-term stability and success for the project. This tax will not apply to centralized exchanges (CEXs).

Liquidity Tax	1.5%
Treasury wallet	1%
Vault	1.5%
PR wallet	1%
Total Tax	**5%**

TOKEN BURNING

The process of token burning can be triggered by a variety of events through the protocol - such as the achievement of certain milestones, the resolution of specific disputes, or the expiration of a vesting schedule.

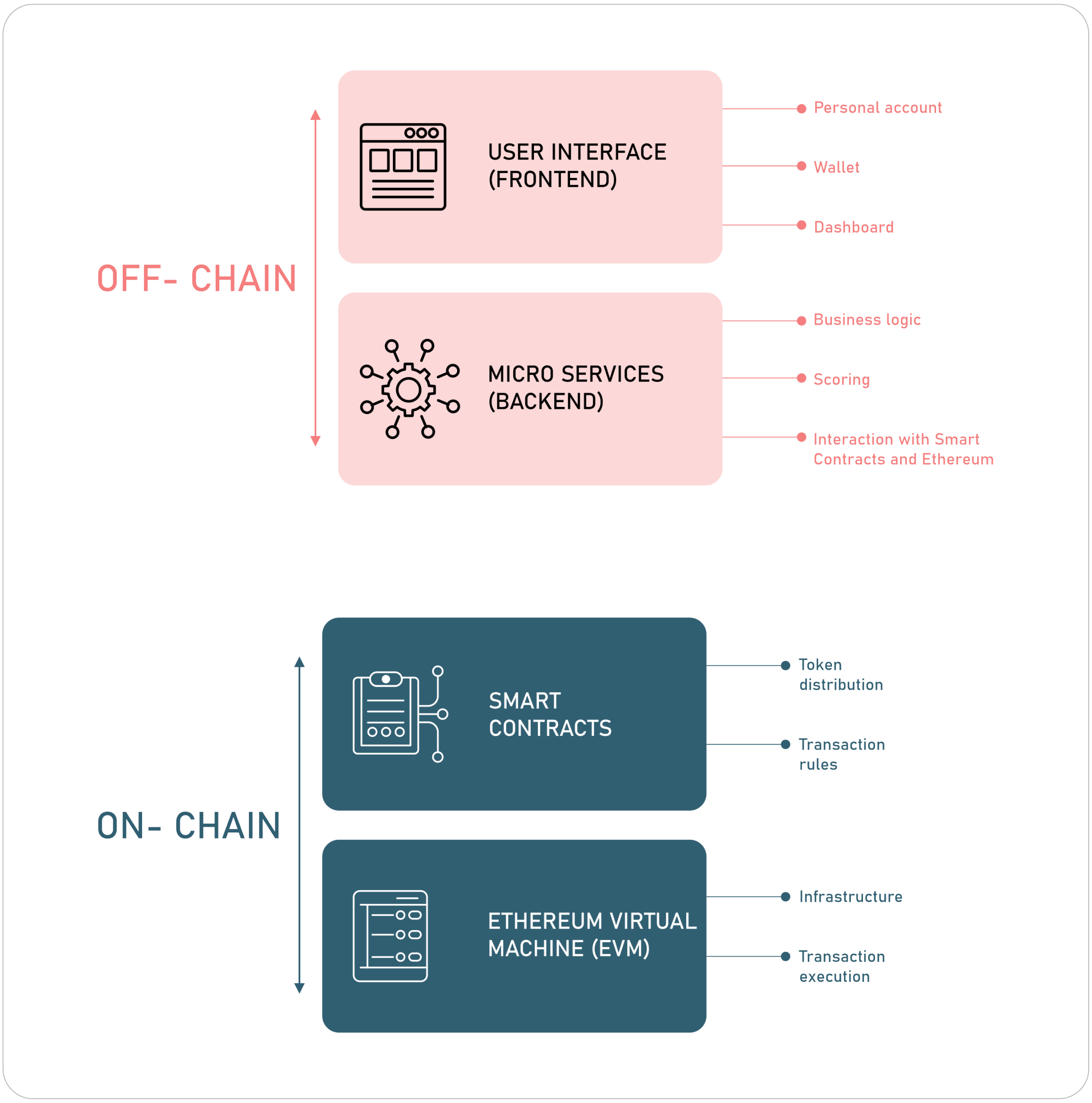
One of the key benefits of a token burn mechanism is that it gives the community greater control over the supply of tokens. The frequency and size of token burns can be determined by community consensus, allowing them to respond to changing market conditions in real-time. The token burning mechanism can effectively counterbalance sell-side pressure and minimize price volatility by reducing the supply and enhancing the scarcity of $KXO. This flexibility is an important factor in ensuring the long-term value of the token and encourages investors to hold on to their tokens for the long term.

