

WHITE PAPER



Twilight-coin.io

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version 1.0

Paradigm shift for Japanese animation.

Twilight Studio Inc. has launched this project for a “paradigm shift for Japanese animation culture.”

We will create a “paradigm shift” in recognition, concepts and values in animation production in Japan through this project.

Twilight studio Inc. will lead this industry-wide change of the Japanese animation to C2C anime production system

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1. A Message from our CEO “Koji Wada”

[Paradigm Shift for Japanese Anime]

Along with the development of the Internet, the number of “Japanese Anime” fans is exploding worldwide. However, anime studios and individual creators, that are the driving force, have been still working on projects in a harsh work environment with very little incentive despite of this global boom. If this condition continues, it is unavoidable that the quality of Japanese anime culture will deteriorate.

We believe that we can make an unprecedented innovation against this severe circumstances surrounding anime creators by utilizing blockchain technology. The creators will be able to deliver their own masterpieces straight to their fans (C2C: Creator to Customer) by creating a mechanism where anime fans in the world can directly support the creators.

We will create a “paradigm shift” in Japanese anime production by constructing a decentralized platform which directly connects the creators and anime fans. And, we will further develop the “Japanese anime culture” created by our great forerunners.

We should stop being so sensitive to some influential stakeholders when working on projects. Let’s create very successful anime together with anime fans, that everyone around the world knows such as “Studio Ghibli works” and “*Your Name (Kimi no na wa)*”, shall we?

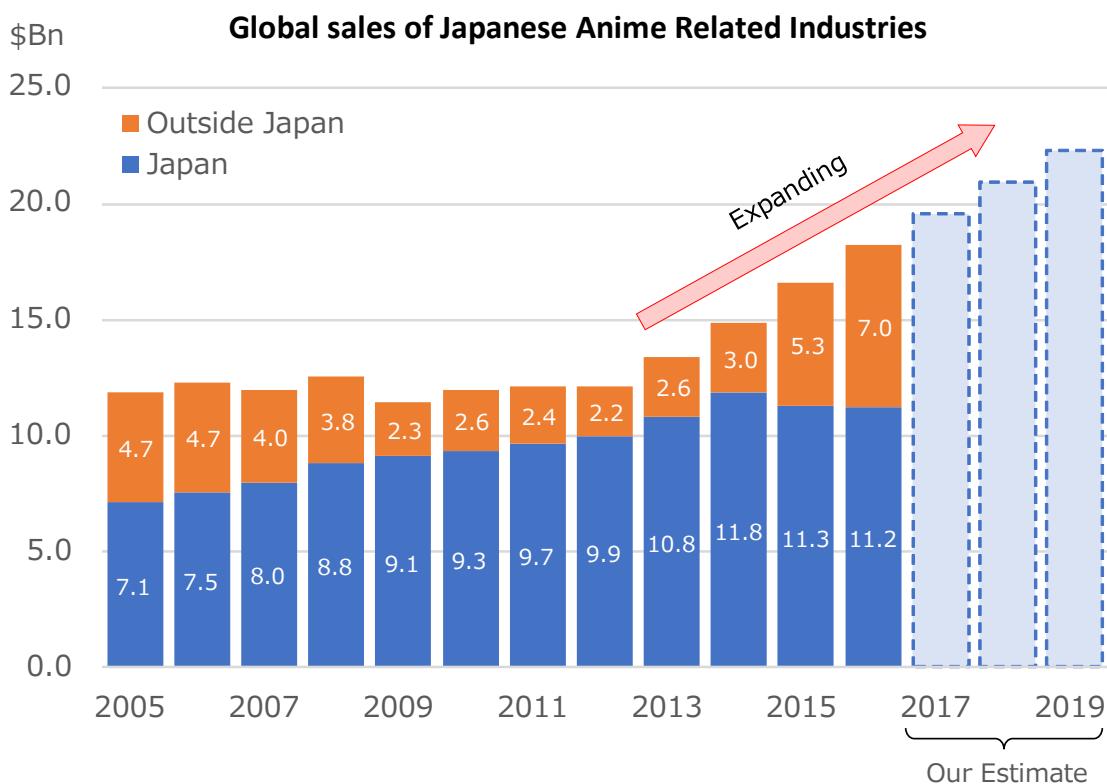
Koji Wada,
CEO, Executive Producer



2. Market Size and Structure of Japanese Anime Industry

2.1. Market Size of Japanese Anime Industry

The global sales related to Japanese anime (total amount of money that fans spend on watching films and purchasing official goods related to anime) are steadily expanding since the 2000s. Even during the period between 2008 and 2012, sales have remained stable despite of the global economic crisis, and then the market has increased rapidly since 2013, which has reached the \$18 billion mark in 2016. The demand for Japanese anime overseas is leading this expansion. Overseas sales of Japanese anime, which was \$2.2 billion in 2012, increased by about 3.2 times to \$7.0 billion in 2016. This rapid growth of the market is expected to continue in the future.

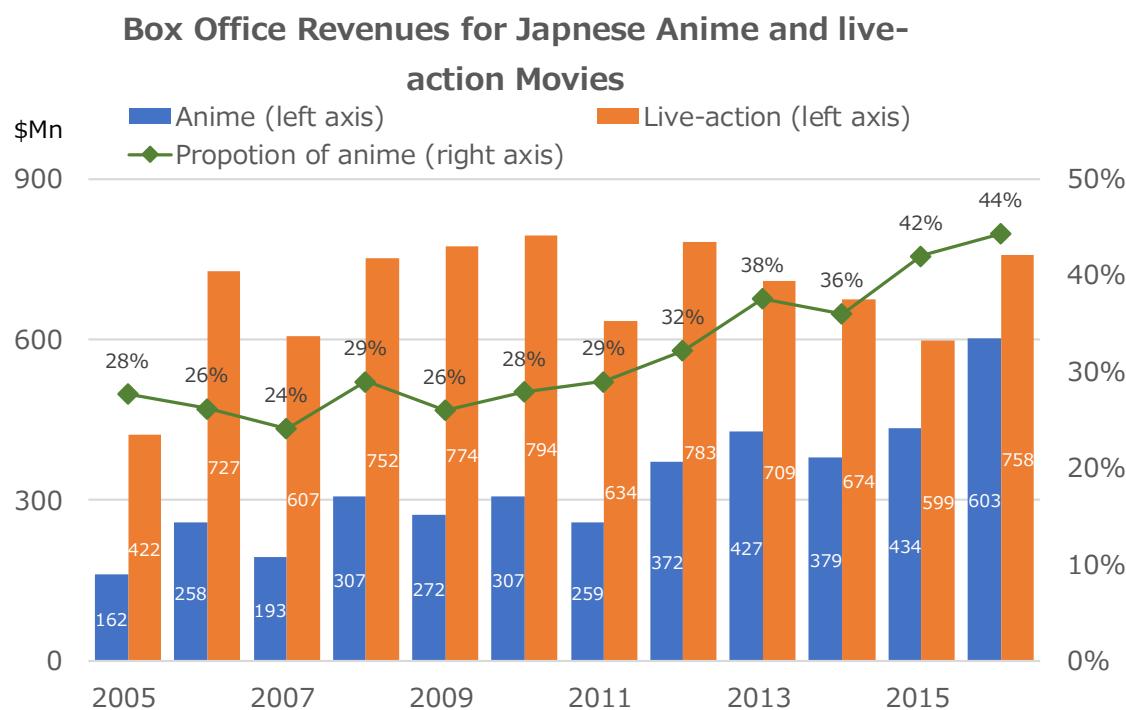


(Source: Anime Industry Report 2017 by the Association of Japanese Animations)

In addition, the share of anime films in Japanese movie industry has been definitely expanding as well. The figure below compares the box office revenue of anime films to that of live-action films in the Japanese movie industry. According to this

figure, while the box office revenue of live-action movies has remained unchanged since 2005, the box office revenue of anime movies has been steadily increasing which has reached 44% in 2016.

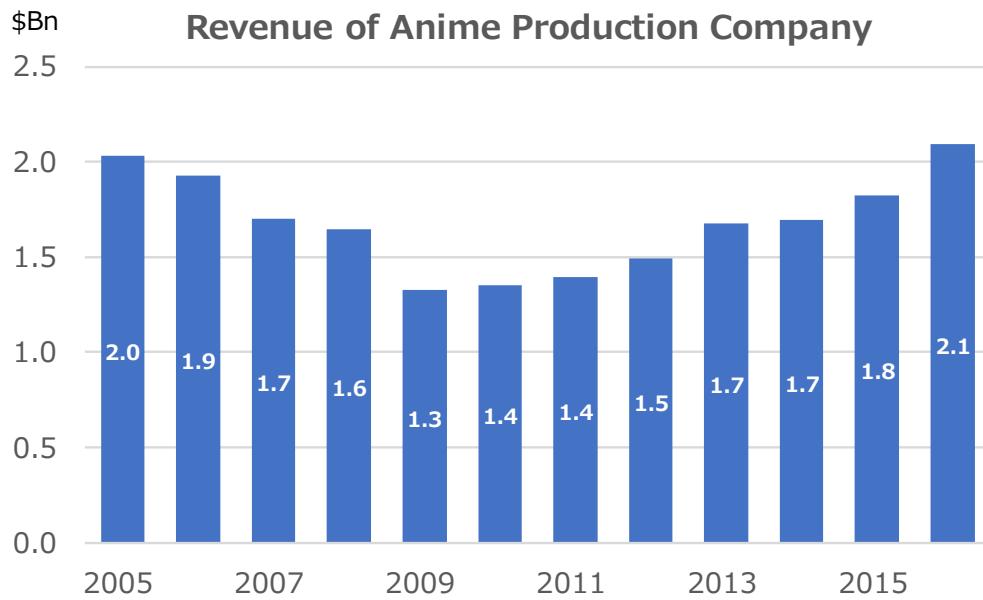
Especially in 2016, “*Your Name (Kimi no Na wa)*” became a blockbuster domestically as well as internationally, and its box office revenue recorded \$230 million, which was the second grossing after “*Spirited Away*.” This indicates that casual fans of anime movies are spreading among ordinary movie fans.



