



# Speed Mining Service WHITEPAPER

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# 1. OVERVIEW

Our vision is to construct Asia's most advanced diversified and large scale virtual currency mining operation. In order to achieve that goal, we will be holding an initial crypto offering with the goal of financing the project.

The token will use the code SMS, and the smart contract will be set up to issue 400,000 tokens at a price of 20,000 JPY per token or equivalent to 0.8 ETH.

This ICO will be launched in Japan by Speed Mining Co., Ltd with a funding goal of 3 billion yen. Speed Mining Service develops Cryptocurrency Exchange System and is currently in the application process of Cryptocurrency Exchange supplier registration.

To comply with Japanese legislation surrounding initial coin offerings, all the ICO participants are required to join\* the virtual currency enthusiast group (VCC group) which is operated by Speed Mining Co., Ltd.



## 2. BACKGROUND OF VIRTUAL CURRENCY MINING

We believe present market conditions make for an ideal time to enter into diversified cryptocurrency mining operations. Historically speaking, blocks, which are collections of transactions in a temporal interval were mined by general purpose hardware at the inception of the technology such as standard computing CPUs. Not long after release this graduated to more specialized software running on GPU hardware within standard PC's, and sometime later this followed the path to Application Specific Integrated Circuits (ASIC) performing the proof of work algorithms for the blocks. This process is now repeating across several of the most attractive top ten cryptocurrencies in the market, and we believe due to the approaching limits of ASIC technology, now is a good time to make a diversified investment in the space, reaping the returns for improved power consumption and increased efficiency of ASIC devices across a broad range of attractive cryptocurrencies.

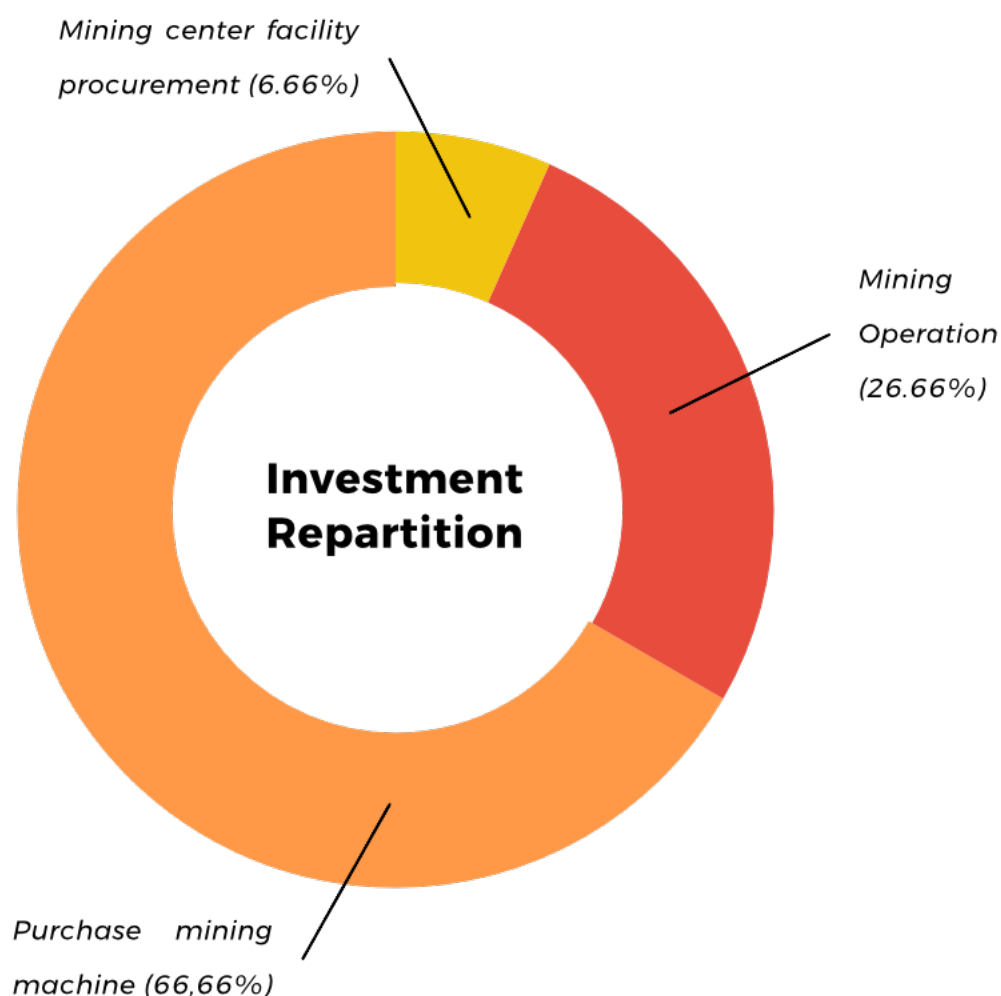
The larger share of compute resources a miner contributes to the total power securing the network, the larger the share of the reward that miner has returned from the total pool, thus moving quickly in the space and mining blocks earlier means higher long-term return on investment.