Protocol Design

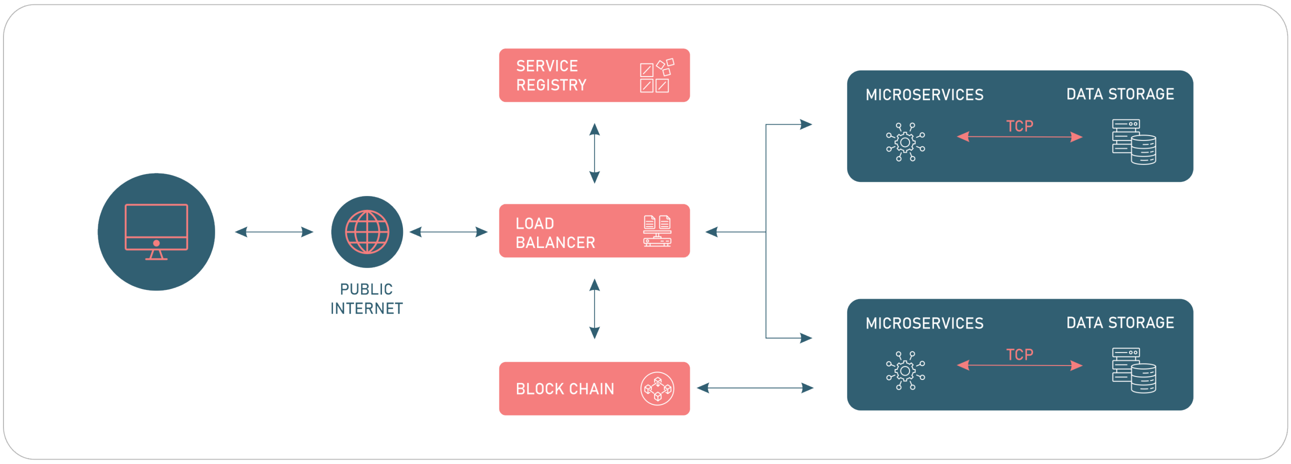
FRONTEND & BACKEND

From a technical perspective, the ukiyo protocol consists of four key elements:

- A user-friendly interface that enables individuals to create accounts, interact with the protocol's offerings, manage their profiles, and monitor activity with ease
- An array of backend microservices, including an administrative panel, offer listings, and smart contract interaction, to facilitate smooth operation of the protocol
- A series of smart contracts, housed on the Ethereum blockchain, responsible for executing the protocols' functions and maintaining decentralization
- An ensemble of oracles, APIs, and SDKs that provide the necessary data inputs for the ukiyo smart contracts from the exterior world, ensuring the protocol remains robust and responsive to market changes



The user interface of the protocol has been designed with user experience in mind, delivering a streamlined Software as a Service (SaaS). The system utilizes the advanced cloud technology provided by AWS (Amazon Web Services). This setup ensures reliability and high performance, mitigating any potential issues with fault tolerance, high loads, or bandwidth that can be associated with running blockchain technology. To further enhance stability and security, the frontend has been constructed in a downstream manner to prevent any bottlenecks or security concerns in the UI and back-end. The back-end infrastructure leverages microservices to guarantee optimal functionality, secure storage of sensitive information, and the ability to accommodate growth for the protocol.



APIs,
Oracles , SDKs

ChainLink

The ukiyo protocol utilises the ChainLink Oracle to publish in-the-moment prices of crypto assets. Using an internal set parameter on ChainLink's SLA, The Oracle generates external data reports, thereby enabling users and projects to determine the value of the investments in fiat currency.

SumSub

SumSub integration assures regulatory compliance for protocol and includes due diligence checks on Anti-Money-Laundering (AML), Know Your Customer (KYC), Counter the Financing of Terrorism (CFT) and General Data Protection Regulation (GDPR). Relevant information is collected on each user. This allows the protocol to Prevent fraud attacks from globally blacklisted individuals that ensure that the protocol cannot be shut down in the future. It enhances conversion rate by enabling a seamless onboarding process that allows near instant verification of users.

Elliptic Lens

Elliptic Lens brings an additional dimension to regulatory compliance and enhances the protocol's features to include wallet screening and transaction monitoring. This automated system works through the backend of the protocol and flags any concerning risk related activity that may jeopardise the security of the protocol.

OpenLaw

OpenLaw allows ukiyo to wrap smart contracts into legal agreements that are signed and executed on the blockchain. By decreasing the cost and friction of creating, securing, and generating binding legal agreements, the OpenLaw technology stack helps power next generation smart legal agreements.

OpenZeppelin

OpenZeppelin provides security products to build, automate, and operate decentralized applications. It also protects leading organizations by performing security audits on their system and products.

GetBlock

GetBlock guarantees the ukiyo protocol developer tools and reliable API access to multiple blockchains: Bitcoin, Ethereum, BNB Smart Chain (Binance Smart Chain) and others.