(Source: Anime Industry Report 2017 by the Association of Japanese Animations)

2.2. Increase of “Multi-Leveled Subcontracting Structure” in Anime Production

The figure below shows the trend of earnings of the production companies for anime works which are the driving force of the growing anime market. After the global financial crisis in 2009, the production companies’ earnings have been gradually increasing along with market expansion of the anime industry as a whole, reaching \$2.1 billion in 2016. Nevertheless, this increase is only moderate compared to the increase of the whole Japanese anime industry.

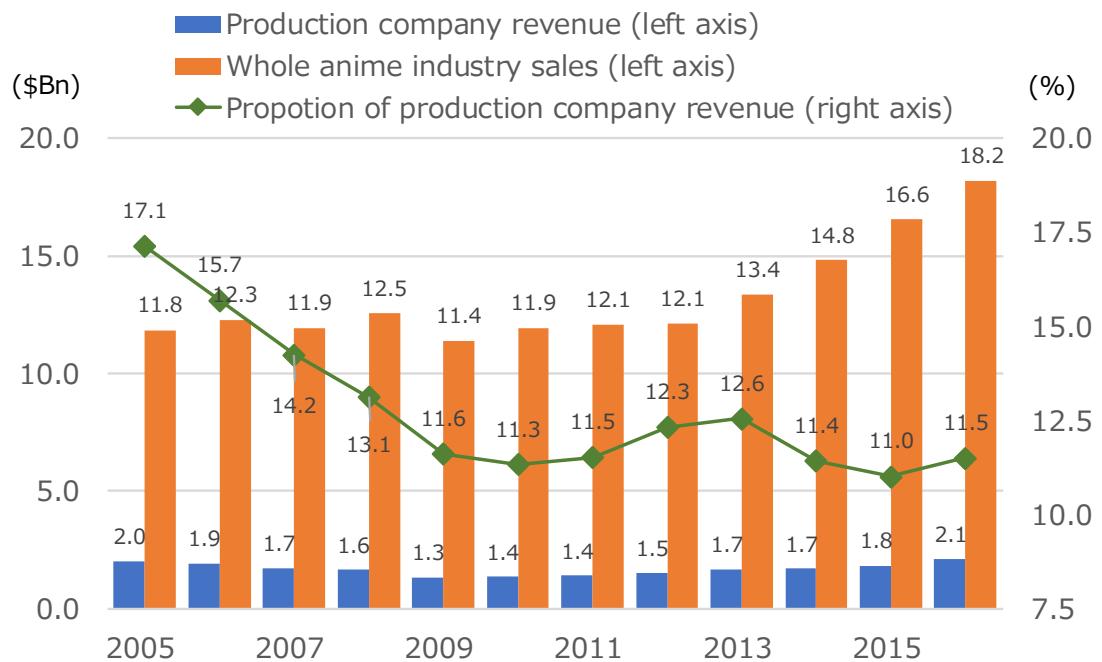


(Source: Anime Industry Report 2017 by the Association of Japanese Animations)

In fact, when looking at the ratio of anime production companies' earnings to whole industry sales, it has been gradually decreasing since 2005 (figure below). This means that anime production companies are not paid sufficiently for their own successful works, and they are exploited by the multi-leveled subcontracting structure of this industry where a project is subcontracted down to the level of production. Moreover, exploitation by this "multi-leveled subcontracting structure" has been steadily expanding since the late 2000s.

Of course, it is understandable that investing companies should receive a certain return on sales as they take investment risks and responsibilities for marketing, etc. However, in reality, the work environment of the anime production is getting worse as the production companies' portion of earnings has been declining year after year. This is because the Japanese anime production companies have become subcontractors who undertake production from investors (production committees). In this situation, studios and individual creators cannot hold any rights, and as a result, they cannot receive appropriate rewards even though they create a successful work. Consequently, they cannot get out of this vicious cycle.

Comparison of Production Company Revenue and Whole Anime Industry Sales



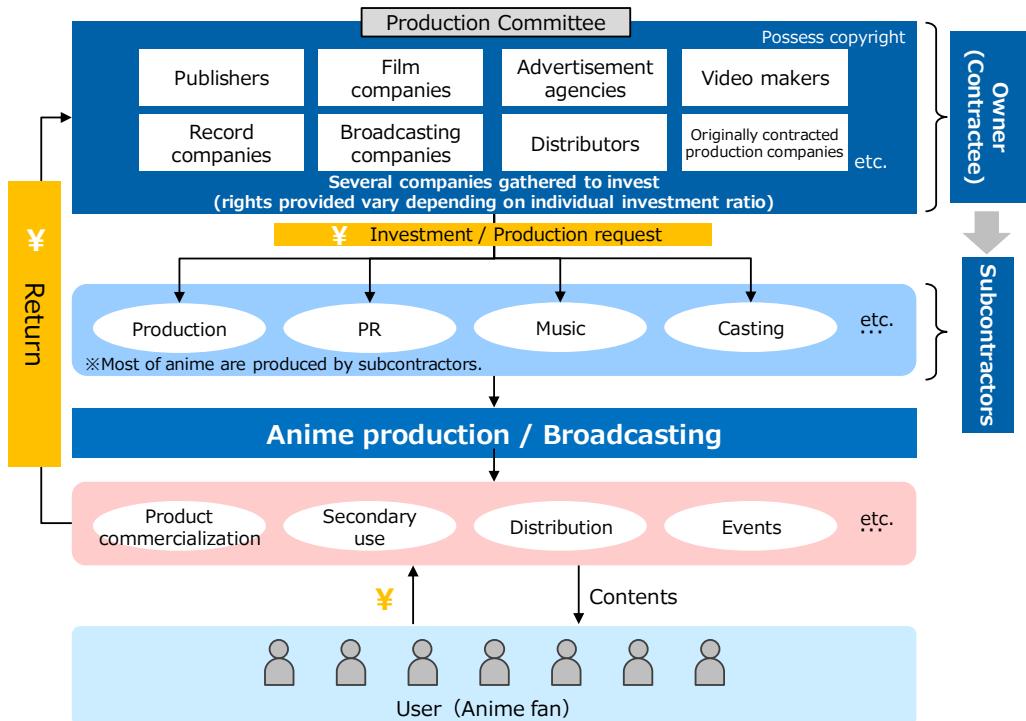
(Source: Anime Industry Report 2017 by the Association of Japanese Animations)

3. Problems in the Current Production Committee System

A large amount of funds is necessary to produce an anime work. It takes about JPY 10 to 15 million to produce a 30-minute animated TV show, and approximately JPY 100 to 200 million (\$0.9-1.8Mn) are required to produce these 30-minute shows for one season (a 13-week run). The common mechanism to secure this production fund in Japan is the “production committee system.” This is a system to create works where several companies such as publishers, advertising agencies, video makers, distributors gather together and contribute funds to organize a production committee, and the funds are distributed to anime studios, marketing companies, music production companies, voice actors, etc. In this mechanism, anime studios are in the position of delivering products to production committees as subcontractors. This system enables investing companies to reduce the amount of contribution to one production committee and diversify the risks by funding multiple committees. On the other hand, the following two problems have become apparent.

3.1. Anime Production Where Voices of Anime fans Do Not Reach

In the production committee system, a production committee, who is an investor, has the initiative in anime production, and anime studios and individual creators are in the position of delivering the ordered works to the production committee. In this system, the production committee, the investor, tends to instruct the creation of anime to be welcomed by some fanatic Influencers with high purchasing power or know-it-all attitude, making it more difficult for creators to produce works that can be accepted by as many people as possible which is what creators truly desire. As a result, planning and production are prioritized to meet the desires of these fanatics at the expense of the general anime fans’ needs.



3.2. Deterioration of the Creators' Work Environment and Lack of Incentives

It is very difficult to predict what kind of anime will be a blockbuster even for investing companies and production committees. For that reason, investing companies avoid a large contribution to a single production committee, and invest in many different production committees instead in order to reduce their risk. Consequently, the production budget per work decreases, long working hours to meet a short lead time become a norm, and the creators' work environment has deteriorated. In addition, small production companies without much financial resources are unable to hold any rights or privileges over their own anime works since they act as subcontractors for production committees. Therefore, even though the product is a success, studios and individual creators do not receive sufficient rewards they deserve from licensing fees, etc., which keeps them in a vicious cycle of this deteriorated work environment.

4. The “C2C Anime Production System” Realized by TWC Project

The “C2C Anime Production System” which is a new way of anime production will be realized in this project. This is based on a decentralized crowdfunding platform in which anime studios and individual creators raise funds directly from general anime fans by issuing and granting digital items and licenses for secondary usage that are recorded on the blockchain. This platform enables creators and anime studios to issue and sell digital items such as autographs, original drawings, audio data, and admission tickets directly to their supporters to raise funds. The raised funds can be used for anime production. In addition, licenses to secondary usage can be issued and managed on the blockchain by utilizing this platform. As a result, the two problems of the production committee system can be solved as follows:

4.1. Creating Products Desired by General Anime Fans (Supporters)

On this platform, anime studios and individual creators release a plan for an anime work to anime fans for fundraising before production starts. The minimum funds required for the production will be set, and the collected funds will be returned if this minimum amount is not reached in this fundraising. Therefore, only works and creators supported by a large number of anime fans will succeed in the fundraising without being swayed by particular fanatics, which will lead to the production of high-quality works desired by general supporters. Furthermore, creators can produce works based on the voices of supporters since the production progress will be periodically shared with supporters. As a result, the environment where supporters and creators are directly connected (C2C: Creator to Customer) can be established.