We have broad and extensive experience analyzing the optimal hardware and software deployments, infrastructure, energy availability and price optimization that we believe makes our venture a unique offering in the space, and far outstrips returns from amateur miners acting alone without the benefit thereof. We believe these assets uniquely position us as an attractive investment to potential investors who want exposure to this field which is soon to explode in popularity. Just recently one of Japan's largest corporations announced an enormous investment in the space, validating the perspective that it is worth pursuing vigorously and with skill and logistical backing.

With all these factors and our unique positioning in the field, we believe our mining facilities will offer the most capital efficient configuration available for investment in cryptocurrency mining across the entire field of cryptocurrencies.

### 3. ABOUT THE PROJECT

We began with our own funds of 300 million yen in procuring 500 mining machines. Then, from our target of 3 billion yen, from the first round of our cryptocurrency token, 2 billion yen will be spent on purchasing 3,000 cutting-edge diversified mining machines. This will make the venture one of the world's largest in diversified cryptocurrency mining. From the remaining funds of 1 billion yen, 800 million yen will be used for operations, and the remaining 200 million yen will be used for the procurement of the mining center facility. We are going to put effort in Research & Development of our own semiconductor nano chip for higher performance in mining machines.



## 4. MILESTONE

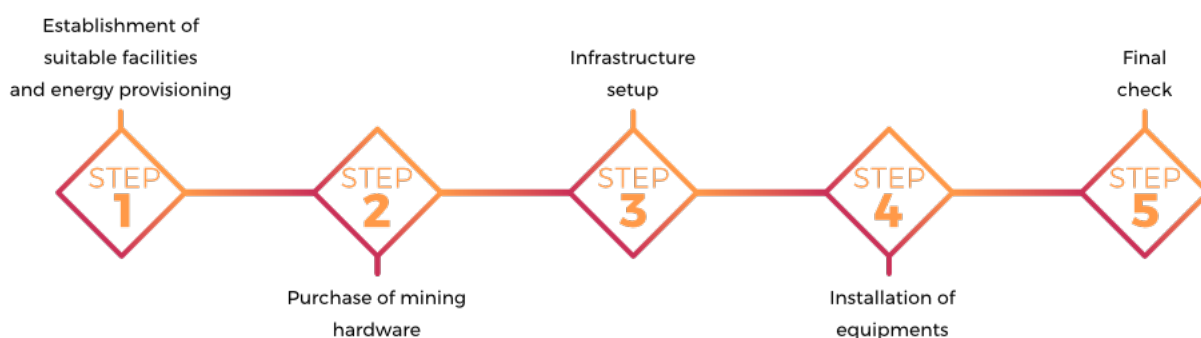
### PHASE 1: PREPARATION

In this first phase, we will find the mining facilities and mining machines. The mining center is planned to be placed in Japan's Hokkaido prefecture. Although electricity prices in Japan are expensive compared to other countries like Russia and China, the Hokkaido Prefecture in Japan is a cold region in the north area of Japan that offers attractive incentives for high energy usage businesses. Thus, this will reduce the electricity cost of running a mining farm there to almost half and lead to the most suitable area for doing this kind of business.

It is extremely difficult for individuals as well as corporations to procure a large amount of mining machines. When the manufacturers release a batch at their product marketplace which allows consumers to directly order from them, the lead time between batch sales and delivery needed for this process is still extensive and this leads to a profit drop and difficulty planning returns over time.