ROADMAP

ROADMAP

2023

Q1

Publication of the first ukiyo Protocol Whitepaper
Outlining a pioneering vision for the very first VC/PE DeFi platform

Deployment of the native $KXO to the Ethereum Mainnet

Open-sourcing the Sakura source code on Github
Providing the community and developers the opportunity to view snippets of the architecture

Launch of Phase I - Pre-Sale
Offering early investors the opportunity to support the protocol's vision and benefit from early adoption

Community Building
Engaging and building a strong community over the protocol

Q2

Expansion of Partnerships
Forging strategic alliances with leading protocols and influencers in the DeFi and blockchain space

Development begins
Staking and Governance Modules - to create a DAO infrastructure

PR Campaign
Driving awareness of the ukiyo Protocol and the unique value proposition to potential users and investors

Testing, QA, and Audit of Staking and Governance Modules
Ensuring the security and stability of the DApps before launch

Q3

Launch of Phase II - Public Sale
$KXO is made available to a wider audience of investors

Launch of Staking and Governance Modules
Enabling users to earn rewards and participate in the governance of the platform

Q4

Distribution of 6-months equivalent rewards (in $KXO) from the Vault
For pre-sale investors, rewarding early supporters of the protocol

Launch of Phase 3
Public Sale - providing a final opportunity for investors to participate in the protocol's early stages

Listing on DEX/CEX
Making $KXO available to a wider audience of users and investors

2024

Development of the Ventures DApp reaches final stages

Expansion of the ukiyo Team and its Business Operations
Development of strategic partnerships with leading venture capital and private equity firms, as well as with key players in the DeFi ecosystem

Expansion of PR Campaign
Engaging with a wider audience and building on early success

Q2

Launch of Ventures DApp
Providing users with a unique and compelling platform for investing in innovative projects

Further Community Building
Continuing to engage with the community through Snapshot and fostering a strong community around the original vision

DISCLAIMERS

DISCLAIMERS

The Issuer may decide to delay the start and end of each token offering phase by a period not exceeding 6 months.

The target market for the issuance of the ukiyo token is mainly the user base, collaborators and partners currently or potentially interacting with the ukiyo Protocol.

With this in mind, the target market for these offering, given the utility of holding and using the ukiyo token, i.e. governance rights, are:

- Current and potential retail users of the platform
- Current and potential professional customers of the platform
- Partner brands
- Individuals interested in entering the crypto-asset ecosystem

Token Trading

Given the technological nature of the tokens subject to this issue, once all phases of the private and public offering have been completed, users will be able to buy and sell the tokens with third parties. In this regard, ukiyo Labs will sound out agreements with popular DEX's and CEX's such as Uniswap, MEXC and others to include the token as a tradable asset. Following the growth of liquidity within the platform, and liquidity pools itself, the outsourcing team will seek to identify major CEX platforms as trading partners to ensure greater distribution and liquidity of the $KXO token.

Note* ukiyo Labs will not be responsible or held liable for any losses with regards to malfunction of any service offered by DEX's, CEX's or other third parties in this regard.

Taxes

Each party will be responsible for all direct and indirect taxes levied by the authorities on that party.

Liability

Each party will be liable for any breach of its obligations under these terms. Invalidity of any provision If for any reason any clause or provision of these terms is considered to be invalid, this will not affect the remaining clauses or pro- visions, which will remain in full force and effect.

Legal Structure and Regulatory Framework

The primary operations of ukiyo Labs are based in the United Kingdom, and the registered address is located at 167-169 Great Portland Street, 5th Floor, London, England, W1W 5PF. The organization's parent companies and structure operate in various jurisdictions, holding relevant financial licenses and regulatory approvals that permit us to offer the token offering and multiple DApp services outlined in this white paper.

Security Risks

ukiyo Labs considers security to be a critical aspect of its decentralized product, and the team is committed to implementing robust security measures to address concerns regarding user data confidentiality, anonymity, and asset protection.

In order to establish a secure system, ukiyo strives to match the security measures employed by industry best practices, such as the OWASP secure coding practices, Consensys Ethereum smart-contracts security, Solidity documentation security parameters, and more. The platform has implemented cross-reference oracles, APIs, smart-contracts, nodes, and audits to create a highly secure ecosystem.

To ensure the security of the platform, ukiyo Labs integrates the OpenZeppelin Library as an industry-standard for creating smart contracts that contain community-tested open-source code. All smart-contract functions undergo thorough testing to achieve 100% unit test coverage, and the platform will undertake audits for all smart contracts to test the end-to-end security and accuracy of the operations. This is a common industry standard for enhancing the overall reliability of any given project, particularly since the platform will support high-value transactions.

To conduct mandatory audits of the security code, ukiyo Labs will follow a standard process that includes determining the audit scope and budget, engaging internal and external auditors to run necessary tests, and providing an initial draft of the report to the team of experts and advisors for feedback and follow-ups. After working on the feedback, the audit team will publish the final audit report, and the team will then implement corrective measures or solutions to address the raised issues.

In this manner, conducting regular security audits of the source code will help the platform remain safe and secure from vulnerabilities and security breaches. Some common security vulnerabilities that smart contracts are prone to include: [list common security vulnerabilities].

Reentrancy Attacks:
One of the most harmful security attacks is the Reentrancy Attack, where a smart contract makes a call to an external contract that has not been properly secured. This allows the external contract to recursively call the original contract in ways that are not permitted over the chain.