4.2. Improving Creators’ Work Environment and Securing Incentives

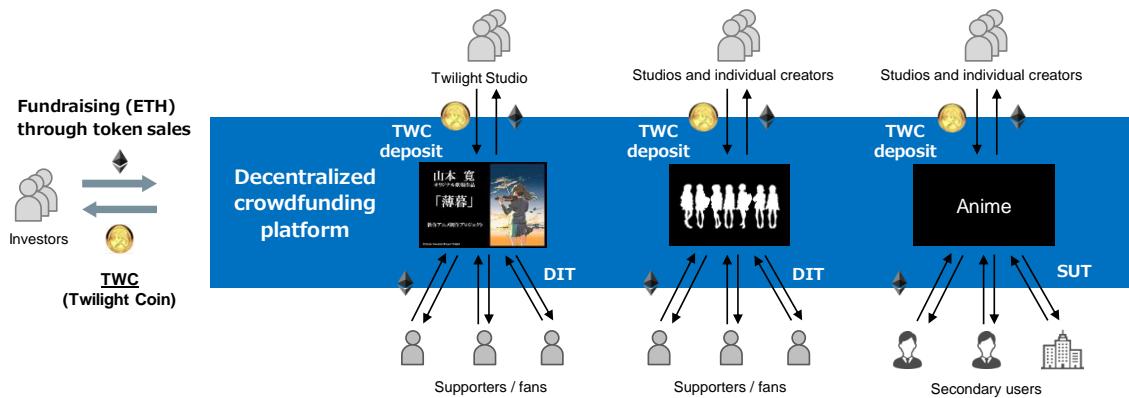
By utilizing this platform, anime studios and individual creators can spend funds collected directly from supporters and secondary users, which will lead to the improved work environment. In addition, since the license of a work belongs to a studio or an individual creator, license fees can be collected from the theatrical release, the platform distribution, sale of the official goods, and such once the work

is released. The direct rewards the studios or the creators receive are strong incentives for them to produce successful works.

5. Decentralized Crowdfunding Platform

5.1. Overview of Platform and Tokens

This is a platform for decentralized crowdfunding that enables anime studios and individual creators to collect funds. Anime studios and individual creators can have the rights to issue digital items by depositing TWC (Twilight Coin) on this platform. They issue digital items (DIT: Digital Item Token) pertaining to their own future and past works recorded on the blockchain and collect funds through the crowdfunding for the items. The issuable digital items are autographs, original drawings, audio data, admission tickets, etc. Also, the secondary usage license (SUT: Secondary Usage Token) of own works can be issued by depositing TWC. This secondary usage license can also raise funds by selling it to secondary users.



The three tokens issued in this project are organized as follows:

TWC: Twilight Coin

This is the token sold during the ICO. Anime studios and individual creators can issue DIT and SUT by purchasing TWC from the ICO or the market and depositing them on the platform. This deposit will be frozen on the platform and will be returned after 18 months. In addition, when executing the crowdfunding, 2% of raised ETH (Ethereum) will be converted to this TWC which will be cancelled from the platform (hereinafter referred to as "burn"). As more creators and anime studios participate in the platform, the amount of the TWC deposit and burn will increase, which will reduce the amount of circulated TWC in the market and improve

its value.

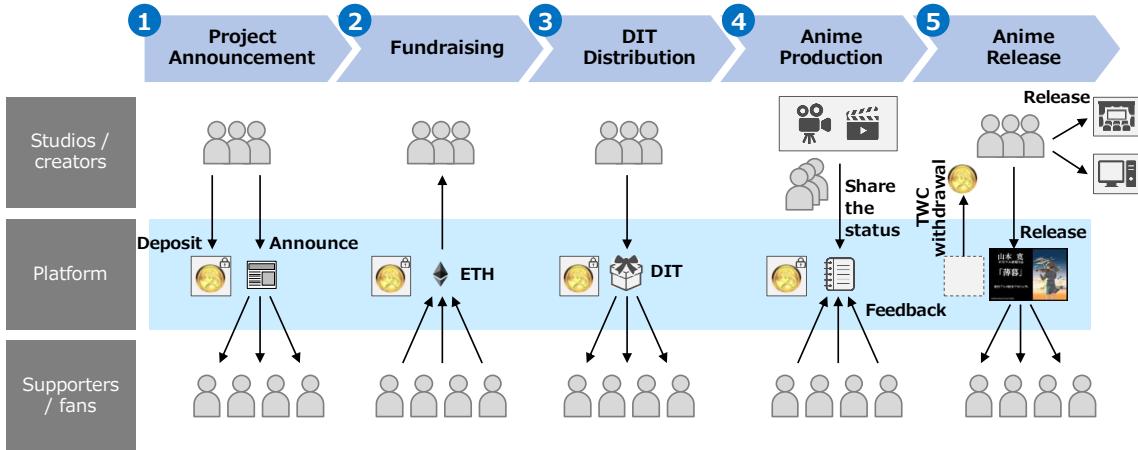
DIT: Digital Item Token

This is the ownership of autographs, pictures, original drawings, audio data, admission tickets and such which is recorded on the blockchain, and it is given to supporters as a way of gratitude for their contribution to support anime studios and individual creators. It is possible to issue very rare digital items that enthusiasts would appreciate since the maximum number of DIT to be issued can be set. We plan to set up a DEX (a decentralized exchange: see 7.2 for details) where these digital items can be traded among users in the future, and they will be able to trade freely once the DEX is established.

SUT: Secondary Usage Token

This token is recorded on the blockchain, and it represents the secondary usage license of a work. Terms and conditions of the granted secondary usage license as well as licensees are recorded, and who has what SUT is opened on the blockchain. Any case where a work is used secondary without owning SUT can be detected on the platform. In addition, as for derivative works (fan arts) such as Dojin (coterie) activities to be enjoyed among anime fans, SUT will be actively provided in order to establish a mechanism where secondary creators (fan artists) can produce under the consent of original creators.

5.2. Flow and Advantages of Crowdfunding by Issuing DIT



A flow of general usage of this platform is as follows:

- ① First, studios and individual creators register their project proposals including their profiles, work overviews, fundraising goals, DIT to be issued, scheduled release dates of pilot films, planned completion dates, etc. on the platform. Next, they make a deposit of TWC on the platform in order to collect funds for the projects. If there is no TWC at hand, they need to purchase it at cryptocurrency exchanges, etc. The amount of the deposit is supposed to be 2,000 TWC (~\$1,000 equivalent calculated with TWC price at ICO) in the beginning of the platform operation. Project proposals are made public to anime fans by making a deposit. Prior to the start of funding, there will be several weeks of project preview when creators can listen to voices of the anime fans, requests about DIT, etc., and the creators can reply to them. This is also useful for detecting inadequate projects.
- ② Anime fans can look through various opinions sent to the project as reference, and if they agree with the project proposal, they pay funds to support the crowdfunding. At this time, anime fans send money in ETH to the ETH address specified by the platform. The platform collects 5% as usage fee, and the remaining 95% is the creator's share. However, the collected ETH will not go to the studios and individual creators immediately, and it will be stored on the platform so that it cannot be withdrawn at once.
- ③ In exchange of their contribution, anime fans receive DIT such as autographs,

original drawings, audio data, admission tickets, etc. whose ownership is recorded on the Ethereum blockchain. These DIT can be valuable since they will be able to be traded between fans at DEX in the future. If DIT of a popular creator or a successful work is issued in a very small number, the value may increases in the future.

- ④ Studios and individual creators can withdraw and convert a part of the collected ETH to fiat currency so that they can start the anime production. This collected ETH can be withdrawn in installments. The withdrawal of ETH at the time of fundraising is up to 50%, and the rest of 50% will be available for withdrawal only if a pilot film is released, and the majority of fans agree to release funds to the studios and creators. The progress of the work is regularly shared with anime fans through the platform. In addition, supporters can send comments on the progress of the work, and studios and individual creators can proceed the project following the voices of their supporters.
- ⑤ Once the works are completed, the creators notify their anime fans. Studios and individual creators distribute their works through TV stations, theaters, online video streaming sites, etc., and the anime fans who hold the DIT of participation privileges can participate in sneak previews.

Advantages for Anime Studios and Individual Creators to Use the Platform

Anime studios and individual creators have the following advantages when using this platform.

- Anime production funds can be obtained directly from anime fans and investors at the planning stage.
- The size of the funds accumulated can indicate how many anime fans supported their own anime project.
- As long as the collected funds are used for the anime production, they can be allocated freely at creators' own discretion.
- There is no need to commit to sales.
- Since creators are licensors themselves, secondary usage license of their

works can be sold on their own initiatives, and direct return can be obtained from the secondary usage.

Positioning of Twilight Studio Inc.

Twilight Studio Inc. is the operating company of this ICO project and also in charge of maintenance and operation of this platform. Further, our first work "*Hakubo (Twilight)*" is currently in production, and it is supposed to be the very first anime film to be released through the platform. However, no further fundraising for "*Hakubo*" by crowdfunding is scheduled. This is for the purpose of raising awareness of the platform and encouraging other studios and individual creators to join by marketing this platform via production and release of "*Hakubo*."

5.3. Difference from Ordinary Crowdfunding

Since this platform is developed and operated as a decentralized application on the Ethereum blockchain, there is no need for centralized administrators including Twilight Studio. There are following features because it is operated autonomously according to the protocol (rules prescribed by the program).

Anime Fans in the World Can Support Creators Using ETH.

When a fan agrees with a project, he/she makes remittance of ETH to creators as a support fund and receives DIT in return. These transactions are completed online, and there is no need to send a physical item or to make international remittance between banks, etc. Therefore, support can be received from different countries. There are many Japanese anime fans around the world, and they are looking forward to anime works of Japanese creators. These anime fans will support fundraising through the crowdfunding, and the creators will be able to share their production progress with their anime fans, complete their projects based on the voices of the anime fans, and communicate with their overseas anime fans.

Low Handling Fee

Major crowdfunding sites in Japan charge 15-20% fees (including payment processing fee) when a fundraising is successful in one project. This is because platforms of these sites are developed by commercial companies taking risks by investing their own funds. On the other hand, this crowdfunding platform raises funds from investors who agree with the project idea at ICO so that fees can be set at the reasonable level. 5% of fee is supposed to be charged when collecting funds by issuing DIT and SUT on this platform. 3% of these fees will be used for maintenance and operation of the platform, and the remaining 2% will be converted to TWC and will be burnt.