With our specialties and uniquely positioned partners of the Speed Mining Service, we can guarantee the speed and efficiency of deployment, while minimizing the time spent on purchasing equipment. The number of mining machines depends primarily on the funds raised from each round, and 3,000 mining machines, we estimate a deployment window of approximately 6 months.

The overall steps for this phase follow;



**PHASE 2: FUND RAISING**

On release of our portal and successful raising of the seed capital, SMS members become entitled to a monthly dividend (issued at the end of every month, starting in November 2017.) in accordance with the schedules laid out below. (Details on classes are described below)

**PHASE 3: REINVESTING**

In the third stage, we reinvest returns to grow the business and increase revenues. This will result in further dividends.

## 5. INVESTMENT OBJECTIVE

Please refer to the table below for the purpose of financing. Observe that the number of mining machines increases as the funds raised increases, and the profit to be returned increases accordingly.

Procurement Amount	500 million yen	1,000 million yen	3,000 million yen
Number of mining machines	700 machines	1,000 machines	3,833 machines
Minimum Monthly Profit	56 million yen	80 million yen	307 million yen
Monthly investor distribution (planned)	19 million yen	27 million yen	104 million yen

※ The amount below 100,000 yen will be rounded off.

## 6. INVESTMENT SIMULATION

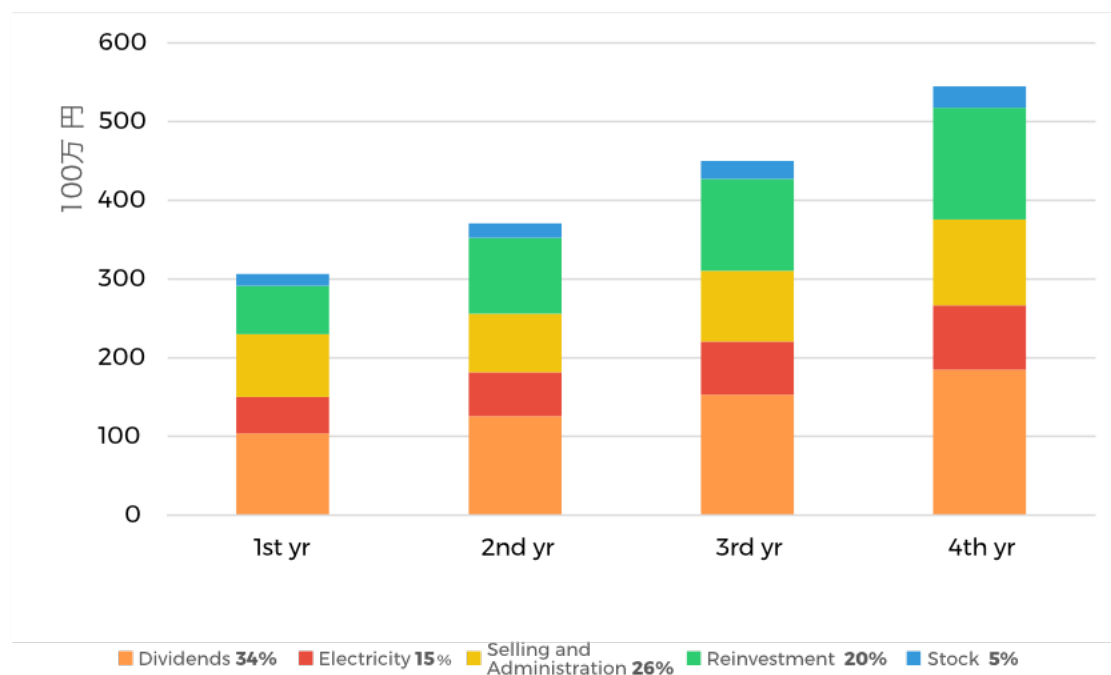
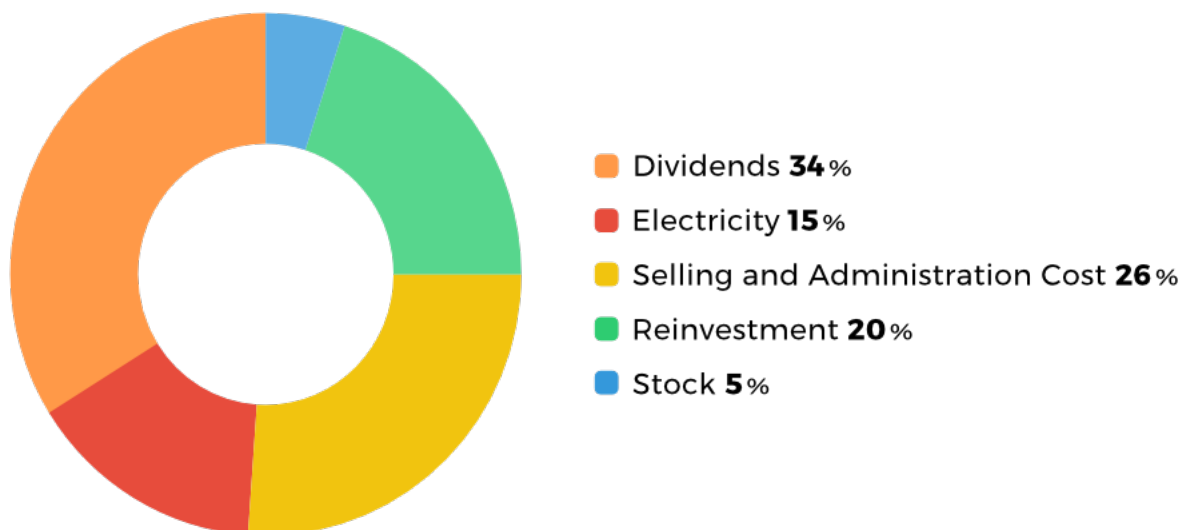
(When the target amount of 3 billion yen is raised)