Function Visibility Errors:
By default, every function's visibility property in Solidity contracts is public. If a developer fails to mark a private function's visibility, every user will be able to view and access it. This can lead to severe vulnerabilities and provide undue advantage over the given function. For example, a contract can easily be destroyed by calling the Destruct function.

Random Number Issue:
Attackers can accurately guess the random number generated by a contract if it uses a publicly known variable as a seed. This can be prevented by conducting a thorough security audit. Additionally, security audits can help to track and correct issues such as misspellings, integer overflows or underflows, timestamp dependency-related vulnerabilities, and other errors. To prevent these security threats, ukiyo mandates periodic security audits.

As a final layer of security, every smart contract will be reviewed for code and accuracy on a mandatory and periodic basis. To start with, the platform will have SSL protection for the basic connection between the platform and every user's browser. Users will also have the option to enable two-factor authentication to securely access the admin panel.

Financial Risks

The native $KXO token, ukiyo Ventures, ukiyo Staking, ukiyo Treasury, kiyo Vault and any future products implicitly involves several risks, some of which are mentioned below, but there may be others. These risks may result in the complete loss of user funds in the protocol, the $KXO utility tokens, or their value. The users and token holder fully assumes and understands all the risks involved with ukiyo services and the ukiyo utility tokens. If the token loses value or anything else happens, under no circumstances will the token Issuer compensate the token holder or service user in any way.

Illiquidity Risk: The token may not be listed on any secondary market or may face a lack of liquidity in OTC markets. The company is not responsible for any fluctuations in the token's market rates, and even if it is listed on a third-party platform, there may be insufficient liquidity or regulatory and compliance risks. As a subscriber, you assume all the risks associated with the speculation and the above risks.

Forward-Looking Information Risk: This document contains forward-looking information, including financial and business growth projections, which are based on reasonable assumptions by the company's management. However, there is no assurance as to the actual results, and future events could differ substantially from those expected.

Unanticipated Risks: Cryptographic tokens are a newly created technology, and there may be other risks associated with their acquisition, storage, transfer, and use, including some that are difficult to anticipate. These risks may materialize with unforeseen changes or combinations of the above risks.

Regulatory Risk: Certain jurisdictions may apply existing regulations or introduce new regulations that address applications based on blockchain technology, which may be contrary to the current configuration of smart contracts and may result in substantial modifications, including the termination and loss of tokens for the subscriber.

Risk of Project Failure or Abandonment: The development of the project proposed by the issuer may be stopped for various reasons, including lack of interest from the market, lack of funding, lack of commercial success or prospects, or competition from other projects. The issue of tokens does not guarantee that the objectives will be fully or partially achieved, and there is a possibility that it may not bring benefits to the holder of the tokens.

Competitive Risk: Other companies may provide services similar to that of the Company, which could have a negative impact on the services provided by the Company.

High-Risk Product: This type of product has high inherent risk, and the value of the tokens may fluctuate up and down, and a subscriber may not recover the capital initially used. The value of investments in any products offered that include ukiyo Ventures, ukiyo Staking, ukiyo Treasury, ukiyo Vault are regarded as high risk, and users should be aware and ready to lose all funds. There may also be changes in taxation and/or possible tax relief. Participation in this type of project must always consider all the information provided by the issuer.

Custody/Loss of Private Keys Risk: The tokens can only be acquired using an Ethereum digital wallet for which the token subscriber has its respective private key and password. If the private key or password for the tokens is lost or stolen, the subscriber may permanently lose access to the tokens, and any third party who has access to the private key could misappropriate the tokens. Any error or malfunction in the digital wallet or token storage system in which the subscriber wishes to receive their tokens could also result in a loss of tokens.

Theft Risk: The smart contracts and the software platform on which they run (i.e., Ethereum) may be exposed to cyber-attacks or hacks by third parties, which could result in the theft or loss of the price paid or tokens subscribed.

Incompatible Wallet Services Risk: The digital wallet service provider or digital wallet used to receive tokens must comply with the ERC-20 token standard to be technically compatible with these tokens. Failure to ensure such compliance may result in the subscriber losing access to their tokens.

Anti-Money Laundering: The issuance of virtual assets is subject to global, including SEC and EU Directive, laws on anti-money laundering and counter-terrorist financing, and operations or transactions with crypto assets are included within the classification of regulated entities.

Data Protection

The processing of personal data for the management of these terms will be carried out in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR). The subscriber acknowledges that they have read and agreed to the terms of the Issuer's Privacy Policy before accepting these terms.

The personal data of subscribers and user registrations on the platform will be processed by ukiyo to ensure the proper management of tokens purchased and sold. The legal basis for this processing is the maintenance of the contractual relationship. The data will be processed for this purpose throughout the contractual relationship and, once the contractual relationship has ended, for as long as liabilities may arise from its processing in accordance with applicable regulations. In this case, in accordance with the regulations on money laundering and terrorist financing, data will be retained for ten years. During this time, the data will be kept blocked to be made available to the competent authorities if required.