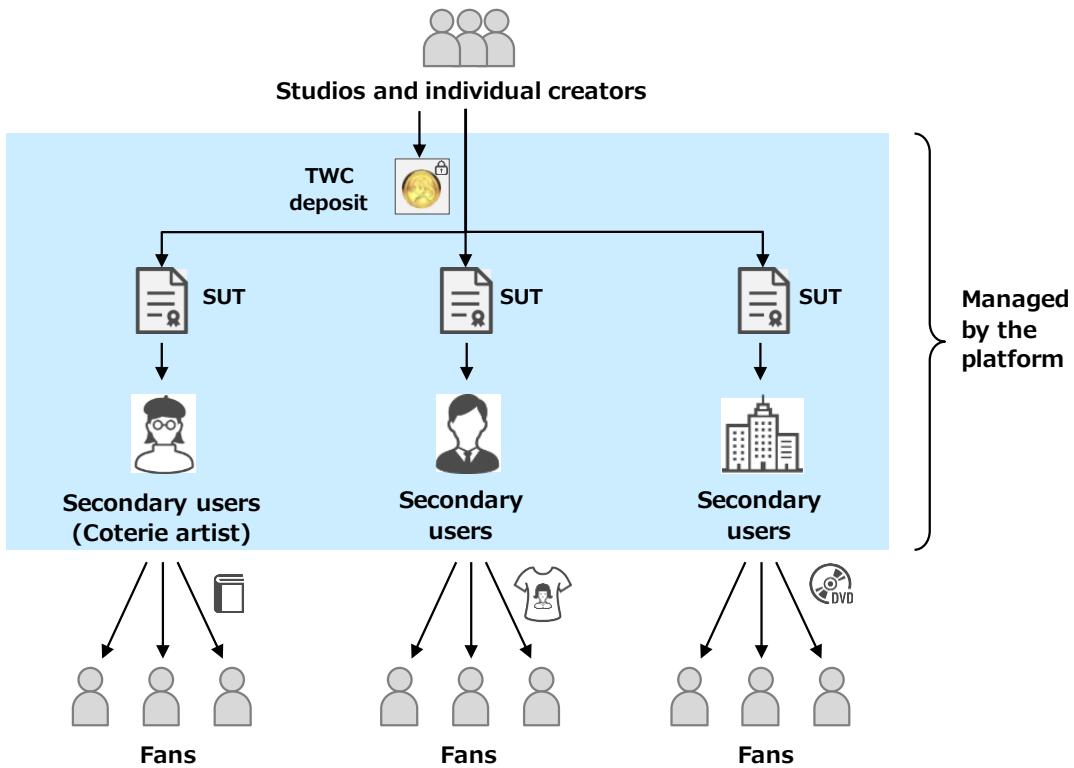
Valuable DIT recorded on the blockchain will be given.

All DITs granted for the support fund of the crowdfunding are recorded on the Ethereum blockchain. We will develop a DEX that can trade these DITs, and once the DEX is established, DITs can be freely traded with a third party, which increases their values. Unlike ordinary crowdfunding, supporters are expected to support creators by contributing a greater amount of money because they can receive valuable DITs, and these DITs will be easily traded at DEX. There have been some cases where about 1 million dollars were raised for one anime project at some major crowdfunding sites such as Kickstarter, etc. Creators are expected to raise the same or more funds for individual anime works through our decentralized crowdfunding platform. In addition, Ethereum on which the ownership of DIT is recorded is a public chain (a blockchain with no restriction on use where anyone can freely browse recorded details), and holders of the ownership (wallet addresses) can be verified any time. Also, even if Twilight Studio Inc., the operating entity of this project, goes bankrupt, the ownership of DIT will be ensured for the future since the ownership will continue to exist on the Ethereum blockchain permanently.

5.4. Issuance and Management of Secondary Usage Token (SUT)

Anime studios and individual creators can issue and grant secondary usage licenses using this platform. Several different types of SUT can be issued according to the

terms and conditions.



In the above, three kinds of SUT have been issued and granted to the secondary users by making a deposit of TWC just like DIT issuance. By issuing several types of SUT for each granted terms and conditions of the secondary usage, it is possible to manage commercialization of official goods of anime works, release of DVDs or Blu-rays, adaptation into comic books, etc. In addition, with regard to derivative works (fan arts) such as Dojin (coterie) activities to be enjoyed among anime fans, SUT will be actively granted in order to establish a mechanism where secondary creators (fan artists) can produce under the consent of original anime studios and individual creators. On this platform, the secondary usage licenses of anime works created with the use of this platform are all recorded in the Ethereum blockchain, and they are open to public. If a group with no secondary usage license produces derivative works without permission, it can be easily detected by using the platform.

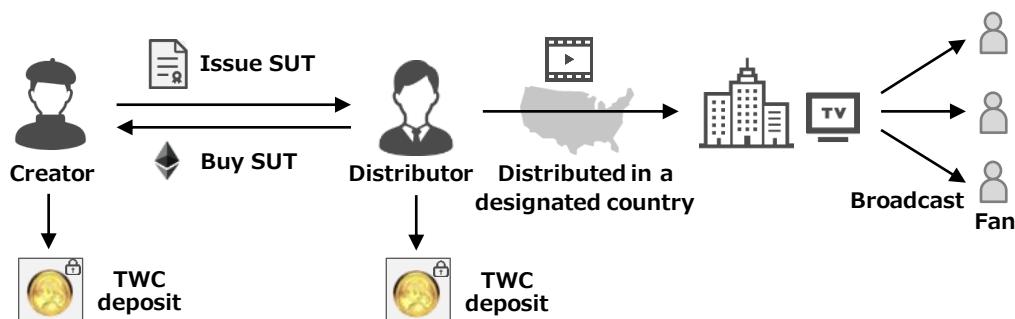
6. Copyright Management

6.1. Rights for TWC holders

On our platform, creators who made a certain amount of TWC deposit get rights to issue DIT and SUT relating to their own anime work. Also, distributor or any other anime-related third party (including investor) can get the rights to negotiate to buy SUT by making a TWC deposit. All of the rights can be received by making a TWC deposit for a certain period.

Rights	Expected user	Required deposit
DIT issuance	Creator	2,000 TWC
SUT issuance	Creator	20,000 TWC
Negotiation for SUT acquisition	Distributor, or anime-related third party	20,000 TWC
Vote for project	All TWC holders	200 TWC

Let's see how to issue and transfer SUT of anime broadcasting rights, for example, in the figure below. At first, a creator deposits 20,000 TWC in the platform to issue SUT of their own anime. (This can be done both before or after the anime production is finished.) A distributor, or any other anime-related third party can get the rights to negotiate to buy SUT by making a deposit of 20,000 TWC. After the negotiation, the distributor can buy the SUT for a designated country, and distribute it to a designated country/region.



When a creator issues SUT on the platform, he/she can freely set the price of SUT for each country as illustrated in the table below. There will be standard prices already pre-set, so the creator easily decides prices.

SUT	Rights for...	North America			Asia		...
		Canada	US	Mexico	China	Japan	...
Broadcasting		\$XX,000	\$XX,000	...	...	...
Screening		\$XX,000	\$XX,000	...	...	...
VOD		\$XX,000	\$XX,000	...	...	...
Home Video		\$XX,000	\$XX,000	...	...	...
Merchandising		\$XX,000	\$XX,000	...	...	...
Gaming development		\$XX,000	\$XX,000	...	...	...



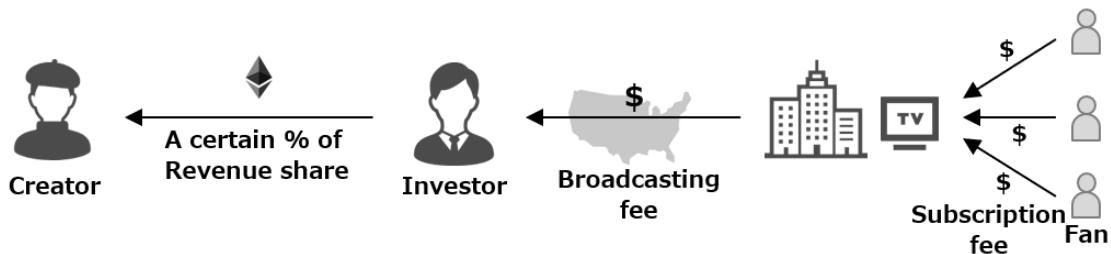
Creator can set each SUT price for each country on the table above.



Distributor choose and buy each SUT for each country from the table above.

All of these SUTs are not exclusive. After a distributor buys one of the SUTs, it will still be available for another investor. Here TWC holders can easily get to know who already has the SUT for each country on the platform.

After distributing the anime in the designated country/region, distributor can receive broadcasting fee from TV broadcasting company. Then the distributor must report the revenue from TV broadcasting company on the platform, and need to pay a certain % of revenue, which is agreed between creator & investor in advance, as revenue share.



*As for the rights of “Hakubo”, which is the first work on our platform, all of SUTs for Japan is already owned by Twilight Studio Inc., so SUTs for Japan will not be issued. This is because Twilight Studio Inc. financed the production of “Hakubo” as their own investment, in addition to the crowdfunding at Campfire (please see 8.2).

6.2. Investor who has a large amount of TWC

Those who have more than 1,000,000 TWC automatically get the SUT of merchandising & gaming development for all of anime works launched on the platform. Therefore any large TWC holder can freely merchandise or develop games of anime works launched on the platform all over the world.

*This ownership will be also valid to the SUT of “Hakubo” for Japan. So any large TWC holder can freely merchandise, or develop games of “Hakubo”, and distribute to Japan.