We will reinvest 20% of the sales profit every year to increase the amount of yield producing mining resources.

Year	2nd year	3rd year	4th year
Total Balance	486 million yen	588 million yen	713 million yen
The numbers of Mining Machine	4,643 machines	5,624 machines	6,811 machines
Minimum Monthly Profit	371 million yen	450 million yen	545 million yen
Monthly investor distribution (planned)	126 million yen	153 million yen	185 million yen

※ The amount below 100,000 yen will be rounded off.

## 7. SALES PROFIT ALLOCATION



## 8. INVESTMENT MERIT

With this ICO, the Speed Mining Service plans to raise 3 billion JPY. The income source of the SMS to be operated is from mining. We will spend further capital expenditure from the profit raised here.

Remaining funds will be allocated to cover necessary expenses (personnel, insurance, security, etc.). 34% of the profit will be distributed among the investors in the virtual currency as a monthly dividend.

From the charts above, the number of dividends to be paid to investors in the early stage of operation will exceed the initial investment amount. This suggests a high profitability of the project, and competitiveness with other ventures in the industry.

## 9. LOW RISK & HIGH RETURN

We believe for this outlay, the risk profile and the return on investment, this is a good vehicle for entrants wanting exposure to the cryptocurrency mining industry. On the other hand, there are risks in these products. Generally, high risk is attached to high return. However, we are trying to hedge risk with VCC.

First of all, we focus on a diversified portfolio of mining only the cryptocurrencies in which we have strong confidence. This can reduce liquidity risk. In the current virtual currency market, it is characterized by high volatility such as a change of -10% in one day at bad times. If you mined only a single cryptocurrency in such market conditions, you could very easily expose yourself to losses on currency movements.

However, it is possible to reduce the risk through the portfolio composed by SMS. Even with regard to mining machines, we succeeded in significantly improving efficiency compared with the same machine by optimizing hardware for the portfolio of cryptocurrencies which we will be mining.

## 10. PARTICIPATION PROCEDURE

### *In order to participate...*

It is necessary to join the virtual currency enthusiast organization (VCC) for entry the SMS (Speed Mining Services) organized by Speed Mining. White token cards will be granted to members which will give the right to obtain dividends as a benefit of white token card. Later, the token itself can be paid by 0.8 ETH or equivalent to 20,000 yen per token. The minimum purchase requirement is 0.16 ETH.

$$1 \text{ SMS } \diamond 5 = 0.8 \text{ ETH } \diamond$$



## 11. VIRTUAL CURRENCY CLUB

### VCC ENTRY REQUIREMENTS

Agreement on term of use with the purchased of tokens will be reflected to enroll the VCC member automatically. Also, only those who agree to the SMS terms stipulated below can join.