The personal data processed will not be communicated to third parties except to public bodies in case that ukiyo Labs receives a justified request from relevant bodies and regulators.

Subscribers may exercise their rights of access, rectification, opposition, erasure, portability, and limitation of processing, as well as revoke the consents given and not be subject to a decision based solely on automated processing of personal data processed by ukiyo Labs by sending a request to privacy@ukiyo.network.

Applicable Law and Jurisdiction: These terms will be governed by and interpreted in accordance with Saint Vincent and the Grenadines law. Commercial law will apply to all matters not expressly provided for, and certain EU laws (e.g., Data Protection) will apply on a supplementary basis.

The subscribers agree to these terms and waive their right to any other jurisdiction that may correspond to them.

Further information on token subscription

The subscriber affirms that they have thoroughly read, comprehended, and received a written copy of this whitepaper and intend to purchase or subscribe to a certain number of tokens based on the established terms. The subscriber acknowledges that these terms do not constitute an offer or an invitation to subscribe, purchase, or acquire tokens by any person in any jurisdiction where such action is not authorized, where the issuer is not qualified, or where it is illegal to make such an offer or invitation. It is not advised to consider the contents of these terms as legal, business or tax advice. Instead, each subscriber should consult their attorney or business and tax advisor regarding any legal, business, tax, and other matters relating to this agreement. The information contained on the Issuer's websites or any linked websites does not form a part of these terms.

The purpose of these terms is to subscribe and issue $KXO tokens. The subscriber purchases a certain number of tokens by making payment to the Issuer, which is then transferred and acquired by the subscriber. The tokens will be delivered and unlocked as per the terms outlined in the whitepaper.

Subscription to the Pre-Sale and Public Sale:

To purchase tokens, the user must be verified by the Issuer or an authorized platform to sell tokens. Users are required to go through the KYC and AML (Know Your Customer / Anti-Money Laundering) process.

The subscriber affirms that they have full legal capacity, power, and authority to execute, deliver and perform their obligations under these terms. The subscriber must make effective payment for the tokens through any payment method offered by the Issuer.

Every subscriber of tokens is obliged to comply with the rules of conduct and web browsing to use the Issuer's website, as well as the terms of the platform. The subscriber is also obligated to act in good faith and declare that they have knowledge and experience in financial and business matters to assess the risks and benefits of accepting these terms and assuming the corresponding rights and obligations. They must also bear the financial risk of the token for an indefinite period of time and are aware that there may be risks associated with accepting these terms.

The subscriber acknowledges and accepts that the development of the Issuer's platform may or may not occur and may be subject to uncertainties and certain risks that may or may not have been disclosed in this document and that may or may not be under the Issuer's control. The subscriber performs this subscription on their own initiative and for their account, and they declare that they are not acting as a representative or agent, nor with a view to distributing or reselling the tokens.

Notices

a. Notice to residents of the EU/EEA

The $KXO token described in this Whitepaper is not a guarantee or a financial instrument as defined in the Markets in Financial Instruments Directive (MiFID II) of the European Parliament (2014/65/EU), securities or other laws of the member states. The token is not a guarantee of any kind and does not represent any right to vote, manage or share in the profits of any entity. The token does not represent ownership of any physical asset and will not be redeemable.

b. Notice to residents of the US

The token offering and issue have not been registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of certain states. The token may not be offered, sold or otherwise transferred, pledged or mortgaged, except to the extent permitted by the Act and applicable state securities laws pursuant to an effective registration statement or an exemption from this statement.

c. Notice to residents of Australia

No SAFT, placing document, prospectus, product disclosure statement, or other disclosure document has been filed with the Australian Securities and Investments Commission in connection with the offer. The SAFT and any documents used in connection with it and any related documents do not constitute a prospectus, product disclosure statement, or other disclosure documents under the Corporations Act 2001. In Australia, someone may only offer the token to “sophisticated investors” or “professional investors” or otherwise in accordance with one or more exemptions contained in the Corporations Act, so that it is lawful to offer the token in compliance with applicable laws.

d. Notice to residents of the People’s Republic of China

The rights to the token are not offered or sold and may not be offered or sold, directly or indirectly, within the People’s Republic of China, except as expressly permitted by the laws and regulations of the People’s Republic of China.

e. Notice to residents of Japan

The token has not been and will not be registered under Japan’s securities or financial laws. Potential subscribers of the token agree not to re-transfer or re-assign the token to anyone who is a resident of Japan, except pursuant to a private placement exemption from registration requirements and in accordance with the relevant laws and regulations of Japan.

f. Notice to residents of the Russian Federation

The SAFT and any related documents are not an offer, or an invitation to make offers, to sell purchase, exchange, or otherwise transfer foreign securities or financial instruments to or for the benefit of any person or entity resident, incorporated, established or that usually resides in the Russian Federation. The SAFT and any documents used in connection with the offer and issue of the token are not advertisements related to the placement of securities or public circulation as determined by Russian law. The token is not intended for placement or public circulation in the Russian Federation. Neither the SAFT nor any other related document has been or will be registered with the Central Bank of the Russian Federation.