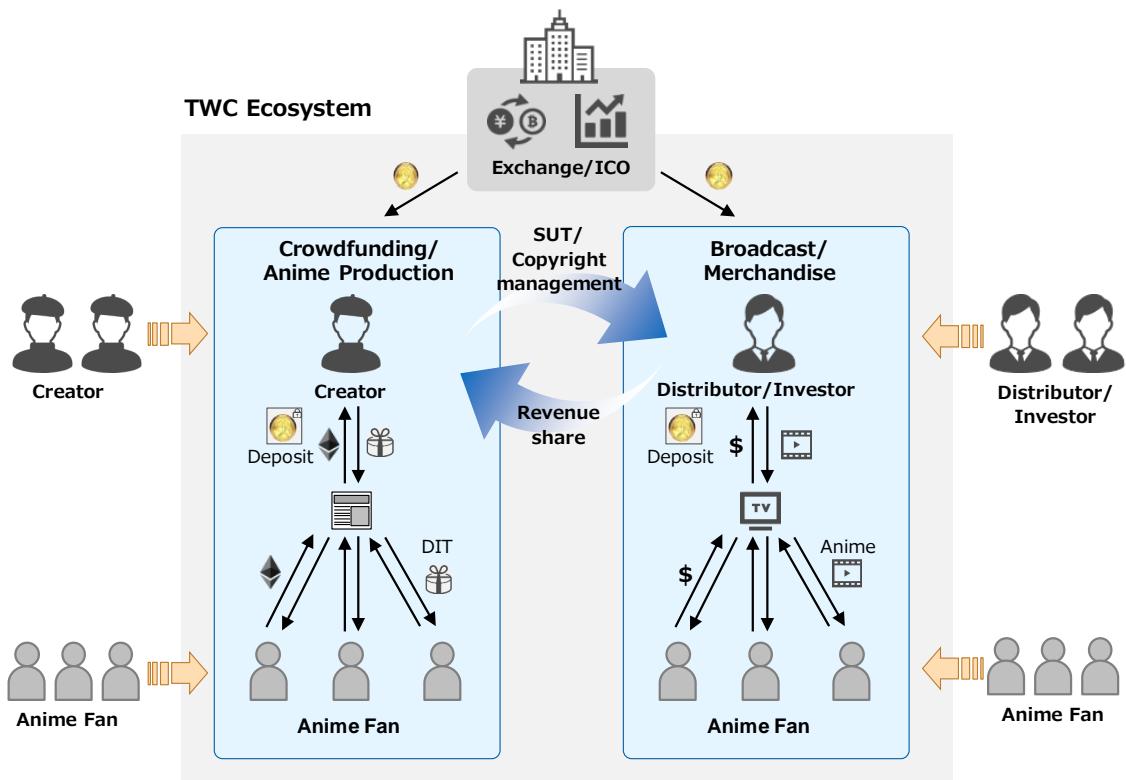
SUT	North America			Asia			...
	Canada	US	Mexico	China	Japan		
Broadcasting	\$XX,000	\$XX,000	...	...	...
Screening	\$XX,000	\$XX,000	...	...	...
VOD	\$XX,000	\$XX,000	...	...	...
Home Video	\$XX,000	\$XX,000	...	...	...
Merchandising	\$XX,000	\$XX,000	...	...	...
Gaming development	\$XX,000	\$XX,000	...	...	...

Large investors with 1,000,000 TWC owns these two SUTs globally for all of the anime works launched on the platform.



7. Token Ecosystem

TWC's token ecosystem is composed of two parts, Anime crowdfunding platform, and SUT/copyrights management platform, as illustrated below;



In this chapter, we focus on creators and fans in terms of crowdfunding, and discuss what are the main motivation for them to participate in this platform.

7.1. Mechanism of Increasing the Value of TWC

Anime studios and individual creators need to make a deposit of TWC in order to launch crowdfunding using the platform. This deposit is kept on the Ethereum contract for 18 months, and it will be released to the anime studio or the individual creator. Until then, TWC is not allowed to be transferred. Further, a 5% fee will be collected when a support fund in ETH is received by the crowdfunding. Of this fee, 3% is used for overhead such as maintenance and management of the platform, and 2% is converted to TWC on the market and burnt. By this mechanism, the amount of TWC circulated in the market will decrease, and the value per 1 TWC will increase as a result when more and more creators and anime studios participate in the platform.

The number of studios and creators participating in the platform increases.



The amount of TWC deposits and collected funds through crowdfunding increases.



The amount of circulated TWC in the market decreases due to TWC deposits and burning of fees when fundraising.

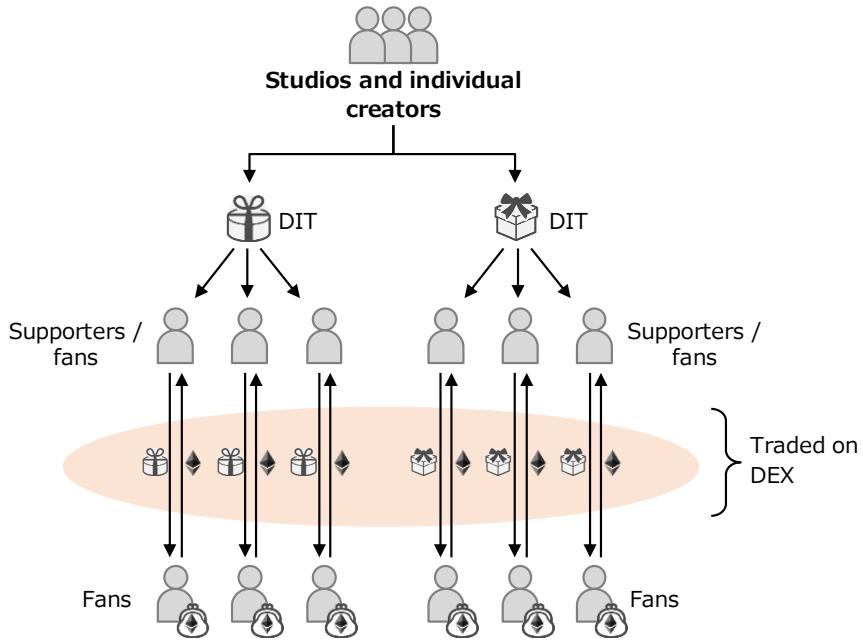


The value of 1 TWC increases

Similarly, a deposit of TWCs is necessary when issuing SUT by using the platform. A 5% fee will also be collected for issuing SUT, and 2% of that will be converted to TWC and burnt. As a result, the circulated amount of TWC in the market will also decrease in issuing and managing SUT.

7.2. Secondary Distribution of DIT in DEX

When anime fans support anime studios or individual creators through crowdfunding, DIT such as autographs, photographs, original drawings, audio data, and admission tickets can be offered in exchange. Since these are rare items, they are highly valuable and attractive for enthusiastic anime fans. We will develop a DEX (*) where these DITs can be directly traded between users. When an anime work is actually released and becomes a blockbuster, original drawings, audio data and others that have been issued in small quantity can be much more valuable as the work gains popularity. Therefore, supporters of crowdfunding can obtain funds by selling DIT on DEX.



*DEX (Decentralized Exchange) is a marketplace where users can directly trade cryptocurrencies as well as digital assets with each other. Unlike ordinary cryptocurrency exchanges, DEX is known for its high security because a private key to sign the transactions does not have to be shared with the exchange, and a user can send digital assets directly to the wallet of the other party from his own wallet.

Secondary Distribution of DIT in Japan

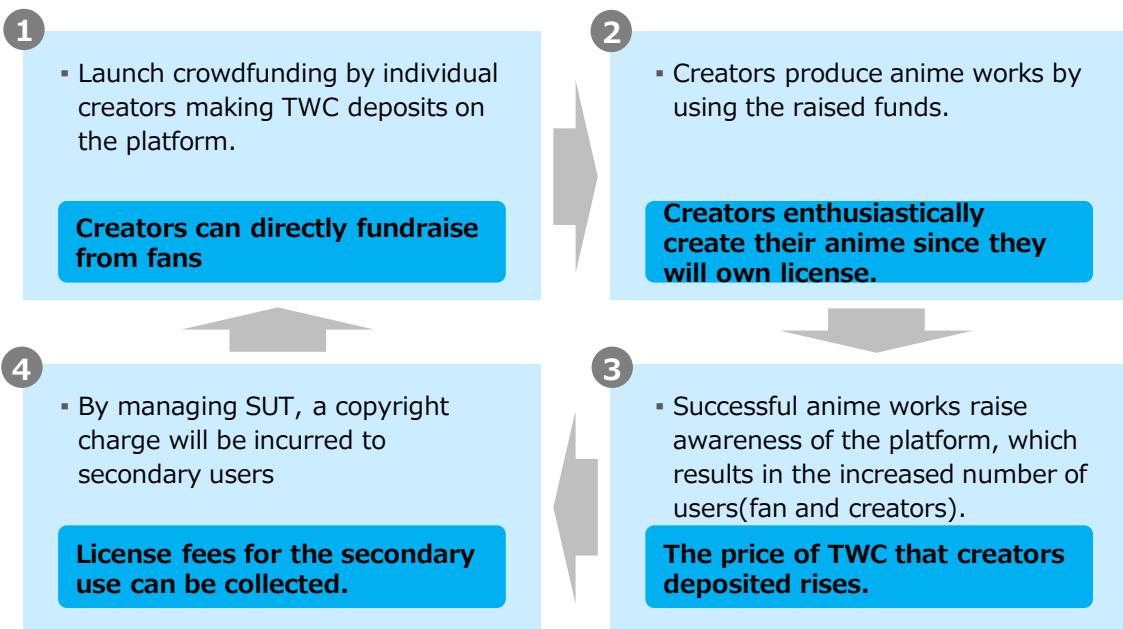
Under the Japanese laws, the exchange of digital assets can only be exercised at the cryptocurrency exchanges that are certified and registered by Prime Minister (each regional Finance Bureau). Therefore, it is planned that DIT in Japan will be issued with restriction of transfer, and transactions with an issuer will only be allowed. In the future, we are considering cooperating with the registered cryptocurrency exchanges and developing an environment where P2P transactions can be done freely among anime fans in the world.