### VCC ENTRY REQUIREMENTS

- Be a cryptocurrency enthusiast.
- Tokens are traded only between club members
- Dividends won't be provided to non-members.
- Those who wish to gain dividends must apply for the membership.
- Members can buy and sell for 24/7 in the trading system (mExchange) currently in development and to be provided by our partner, AI Innovation Japan.

### VCC MEMBERSHIP BENEFITS (CARD HOLDER PRIVILEGE)

Members can purchase tokens issued by Speed Mining Co., Ltd. Every member has the right to purchase tokens, but we will limit the maximum number of members to 999. Those who purchase larger numbers of tokens prevails over the applicants who entry earlier. To those defeated, the Ethereum will be refunded. Distribution is from profits generated by mining every month. The proportion of distributions varies with rank. Details of the rank are explained in the next section.

## 12. RANKING SYSTEM

A rank upgrade will occur depending on the number of tokens to purchase. Details are as follows.

	Maximum number of people	Conditions	Distribution ratio
Platinum	4000	Purchasers over 20 tokens	15%
Gold	12000	Purchasers over 10 tokens	11%
Bronze	24000	Purchasers over 1 tokens	8%

### DISTRIBUTION SIMULATION

As of 34% distribution for the investors, monthly distribution will be shared by the portion of the class they belonging to.

**Example 1 :** In the case of a platinum member possessing 20 tokens  
Investment amount 20,000 yen × 20 token = 400,000 yen  
First-year-monthly distribution 40,900 yen per month equivalent will be distributed in virtual currency such as Ethereum.

**Example 2 :** In case of a bronze member holding one token  
Investment amount 20,000 yen × 1 token = 20,000 yen  
First-year-monthly distribution 1,090 yen per month equivalent will be distributed in virtual currency such as Ethereum.

※ The above is just an example, and distribution will increase or decrease depending on the market conditions of each virtual currency, and the number of token issued, and the numbers of members of each rank.

## 13. ICO SCHEDULE

### PRE-ICO PERIOD

**2 October 2017, 12:00 (JST) ~ 27 October 2017, 13:59 (JST)**

※For those who participated during the pre-ICO period, 0.2 SMS will be newly granted. Free membership and up to 30% of bonus will be granted.

Please see the **【Token Presents】** for the details.

### ICO PERIOD

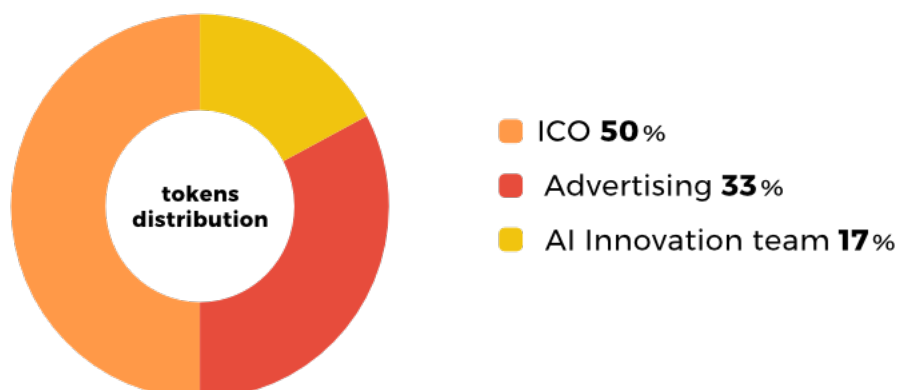
**27 October 2017, 14:00 (JST) ~ 31 January 2018, 23:59 (JST)**

※ From 27 October 2017, 14:00(JST) to 29 October 2017, 23:59(JST), we accept the purchase only from Pre-ICO applicants.

※ General applicants will be able to purchase beginning 30 October 2017, 14:00(JST).

### About the beginning of ICO Token Distribution

At the beginning of ICO, 300,000 tokens will be issued and 150,000 tokens will be reserved for SMS members. For the remaining 150,000 tokens, 50,000 tokens will be allocated to the Speed Mining members, and we will invest 100,000 tokens into advertising expenses. In the case tokens are not sold out, after the Token Sale, the remaining token will be returned to us as the company's holdings. In the case of such return, returned token's 10% will be returned to token holders based on their holding ratio. Returned token to the company will be allotted to re-recruitment or the purchase of new mining machines.