g. Notice to residents of Switzerland

The token may not be publicly offered in Switzerland and will not be listed on the Swiss stock exchanges or any other regulated stock exchange or trading facility in Switzerland. The SAFT and any related documents have been prepared without regard to the disclosure rules for issue prospectuses under the Swiss Code of Obligations or the disclosure rules for listing prospectuses. Neither the SAFT nor any related marketing materials may be publicly distributed or made available to the public in Switzerland. The SAFT and any related marketing materials have not been and will not be submitted to or approved by any Swiss regulatory authority, mainly the Swiss Financial Market Supervisory Authority. The token offer and issue has not been authorised under the Swiss Federal Act on Collective Investment Schemes.

h. Notice to Residents of the United Kingdom
If you are in the United Kingdom, the SAFT is only intended for distribution and purchase by investment professionals as defined in article 19(5) of the Financial Promotion Order (FPO), persons or entities described in article 49 of the FPO, certified sophisticated investors as defined in article 50(1) of the FPO, or other persons to whom it may lawfully be communicated. Persons who do not fall into these categories should not take any action in relation to the SAFT or rely on any document used in connection with the SAFT. As a condition for acquiring the token, the person must guarantee to be a relevant person. The SAFT and related documents have not been approved by any regulatory authority in the United Kingdom.

i. Notice to Residents of All Jurisdictions
The offer, sale, possession, or distribution of the token or any related documents may not be permitted in certain jurisdictions, and no action has been taken to permit it in such cases. It is your responsibility to be aware of and comply with any restrictions related to the offering of the token, the SAFT, and related documents in your jurisdiction.

The purchase of the token is not considered to generate any financial return, and it should not be purchased for speculative purposes. Participation in the sale of the token does not involve any expectation of profit, dividends, capital gains, financial return, or any other type of payment or income. The purchase of the token carries a substantial risk of loss, and there is no guarantee that objectives will be achieved or that the tokens will maintain their value within the ecosystem. Any resale of the token must be made in compliance with applicable laws and exemptions from securities requirements.

Important Notice
Please carefully read the following sections titled “Disclaimer of Liability”, “No Representations and Warranties”, “Representations and Warranties by You”, “Cautionary Note on Forward-Looking Statements”, “Market and Industry Information and No Consent of Other Persons”, “No Advice”, “No Further Information or Update”, “Restrictions on Distribution and Dissemination”, and “Risks and Uncertainties”. If you have any doubts about the actions you should take, please consult your legal, financial, tax, or other professional.

Risks: Apart from the security risks mentioned above, it is crucial to understand that the content of this paper is for informational purposes only, and you should not interpret any such information or other materials as legal, tax, investment, financial, or other advice. Nothing in this paper constitutes a solicitation, recommendation, endorsement, or offer by ukiyo DAO S.A, ukiyo LLC, ukiyo Labs Limited (collectively referred to as “Ukiyo Labs”) or any third-party service provider to buy or sell any securities or other financial instruments in this or in any other jurisdiction in which such solicitation or offer would be unlawful under the securities laws of such jurisdiction.

All content on this paper and the ukiyo website is information of a general nature, and nothing constitutes professional and/or financial advice, nor does any information on the website constitute a comprehensive or complete statement of the matters discussed or the law relating thereto. Each reader assumes the sole responsibility of evaluating the merits and risks associated with the use of any information or other content on the paper and website before making any decisions based on such information or other content. By using the platform or whitepaper, you agree not to hold ukiyo Labs, its affiliates, or any third-party service provider liable for any possible claim for damages arising from any decision you make based on information or other content made available to you through the company’s several channels.

INVESTMENT RISKS: Investing in cryptocurrencies, crypto-exchange traded funds, and crypto-venture capital funds involve risk of loss. There are risks associated with investing in cryptocurrencies, and loss of principal is possible. Some high-risk investments may use leverage, which will accentuate gains & losses. Foreign investing involves special risks, including a greater volatility and political, economic, and currency risks and differences in accounting methods. A cryptocurrency or a firm's past investment performance is not a guarantee or predictor of future investment performance.

ADVISOR(S)

This Whitepaper is not intended to be a prospectus or an offer document of any kind, nor is it intended to be a solicitation for investment in securities in any jurisdiction. It does not constitute any opinion or advice to sell, or any solicitation of any offer by ukiyo DAO S.A, ukiyo LLC, ukiyo Labs Limited (collectively referred to as "ukiyo Labs") to use their services or to purchase any tokens, nor should it be relied upon in connection with any contract or investment decision.