7.3. Incentive System for Platform Participants

Incentive System for Studios and Individual Creators

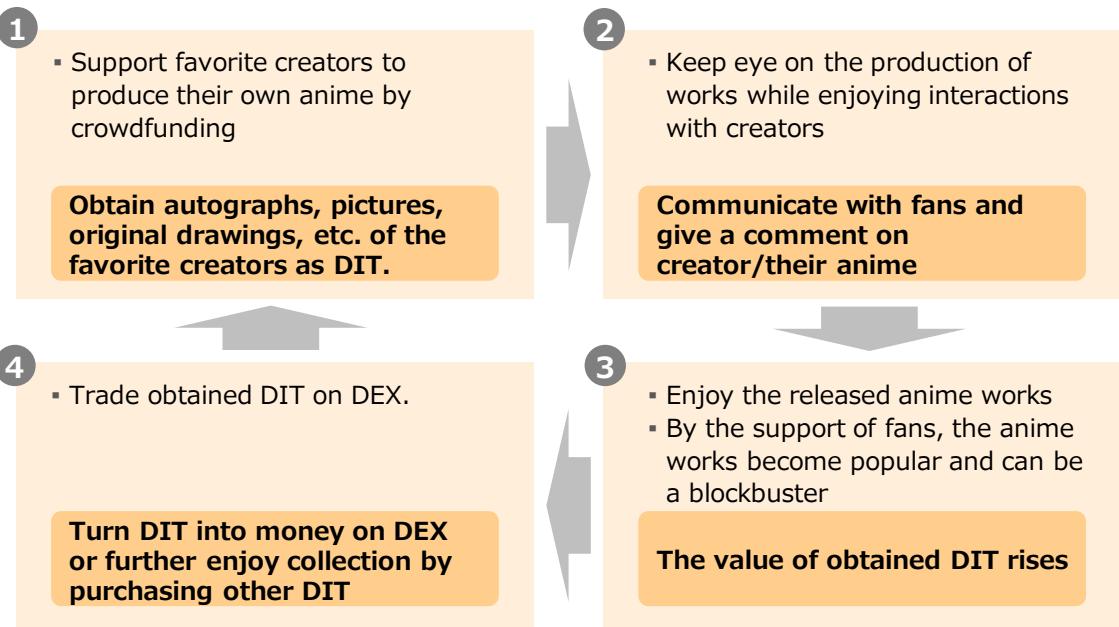
A work produced with the funds raised by this platform are owned by the studio or

the creator to whom its license belongs, thus license fees for secondary usage can be collected by selling the SUT of that work. This works as an incentive for studios and creators to produce blockbusters. In addition, studios and creators make deposits of TWC during crowdfunding, which is not only a deterrent against fraudulent projects but also an incentive for them to produce successful works, to promote and bring other creators to join, and to take any other measures to raise use value of the platform. This is because the value of TWC they deposited increases as the number of platform users increases, which accordingly increases the amount of TWC deposits and burns.



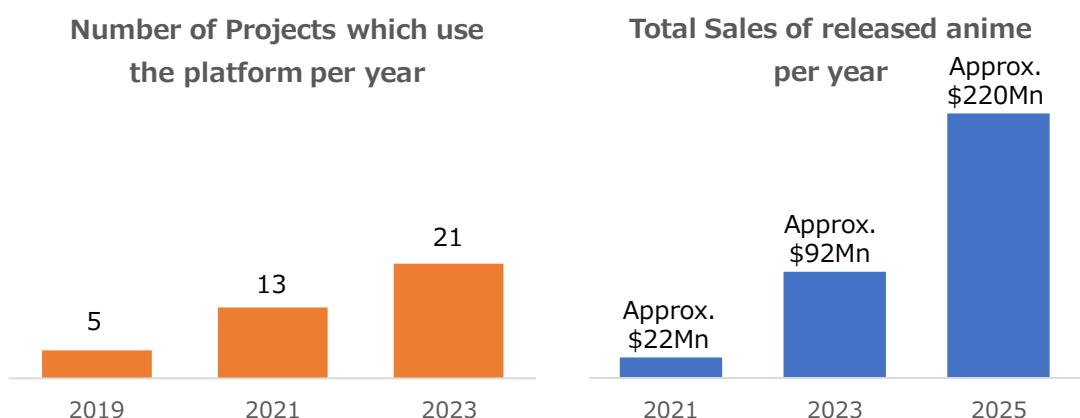
Incentive System for Supporters and Anime fans

DIT that anime fans receive for their support during crowdfunding are valuable and will be able to be traded at the DEX. Each DIT has the maximum number to be issued and has high rarity; therefore, value of DIT increases if the work they support becomes a great commercial success or the creator they support becomes popular. They can obtain money by trading their DIT at DEX or enjoy collecting them by purchasing other DITs.



7.4. Prospect of Platform Expansion

This platform is expected to start operating the beta version in the second quarter of 2019 and the commercial version in the fourth quarter of 2019. At first, the second work planned by Twilight Studio Inc. is supposed to launch a fundraising on the platform, and other creators and studios will join after that. We aim to have a total of 21 various projects of all sizes launch fundraising on this platform and produce anime in 2023. These works will be released in theaters, on TV, on video distribution platforms, etc. after about 2 years of production period. In 2025, sales of the works produced through this platform are expected to reach approximately \$220 million. This corresponds to 0.3% of the world's anime related sales in 2025, which is 2.5% of overseas sales of Japanese anime (estimated from the data of the Ministry of Economy, Trade and Industry as well as our own analysis). Since creators are licensors, a certain amount of revenue is anticipated by issuing SUT through this platform and properly managing the secondary usage privileges. By doing so, it is expected that the needs of TWC will expand with the increase in use value of the crowdfunding platform as well as the value of TWC will be raised by the burnt TWC of the fees for SUT sales.



(Source: Based on our own analysis)

8. The First Work on our Platform “*Hakubo*”

8.1. Animation Director Yutaka Yamamoto



Director and CCO (Chief Creative Officer), Twilight Studio Inc.

Yutaka Yamamoto

Profile of Yutaka Yamamoto

He was born in Osaka in 1974.

After graduating from Faculty of Letters, Kyoto University, he joined Kyoto Animation Co., Ltd. Studied directing under Yoshiji Kigami. His first directing work was “*POWER STONE*.” Since then he has engaged in numerous works including “*Shukan Story Land (Weekly Story Land)*” and “*Atashin’chi (My Home)*.” He participated as a series director for “*Suzumiya Haruhi no Yuutsu (The Melancholy of Haruhi Suzumiya)*.” He also wrote lyrics of a soundtrack, “*Koi no Mikuru Densetsu (The Mikuru Legend of Love)*” and directed ending songs of “*The Melancholy of Haruhi Suzumiya*.” This ending animation became a big boom all over the world as the “*Haruhi Dance*” phenomenon. His first directed work was “*Lucky☆Star*” (animation) in 2007. He founded an animation production company, Ordet Co., Ltd. in the same year, and became a president and representative director. Besides

animation, he has shown his various talents in lectures and writing in numerous media. He directed a live-action movie, “*Watashi no Yasashikunai Senpai (My Unkind Senpai)*” in 2010 and won the the 2010 TAMA Best Up-and-Coming Director Award. A series novel “*Einsatz*” in “*Monthly Animedia*” was published. He was elected as one of “100 people who change Japan!” published in the “February 2, 2010 issue of *DIME* magazine.”

Since the Great East Japan Earthquake struck on March 11, 2011, he has been actively involved in reconstruction support and charity activities.

List of Major Works

- 2006 Series Director of “*The Melancholy of Haruhi Suzumiya*” (1st season of anime TV series)
- 2006 Storyboarding and appearing on TV Commercial (Live-action) of “*The Melancholy of Haruhi Suzumiya*”
- 2008 Director of TV episodes from 1 to 4 of “*Lucky☆Star*” (anime TV series)
- 2008 Director of “*Kannagi: Crazy Shrine Maidens*” (anime TV series)
- 2010 Director of “*My Unkind Senpai*” (live-action movie)
- 2011 Director of “*FRACTALE*” (anime TV series)
- 2012 Director of “*blossom*” (Internet distribution)
- 2013 Director of “*Senyu (Solder and Hero)*” (anime TV series)
- 2013 Director of “*Miyakawa-ke no Kuufuku (The Miyakawa Family’s Hunger)*” (Internet distribution)
- 2014 Original draft and director of “*Wake Up, Girls! Seven Idols (Movie)*” and “*Wake Up, Girls! (TV)*”
- 2014 Director of “*Ai (Love)*” (live-action, aired in the “OV Directors” on JOCX-TV)
- 2015 Original draft and director of “*Wake Up, Girls! Seishun no Kage (Shadow of Youth)*” (Movie) and “*Wake Up, Girls! Beyond the Bottom (Movie)*”

8.2. Overview of “*Hakubo (Twilight)*”

【Currently working intensively, planned to be released in 2019】



©Yutaka Yamamoto/Project Twilight

This is an animation set in Iwaki, Fukushima and is a story about boys and girls who live a life in Fukushima. Director Yutaka Yamamoto has created so far “*blossom*” set in Otsuchi town, Iwate prefecture, and “*Wake Up, Girls!*” set in Sendai city, Miyagi prefecture. This work, “*Hakubo*” is an animation which is the last piece of “Tohoku

Trilogy" by Yutaka Yamamoto, and it is a remarkable work already receiving over JPY 21 million of support from crowdfunding through "Campfire."

Official twitter of theatrical animated movie "*Hakubo*"

https://twitter.com/twilight_anime

Hakubo project crowdfunding page

<https://camp-fire.jp/projects/view/11715>

Official website of Twilight Studio Inc.

<http://twilight-anime.jp/>

Official twitter of Twilight Studio Inc.

https://twitter.com/studio_twilight

9. Overview of Token Sale

Token Name	Twilight Coin	
Token Symbol	TWC	
Token Type	ERC20	
Standard Sales Price	1 ETH=5,000TWC	
Total TWC Issued	1,000,000,000 TWC	
Percentage of TWC for Sale	50% (500,000,000 TWC)	
Pre-Sale	Start Date	To be announced
	End Date	To be announced
	Minimum Investment	ETH (*) equivalent to \$5,000
	Bonus	Additional 30% will be granted to purchased token amount
Crowdsale	Start Date	To be announced
	End Date	To be announced
	Minimum Investment	ETH (*) equivalent to \$100
	Bonus	None
Amount of Tokens to Be Sold	The number of tokens to be sold is calculated by subtracting the amount of tokens sold at the pre-sale from the total tokens for sale.	
Unsold TWC	Unsold TWC will be proportionally allocated through airdrops based on the individual purchased amount.	
Soft Cap	ETH (*) equivalent to \$1.5Mn	
Hard Cap	ETH (*) equivalent to \$20Mn	
Accepted Crypto Currency	ETH	

* ETH-USD rate will be announced before the pre-sale on our official TWC website.