**TOKEN PRESENT**

The below bonus will be given depending on the purchase period and the number of token purchased.

	Period 1	Period 2	Period 3	Period 4
The number of token	10/27-10/29	10/30-11/10	11/11-12/31	1/1-1/31
0-9	5%	3%	1%	0%
10-49	10%	5%	3%	0%
50-59	20%	10%	5%	0%
100-	30%	15%	8%	0%
Membership fee	¥0	¥4,000	¥4,000	¥4,000

**Period 1** : 27 October 14:00(JST) to 29 October 23:59 ( JST )

※Pre-ICO applicants only

**Period 2** : 30 October 14:00 (JST) to 10 November 23:59 (JST)

**Period 3** : 11 November 00:00 (JST) to 31 December 23:59(JST)

**Period 4** : 01 January 00:00 (JST) to 31 January 23:59 (JST)

**Example 1** : Applicant from pre ICO Period with purchasing of 100 tokens on 28 October 30 bonus tokens will be given and it will be 130 tokens in total.

**Example 2** : Applicant with purchasing of 10 tokens on 1 November 0.5 bonus token will be given and it will be 10.5 tokens in total.

**Example 3** : Applicant with purchasing of 5 tokens on 10 January no extra bonus will be given

## 14. PARTICIPANT PRIVILEGES

300,000 tokens will be issued at the beginning of this ICO with a limit of 400,000 tokens. The remaining 100,000 tokens will be issued on the following schedule additionally. At this time, we will divide the issued token into three phases using the following schedule.

**01/02/2020** : 50,000 tokens + 1/3 issued tokens

**01/02/2025** : 50,000 tokens + 1/3 issued tokens

	11/01/2017	01/02/2020	01/02/2025
11/01/2017	300,000	900,000	2,700,000
01/02/2020		50,000	150,000
01/02/2025			50,000
Total Issue Number	300,000	950,000	2,900,000

※ Red numbers are newly issued tokens

**Example :** At the first-time participation with 20 tokens

November 2017 · · · 20 token

January 2020 · · · 60 token ( 3X issued tokens )

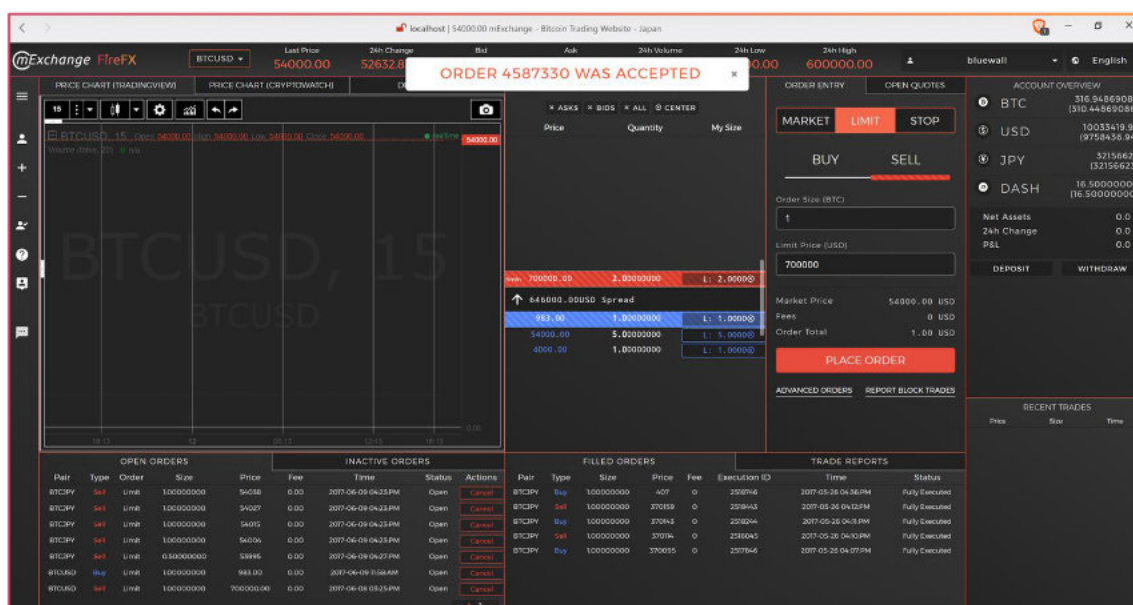
January 2025 · · · 180 token ( 3X issued tokens )

Although there is concern about the dilution of the value per token due to division, by participating for the first time, it is possible to hold the ownership ratio in the total number of issued at almost the same ratio. Furthermore, the increase of total numbers of issuance brisk up the volume, and the price rise is expected. Speed Mining Co., Ltd. is currently in the application process of Cryptocurrency Exchange supplier registration according to Act if Settlement. After being licensed, our system “mExchange” will be released to public.