No person is obligated to enter into any contract or binding legal commitment in relation to the services offered by ukiyo Labs or the sale and purchase of tokens, and no cryptocurrency or other form of payment should be accepted on the basis of this Whitepaper. Any agreement between ukiyo Labs and any party, in relation to the services offered or the sale and purchase of tokens, will be governed by a separate document setting out the terms and conditions. In the event of any inconsistencies between the terms and conditions and this Whitepaper, the former shall prevail. No regulatory authority has examined or approved the information in this Whitepaper, and no such action will be taken under the laws, regulatory requirements, or rules of any jurisdiction. The publication, distribution, or dissemination of this Whitepaper does not imply that the applicable laws, regulatory requirements, or rules have been complied with. There are risks and uncertainties associated with ukiyo Labs and its respective businesses and operations, as referred to in this Whitepaper.

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(a) You agree and acknowledge that the tokens do not constitute securities in any form in any jurisdiction; (b) You agree and acknowledge that this Whitepaper does not constitute a prospectus or other document of any sort, is not intended to constitute another of securities in any jurisdiction, or a solicitation for investment in securities. You are not bound to enter into any contract or binding legal commitment, and no cryptocurrency or other form of payment is to be accepted on the basis of this Whitepaper; (c) You agree and acknowledge that this Whitepaper, the undertaking and/or the completion of the Initial Token Sale, or future trading of tokens on any cryptocurrency exchange, shall not be construed, interpreted, or deemed by you as an indication of the merits of ukiyo Labs; (d) The distribution or dissemination of this Whitepaper, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations, or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to ukiyo Labs; (e) You agree and acknowledge that in the case where you wish to use the services offered by ukiyo Labs (as specified in the Whitepaper), or purchase any tokens, the services and/or tokens are not to be construed, interpreted, classified, or treated as:

(i) Any kind of currency other than cryptocurrency; (ii) Debentures, stocks, or shares issued by any person or entity.

Cautionary Note on Forward-Looking Statements

All forward-looking statements made by or attributable to ukiyo Labs or persons acting on behalf of ukiyo Labs are expressly qualified in their entirety by such factors. Given the risks and uncertainties that may cause the actual future results, performance or achievements of ukiyo Labs to be materially different from that expected, expressed, or implied by the forward-looking statements in this Whitepaper, undue reliance must not be placed on these statements.

All statements contained in this whitepaper, statements made in press releases or in any place accessible by the public and oral statements that may be made by ukiyo Labs or their respective directors, executive officers or employees acting on behalf of ukiyo Labs (as the case may be), that are not statements of historical fact, constitute “forward looking statements”. Some of these statements can be identified by forward-looking terms such as “aim”, “target”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “would”, “will” or other similar terms.

However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding ukiyo Labs financial position, business strategies, plans and prospects and the future prospects of the industry, in which the ukiyo Protocol is mentioned are forward-looking statements. These forward-looking statements, including but not limited to statements as to ukiyo Labs’ revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this whitepaper regarding ukiyo Labs are matters that are not historical facts, but only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of ukiyo Labs to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements, i.e.:

(a) Changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which ukiyo Labs conducts its respective businesses and operations;

(b) The risk that ukiyo Labs may be unable or execute or implement their respective business strategies and future plans;

(c) Changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;

(d) Changes in the anticipated growth strategies and expected internal growth of ukiyo Labs;

(e) Changes in the availability and fees payable to ukiyo Labs in connection with their respective businesses and operations;

(f) Changes in the availability and salaries of employees who are required by ukiyo Labs to operate their respective businesses and operations;

(g) Changes in preferences of customers of ukiyo Labs;

(h) Changes in competitive conditions under which ukiyo Labs operates, and the ability of ukiyo Labs to compete under such conditions;

(i) Changes in the future capital needs of ukiyo Labs and the availability of financing and capital to fund such needs; (j) War or acts of international or domestic terrorism;

(k) Occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of ukiyo Labs;

(l) Other factors beyond the control of ukiyo Labs; and (m) Any risk and uncertainties associated with ukiyo Labs and their businesses and operations
(each as referred to in the Whitepaper).

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neutral genders and vice versa. References to persons shall include corporations.

Market and Industry Information and Consent of Other Persons This whitepaper contains market and industry information, and forecasts that were obtained from internal surveys, reports, and studies, as well as market research, publicly available information, and industry publications. While the sources generally state that the information they contain is reliable, there can be no assurance as to the accuracy or completeness of the information included. Except for ukiyo Labs, its directors, executive officers, and employees, no person has given consent to the inclusion of their name or other information attributed or perceived to be attributed to them in this whitepaper. Furthermore, no representation, warranty or undertaking is purported to be provided as to the accuracy or completeness of such information by such person, and such persons shall not be obliged to provide any updates on the same. Although ukiyo Labs has taken reasonable actions to ensure the accuracy and context of the information, it has not independently reviewed the information extracted from third-party sources, verified the accuracy or completeness of the information,or ascertained the underlying economic assumptions relied upon therein. Consequently, neither ukiyo Labs nor its directors, executive officers, or employees make any representation or warranty as to the accuracy or completeness of the information and shall not be obliged to provide any updates on the same.

Terms Used

The following terms have been used in this whitepaper to provide a better understanding of ukiyo Labs and its operations. Technical terms, abbreviations, and their descriptions have been used where appropriate, but they should not be treated as definitive or necessarily corresponding to standard industry meanings or usage.