**Purchased TWC amount will be rounded down to the third decimal place

Soft Cap and Hard Cap

It will be announced on our official SNS account as well as our official TWC website if the ICO reaches a soft cap or a hard cap. If the collected funds do not reach the soft cap, the ETH sent from the purchasers of TWC will be fully returned to each individual purchaser.

KYC/AML Process

The KYC/AML process will be implemented in all token sales. The process details will be announced on our official TWC website.

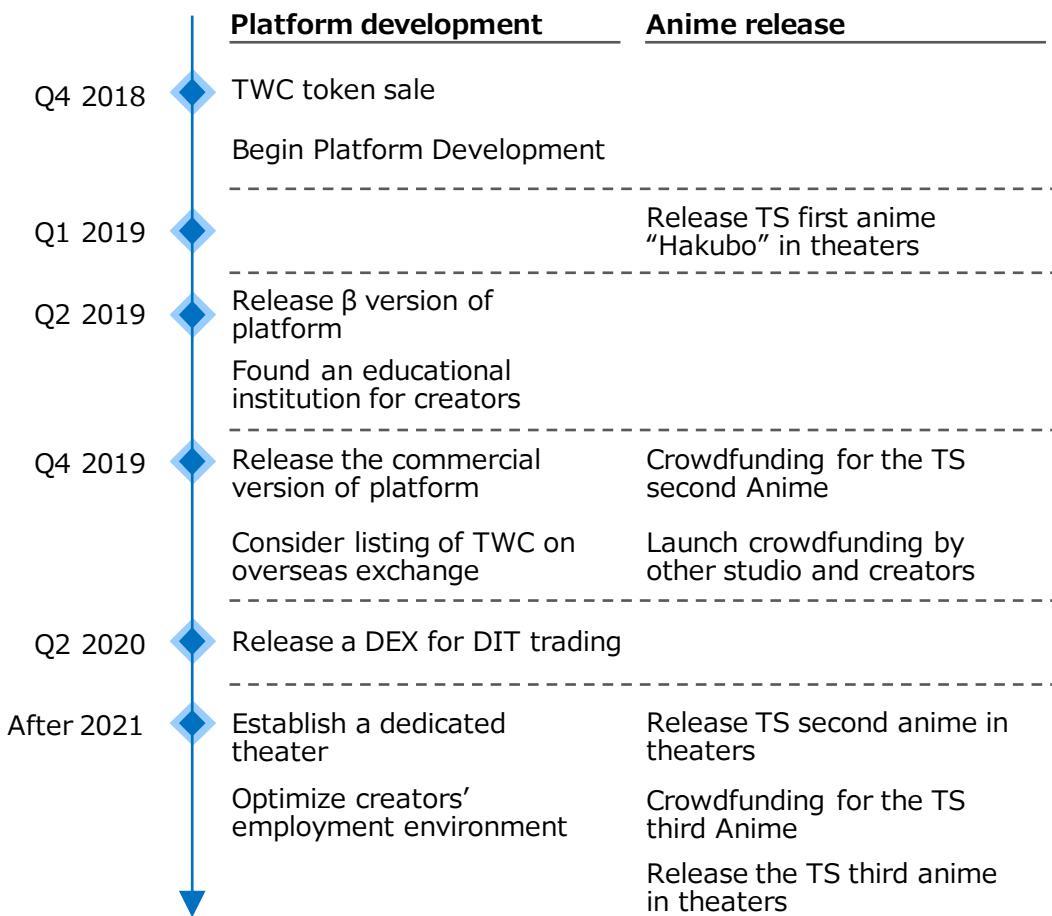
Countries Subjected to Pre-Sale and Main Token Sale

Residents of the **United States, Japan, Thailand, Korea, and China** are excluded from the pre-sale and the main token sale.

Listing on Cryptocurrency Exchanges

We do not aim for early listing TWC on cryptocurrency exchanges in Japan or overseas. This is because the severe fluctuations are caused by speculative transactions if it gets listed prior to the launch of the platform. We believe that this does not represent the intention of our supporters who support our project and purchase TWC. In consideration of the original purpose of TWC, which is the development of the crowdfunding platform for anime production, we are considering listing it on cryptocurrency exchanges after launching a commercial version of the platform (scheduled for the fourth quarter of 2019).

10. Project Roadmap



This roadmap is a preliminary plan for the present time, and its details and the timing of its implementation may be subject to change. In addition, the functions to be implemented on the platform and other plans will vary depending on the amount of funds collected through the token sales (refer to 12.2 for more details).

11. Project Team

11.1. Team Member Profile



Koji Wada
CEO, Executive Producer
Twitter: https://twitter.com/misoman_jp

<Profile>

Born in 1986.

2009 Founded Tsukasa Seika

2010 Established Tsukasa Seika Co., Ltd. and assumed the office of representative director

2013 Started services of “Anime Sugar,” a specialized anime character cake shop, utilizing the anime official licenses

2017 Launched the theatrical animated movie “*Hakubo*” project, and currently working on it diligently

April 2018 Assumed the office of CEO of Twilight Studio Inc.



Mitsuhiko Ito
Animation Producer

<Profile>

Born in 1986.

January 2014 In charge of general affairs and product development at Ordet Co., Ltd., took an position of assistant producer of “*Wake Up, Girls! Zoo.*”

2016 Worked as a production producer at encouragefilms Co., Ltd.

July 2017 Assumed the office of COO of Twilight Studio Inc.



Yutaka Yamamoto
Animation Director

<Profile>

Born in 1974.

After graduating from Faculty of Letters, Kyoto University, he joined Kyoto Animation Co., Ltd.

Studied directing under Yoshiji Kigami.

2007 Founded Ordet Co., Ltd., and assumed the office of president and representative director.

July 2017 Assumed the office of the Director & CCO, Twilight Studio Inc.



Ryosuke Ujihara
Marketing Director

<Profile>

Born in 1986.

Graduated from Waseda University majored in mathematics, Department of science, School of Education.

MBA in Business, Waseda Business School, Waseda University.

2009 Engaged in EC consulting, planning and strategy formulation work at Rakuten Inc.

2015 Founded VIART Inc., and assumed the position of representative director & CEO

2018 Merged with Crescent Co., Ltd., and assumed the position of representative director



Yoshihiko Shiraishi
Blockchain Consultant

<Profile>

Born in 1962.

Master of Engineering in Electrical Engineering, School of Science and Engineering, Waseda University

Obtained MBA from the George Washington University, USA.

After engaging in international and B2C work at NTT, he moved to a VOD venture company and has served as CFO and CEO. Thereafter, he assisted venture companies such as AI, Blockchain and Inbound as a management consultant.

11.2. Team's Code of Conduct

To Secure Transparency

The progress of this project will be regularly shared on our official twitter account, Telegram, Medium, Github, and Twilight Coin official website to secure transparency for anime fans and purchasers of TWC. In addition, collected funds through crowdfunding can be withdrawn with the consent of the majority of supporters, and only those studios and individual creators who agree with this can use this platform. This will allow us to operate a highly transparent platform without fraud or scam. Any major change to the direction of the project and contents of the decentralized crowdfunding platform to be developed shall be implemented only when the consent is obtained by the vote of the TWC holders.

Security for Collected Funds and Personal Information

The ETH raised with the ICO will be frozen, and the funds will be gradually released when beta and commercial versions are released. Further, the released funds will be used efficiently with as little unnecessary expense as possible. The TWC allocated to the project members is also locked up and cannot be moved until after

a certain period of time. The ICO will be implemented with the maximum security by conducting an external audit with Ethereum contract. Personal information obtained through ICO will be used only for sales of tokens and for the purpose of project management, and it will not be used for any other purpose. This personal information will not be provided to the third parties without their consent.

Contribution to Anime Culture Development in Japan and the World

This project aims to contribute to the development of anime culture in Japan and the world. In the beginning, we focus on the Japanese creators to participate in the platform, but any creator of the world will be able to participate in the future. TWC held by the management team and the collected ETH will be used only for the purpose of contributing to the development of anime culture in Japan and the world, such as support for anime studios and individual creators using the platform and TWC distribution to fan communities.

11.3. Advisor & Partner



Ali Omer Horzum
Marketing advisor
CEO, TOKENSUITE LLC

Marketing Partner



TOKENSUITE LLC

12. Allocation of Issued Tokens and Usage of Raised Funds

12.1. Allocation of Issued Tokens

One billion TWC to be issued will be allocated as follows:

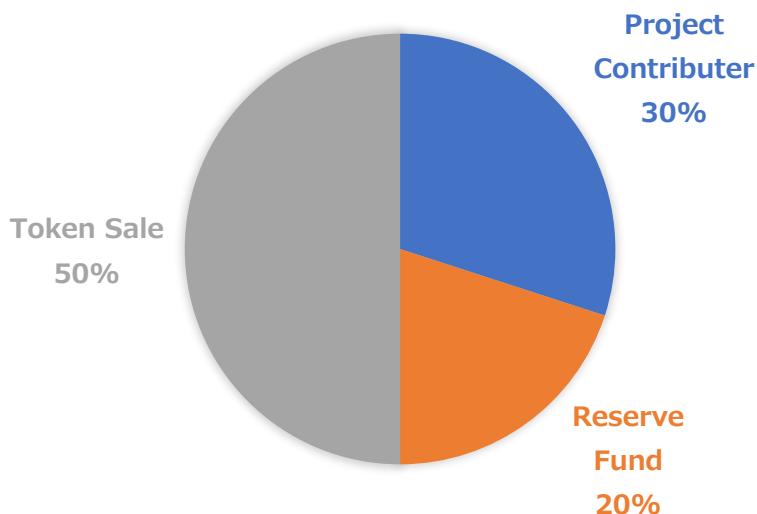
Assigned to:	Rate:	Main Usage:
Project Contributors	30%	<ul style="list-style-type: none">- Project members- Advisor(s)- Bounty programs- Free distribution to anime fans who support the project (3%)
Reserve Fund	20%	<ul style="list-style-type: none">Use to widespread use of this platform and development of anime culture in the world.- Incentive for studios and individual creators for early use- Prize for contests held for individual creators- Distribution to overseas creators
For Token Sales	50%	<ul style="list-style-type: none">- Pre-sale for early supporters- Main token sale for general supporters

Unsold TWC from the token sales will be proportionally distributed to the investors, who have already purchased TWC, through airdrops based on the individual holding amount. As a result, the proportion of TWC allocation is kept. Please refer to our TWC official web page for the bounty program of this project.