## 15. POSSIBILITY TO BUY AND SELL TOKENS

As described in the SMS Terms of Service, members can trade tokens between members. However, it is not simple trading whereby recruitment is made on a bulletin board of the member site.

SMS members can buy and sell using the virtual currency trading system "mExchange" developed by our partner, AI Innovation Japan.



By using this system, members can buy and sell as many times as you like for 24/7.

In other words, you can acquire income gain by keeping tokens and you can also target capital gains due to profit margins at any time using "mExchange". Future splits of tokens will create more liquidity and transactions will be expected to become active. It is an epoch-making token that can grasp both income gain and capital gain.

## 16. ROADMAP

Throughout the operation of our mining center in Hokkaido, we will research and develop our own mining chips. We are planning to upgrade further by utilizing our own proprietary hardware. In the meantime, we plan to build another mining center in Myanmar as the second center. We envision great success in these plans and to become the largest mining center in Asia and aim to contribute to the liquidity and convenience of the cryptocurrency market. Mining revenue, further exchanges earnings, and eventually we plan to issue a new virtual currency. The Speed Mining Team is planning to create an unprecedented revolutionary virtual currency by using its own technology.



*Please participate in VCC and look forward to future Speed Mining Co., Ltd.*

## 17. RISKS

There are various risks that may occur upon obtaining tokens. Please check the contents of the whitepaper thoroughly before acquiring the token. The risks are as follows.

### **COMPUTER INFRASTRUCTURE DEPENDENCY**

Mining depends on computer hardware, Internet environment and so on. The revenue calculated on the white paper is a projection without any environmental issue. Service interruption or delay could occur due to our robust protection against cyber attacks from the outside.

### **CRYPTO CURRENCY PRICE**

We will efficiently do mining of currencies with the highest market capitalization, but if the value of the virtual currency declines over the long term, the value of the token will decline and possibly, the profit of the mining business will deteriorate. That affects the distribution money.

### **MINING MACHINE COST**

We will reinvest 20% of the annual profit into procurement of the latest mining machine and upgrades, but if the equipment price in the future soars, there is a possibility that expected profit will be affected.

### **CHANGE OF ELECTRICITY RATE**

As shown in the white paper, electricity cost is assumed to be about 15% of revenue. That indicates current Japanese electricity costs. Because electricity rates vary. If the cost rises for the long term, the profit of the mining business will deteriorate and the distribution fee could be affected.

### INEVITABLE ACCIDENT

The operation of the mining center may be interrupted, postponed or terminated due to one of the following reasons.

War, a long term communication failure, suspension of electricity supply due to energy shortage, orders of municipalities or government agencies etc.

If these problems occur before issuing a token, the refund will be paid at the ETH exchange rate of the day.

### THE VALUE OF THE TOKEN

The value of the token may fluctuate greatly for various reasons. Speed Mining Co., Ltd. can not guarantee the value of a token.

### Revision/Addition History.

As of November 8, 2017

- The maximum number of members was changed from 40000 to 999.
- Entry fee of 0.16 ETH was abolished and the minimum purchase requirement is to be 0.16 ETH.
- Enrollment period, renewal fee, and cancellation fee are abolished.
- After the agreement of SMS terms and the completion of token purchase, the purchasers instantly become SMS members.
- 0.2 SMS will be granted to those who paid entry fee.
- 0.2 SMS will be newly granted to those who joined Pre-ICO.
- In the case tokens are not sold out, after the Token Sale, the remaining token will be returned to us as the company's holdings.
- In the case of such return, returned token's 10% will be returned to token holders based on their holding ratio.
- Returned token to the company will be allotted to re-recruitment or the purchase of new mining machines.
- The start of monthly dividend was changed from January 2018 to November 2017.