In addition, by accessing and/or accepting possession of any information in this whitepaper or such part thereof, you represent and warrant that:

(a) you have read, understand and agree to all of the terms and conditions set out in this whitepaper; (b) you agree and acknowledge that the tokens do not constitute securities in any form in any jurisdiction; (c) you agree and acknowledge that this whitepaper does not constitute a prospectus or other document of any sort, is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities, and no cryptocurrency or other form of payment is to be accepted on the basis of this whitepaper; (d) you agree and acknowledge that this whitepaper, the undertaking and/or the completion of the Initial Token Sale, or future trading of tokens on any cryptocurrency exchange, shall not be construed, interpreted or deemed by you as an indication of the merits of ukiyo Labs; (e) you agree and acknowledge that the distribution or dissemination of this whitepaper, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to ukiyo Labs; (f) you agree and acknowledge that in the case where you wish to use the services offered by ukiyo Labs (as specified in the whitepaper), or purchase any tokens, the services and/or tokens are not to be construed, interpreted, classified or treated as:

(i) Any kind of currency other than cryptocurrency; (ii) Debentures, stocks or shares issued by any person or entity; (iii) Rights, options or derivatives in respect of such debentures, stocks or shares; (iv) Rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss; (v) Units in a collective investment scheme; (vi) Units in a business trust; (vii) Derivatives of units in a business trust; or (viii) Any other security or class of securities.

(g) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms, and other material characteristics of cryptocurrencies, blockchainbased software systems, cryptocurrency wallets, or other related token storage mechanisms, blockchain technology, and smart contract technology; (h) you are fully aware and understand that in the case where you wish to use the services offered by ukiyo Labs (as specified in the whitepaper) or purchase any tokens, there are risks associated with ukiyo Labs and respective business and operations (each as referred to in the whitepaper); (i) you are fully aware and understand that cryptocurrencies may have tax implications in your jurisdiction, including value-added tax and capital gains tax; and you agree and acknowledge that ukiyo Labs is not liable for any consequences arising from tax implications regarding the services and/or tokens; (j) you are fully aware and understand that transactions regarding the services and/or tokens may be subject to regulations in your jurisdiction regarding barter exchanges; (k) you agree and acknowledge that ukiyo Labs is not liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss.

No Advice
None of the information contained in this whitepaper should be construed as business, legal, financial, or tax advice regarding the ukiyo platform. It is recommended that you seek professional advice from your own legal, financial, tax, or other advisors regarding ukiyo Labs and its services.

No Further Information or Update
No person has been or is authorized to provide any information or representation that is not included in this Whitepaper with respect to ukiyo Labs and their respective businesses and operations (each as referred to in the whitepaper). If such information or representation is provided, it should not be relied upon as being authorized by or on behalf of ukiyo Labs. The services (as specified in the whitepaper) and the private and public sales (as referred to in the Whitepaper) do not represent a continuing representation, and it should not be inferred or suggested that there has been no change or development likely to result in a material change in the affairs, conditions, and prospects of ukiyo Labs or in any statement of fact or information contained in this Whitepaper since its date.

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Risk and Uncertainties Prospective
Users of the ukiyo Protocol (as referred to in this whitepaper) should carefully assess and evaluate all risks and uncertainties associated with ukiyo Labs and their respective businesses and operations (each as referred to in the Whitepaper), all information presented in this Whitepaper, and the T&Cs. If any of the risks and uncertainties materialize, the business, financial condition, results of operations, and prospects of ukiyo Labs could be materially and adversely affected. In such cases, you may lose all or part of the value of the tokens.

ukiyo LLC (the "Issuer") accepts responsibility for the veracity of the contents of this whitepaper and declares that, to the best of its knowledge, the information contained in this document is accurate and true.

The Issuer declares that, in preparing this document, it has taken all reasonable precautions to ensure that, to the best of its knowledge, the information contained in the document is correct and does not omit any facts that may affect the statements made in the document. Taking into account that the island of the Saint Vincent and the Grenadines has not yet passed any legislation that specifically deals with cryptocurrency. It conforms with participating in the ECCB (Eastern Caribbean Currency Union) pilot programme and strongly abides by following international guidelines by using the FATF against money laundering through vigorous KYC, AML, CFT screening.

The Issuer declares that it is a duly incorporated company, validly existing and in good standing under Saint Vincent and the Grenadines law, and has the power and authority to own, hold and operate its assets and rights under a valid legal title and to carry on its business as now conducted.

The execution, delivery and performance of this document by the Issuer is within the objectives and powers of the Issuer, and has been duly authorised by all bodies, shareholders and other bodies necessary for that purpose on the part of the Issue.

The whitepaper and these token terms constitute a legal, valid, and binding obligation of the Issuer, enforceable against the Issuer in accordance with their terms, except as limited by bankruptcy, insolvency, or other generally applicable laws relating to or affecting the enforcement of creditors' rights in general and general principles of equity.

The Issuer has obtained all necessary internal corporate approvals in connection with the execution of this document.