Lockup of Issued TWC Held by the Project Members

As for the TWC given to the project members, the lockup will be applied, and its use is restricted. 33% of the lockup amount will be freed and available for use when the beta version of the platform is launched (scheduled for the second quarter of 2019). Also, another 33% of the lockup amount will be freed at the time of release of the commercial version (scheduled for the fourth quarter of 2019), and 34% will be unlocked when TWC gets listed on the Japanese cryptocurrency exchanges, making them available for use respectively.

TWC ALLOCATION



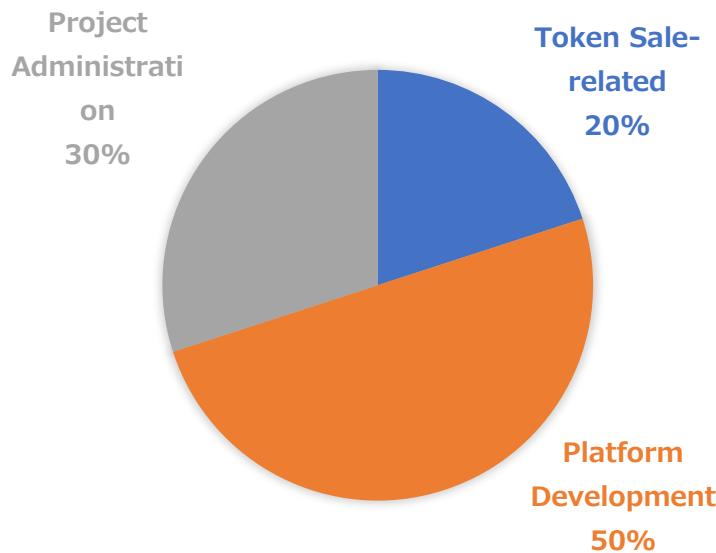
12.2. Usage of Raised Funds

The use of collected funds is as follows:

Use:	Rate:	Description of Usage
Token Sale	20%	<ul style="list-style-type: none">- ICO marketing expense- Consulting and advisory expense- KYC/AML commission expense- Token issuance and other IT expenses
Platform Development and Operation Expense	50%	<ul style="list-style-type: none">- Development of the crowdfunding platform (issuance and management of DIT and SUT)- Development of the DEX for DIT transactions- Expense for operation and maintenance of the platform
Project Management and Operation Expense	30%	<ul style="list-style-type: none">- Labor expense for the project- Marketing expense- Administrative expense and listing expense- IT and security expense

This is a rough estimate of use of funds when collected funds are around \$1.5Mn (soft cap) to around \$4Mn. The actual proportion of funds and where to be allocated are subject to change, depending on the amount of raised capital and the priority of the use of the funds.

USE OF FUNDS



The functions to be implemented on the platform and the details of the plans to support creators will differ depending on the amount of raised capital. The details of the project plan by the collected funds through the token sales are as follows:

Functions	Amount of Funds Raised by Token Sales (\$ Mn)		
	1.5-4	4-10	10-20
Development of the Platform	Crowdfunding	✓	✓
	Issuance and management of DIT	✓	✓
	Issuance and management of SUT	✓	✓
Value Added Function	Interaction among fans		✓
	Development of a DEX		✓
Creator Support	Hiring creators and dispatching them to the production team		✓
	Found an educational institution for creators	✓	✓
Other Plans	Establish a dedicated theater and a base of interaction and communication for creators		✓

Freezing Collected ETH

It is deemed that the ICO is successful when the collected amount reaches the soft cap. When successful, it will be announced on the official web page as well as the official SNS account. As for the collected ETH, equivalent amount of ETH to the soft cap or 50% of the total raised amount by the ICO, whichever is greater will be available for withdrawal at the end of the token sale. When the beta version is released (scheduled for the second quarter of 2019), 50% of the remaining amount, and the whole amount at the time of release of the commercial version (scheduled for the fourth quarter of 2019) will be available for withdrawal respectively.

13. Disclaimer of Liability

13.1. No Warranty and Binding

Our Obligation

The obligation of Twilight Studio Inc. (hereinafter referred to as "Company") for this token sale is only to deliver TWC (Twilight Coin) to purchasers, that is, to keep certain records on the block chain regarding the purchasers holding TWC, and the Company assumes no other obligations. In addition, through such delivery, the Company shall not grant purchasers any right of ownership, holdings, or shares; rights to receive certain income or similar rights; intellectual property rights; or any other rights against the Company.

Disclaimer of Warranties

- TWC is provided as is as well as to the extent that it can be provided, and the Company shall not, in any way, guarantee TWC, including fitness for a particular purpose, commercial usability, completeness, and continuity.
- The Company shall not, under any circumstances, guarantee that TWC itself or the possession and transfer of TWC will not be subject to attack by viruses or other malicious third parties.
- The Company shall neither undertake any obligation on nor guarantee the completion of this platform, and assume no responsibility even if this platform is not completed.
- The Company shall guarantee purchasers nothing beyond the content of its obligations explicitly stipulated in this agreement even in the event that the purchasers obtain some information on TWC directly or indirectly from the Company.
- The Company shall not, in any way, guarantee the reliability, recency, and flawlessness of a planning of TWC and this platform as well as to fulfill any other conditions that purchasers may expect.
- The Company shall not guarantee, in the event of any system defect on TWC, that

any of such defects will be corrected in the future.

- The Company shall be able to issue additional TWC at its discretion and shall not be held liable for any damage that may arise to purchasers with respect to such issuance.
- The Company will provide information on TWC and this platform on this white paper, websites, SNS (social networking services), etc.; however, such information shall not be deemed as business, legal, tax or accounting advice for purchasers and others who acknowledge such information, and the Company shall not be held liable for any damage to purchasers who rely on such information.
- The provision of information described in this white paper and explanations and other information by the Company, its officers, employees, advisors and others related to the Company shall not be deemed as any form of invitation for investment and shall contain no information that may attract investments.
- The Company shall not guarantee, in any way, that any act of the Company related to the issuance of TWC and any other issuance as well as purchasing, holding, trading and any use of TWC by purchasers comply with every law, ordinance, notification, regulation, order, bylaw, guideline, and any other rules.
- The Company shall not be held liable for any damage suffered by purchasers in connection with TWC.

13.2. Risks

TWC has all kinds of risks (including, but not limited to the examples of risks listed below. In addition, it shall include the items specified in the aforementioned No Warranty and Binding.); therefore, purchasers must purchase TWC with sufficient understanding of such risks, and the Company shall not take any corrective action concerning events arising from such risks and shall not bear any responsibility for any damage to purchasers result from such risks.

Price Fluctuation Risks

The price of TWC may be affected by various factors such as the Company's

performance, results of business plans, commodity prices, trends of foreign exchange markets, stock markets and other markets, natural disasters, wars, political changes, tightening of regulations, circulation of other similar cryptocurrencies, other unexpected future events, and special events.

Risks Pertaining to the Progress of the Business Plan

Although the Company does not intentionally conduct an ICO based on a fictitious project, it cannot be denied that there is a possibility that the Company's business plan may not progress as expected.

Uncertainty of Information

The Company may provide some information pertaining to TWC and this platform on this white paper, websites, SNS, etc.; however, such information is merely a plan, and the authenticity and accuracy of the content of such information are not guaranteed.

Underlying Risks of TWC

Since TWC is not legal tender, its value is not guaranteed by a specific entity or person, and there may be underlying risks of the token itself, such as a bug in its program.

Risks Pertaining to the Cryptocurrency Market

TWC is supposed to be used only on this platform, and the possibility of transfer of TWC held by purchasers is remarkably low and illiquid since TWC is not intended to be traded on platforms, etc. related to the trade of cryptocurrencies operated by cryptocurrency exchanges and other companies engaged in the business pertaining to the secondary distribution of cryptocurrencies.

Risks of Hard Fork

TWC is a token issued using the block chain of ETH, and there are some risks such

as losing its compatibility due to a hard fork of such block chain.

Risks of Cyberattacks

There is a risk that address information, etc. may be leaked by cyberattacks, and TWC owned by purchasers may be transferred without warning.

Risks of the Network

Since transactions of TWC are carried out using the mechanism of the block chain, a certain period of time may be required for sending TWC, which may result in the transaction of TWC not being reflected to a certain address or being canceled. In addition, TWC is electronically recorded, and its transfer is performed on the network, which means there is a possibility of losing the record.

Risks of Changes in Laws and Taxation Systems

Since laws, regulations, taxation systems, policies, and other authorities' measures concerning ICOs and tokens are in flux, ICOs may be banned or restricted due to changes in laws, regulations, taxation systems, policies or other authorities' measures; possession and transactions of tokens may be restricted due to strengthening of taxation systems, etc.; or handling of ICOs and tokens may become more disadvantageous than the current condition, which may cause purchasers unexpected losses.

Other Risks

With respect to the payment on purchase of TWC, there is a possibility that a third party posing as the Company displays a fraudulent address and obtains the cryptocurrency sent by purchasers on false pretenses.

13.3. Severability and Others

Even in the event that a part of the disclaimer described in this Chapter 13 is determined to be invalid or unenforceable, its remainder shall be fully effective. In

addition, in the case where there are laws, ordinances, notifications, regulations, orders, bylaws, guidelines, and any other rules that do not permit the disclaimer described in this chapter 13 in certain countries, states or regions, some or all of the disclaimer shall not be applied to purchasers in the concerned areas.

14. Update Log

Sep 28, 2018 Published the white paper v1.0