

# TORACoin (TORA) WhitePaper

ERC20 token as Prepaid Payment Instruments for Own Business

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## Summary

In this paper, we are going to propose a JPY-pegged stable coin, legally dealt as a Prepaid Payment Instrument in Japan. In 2019, JPYC, the JPY-pegged stable coin, was issued, and JPYC created the market for stable coins in Japan. As a follow-up to JPYC, TORA will streamline the cryptocurrency payment in buying and selling goods, for the public use as a Prepaid Payment Instrument. TORA will be an opportunity for a variety of businesses to issue stable coins in Japan.

## 1 Specifics of TORA

### 1. Legal Position of TORA

TORA is one of the Prepaid Payment Instruments for Own Business issued by a company under the Japanese laws. TORA is a currency-denominated asset so it is not a cryptocurrency legally. These days the market of the so-called DeFi (Decentralized Finance) is rapidly expanding, and there is a DEX (Decentralized Exchange, no middleman exchanges) in the market, one of the most famous being Uniswap. TORA holders are able to manage assets using such tools.

### 2. Utility

#### 2.1. Items can be purchased in a ratio of 1 TORA to 1 Yen.

TORA is purchasable with JPY and it is usable on purchasing by items in a ratio of 1 TORA to 1 Yen, regardless of the secondary distribution price.

## 2.2. Various DeFi on Polygon is available

TORA is a ERC20 token, so different kinds of DeFi on Polygon are usable with TORA. For your information, the use of DeFi is at the sole discretion and risk of each user, and we are not responsible for any damages caused by the use of DeFi. Please be aware of this in advance.

## 3. Issuance amount of TORA

We will issue 9,999,999 TORA first and then sequentially issue more TORA.

## 2 Use Case

### 1. Use Case 1 “Payment on Goods by Cryptocurrency Holder”

The users holding cryptocurrency can purchase items in a ratio of 1 TORA to 1 Yen by relying on us, about purchasing by proxy on E-commerce websites such as Amazon when they want to buy something there and use cryptocurrency

### 2. Use Case 2 “Users who is going to Hold Cryptocurrency”

TORA users are able to manage assets, exchange TORA for ERC tokens provided as liquidity on DEX Uniswap along with MATIC and TORA on their own authority and at their own risk.

### 3. Use Case 3 “Use of Decentralized Exchanges”

TORA users provide liquidity on a decentralized exchange Uniswap on their own authority and at their own risk. When TORA liquidity is provided, people can exchange (swap) TORA for MATIC and all the other ERC20 tokens that can be traded on Uniswap without the issuers’ approval. The more TORA is used for swap on Uniswap, the more TORA, MATIC or other ERC20 tokens liquidity providers can get as rewards.

### 4. Use Case 4 “Use of Decentralized Lending Protocol”

TORA is a ERC20 token, which means technologically all the DeFi using ERC20 tokens are available with TORA. For example, one can lend TORA through decentralized lending protocol, Compound at his or her sole discretion and risk. As of January 2022 TORA is not traded in Compound, but once the Compound community approves of handling of TORA, everyone can lend TORA and get yield, or lend

TORA by paying yield. It's up to the decision of the Compound community but as a reward contributing to Compound through these loans, you may also receive Compound governance token, COMP.

#### 5. Use Case 5 “Arbitration by DeFi Users”

TORA is a ERC20 token, so TORA holders can use all the DeFi based on ERC20 tokens. DeFi is a developing market, thus there is a tendency for temporary price differences in products with the same value to occur. In such a case, people can choose arbitrage trading as a way to earn profits by selling the overvalued one and buying the undervalued one, and then buying or selling the opposite one when the price difference between the two narrows, under their own authority and responsibility.

#### 6. Use Case 6 “Buying goods of crypto artists”

TORA is technologically usable as all the other ERC20 tokens. Buying goods by crypto artists who issue NFT (Non-fungible token) and conduct sales could happen, by swapping and getting TORA such as on Uniswap.

### 3 How to Purchase TORA

#### 1. Recommended Purchase Methods

Purchase methods the issuer recommends are twofold as follows.

1. purchase with Japanese Yen through the issuer's website
2. purchase with Cryptocurrency through the issuer's website

By making a payment through the issuer's website using any of the above methods, one can purchase at a ratio of 1 TORA to 1 Yen. However, in the case of continuous trading at a much higher or lower price on Uniswap, we may temporarily suspend the sale until we identify the cause.

#### 2. Other Purchase Methods

Buying TORA via decentralized exchanges with other ERC20 tokens is possible, such as on Uniswap. However, there are always price fluctuations and we have no alliances with these exchanges at all, so in such cases one should take care of all, under your own authority and responsibility.

## 4 Disclaimer

Please be aware of and acknowledge the following risks before using TORA. TORA shall not be liable for any loss or damage arising from or in connection with any of the following risks.

### 1. Risk about Financial Value of TORA itself

TORA is not issued as securities, financial instruments, or any other investment products under the Financial Instruments and Exchange Law, nor is it a cryptocurrency under the Payment Services Act, but a currency issued as one of the Prepaid Payment Instruments for Own Business. Therefore, it is not guaranteed that it can be used for any purposes we haven't specified, and it cannot be used for settlement between users.

Furthermore, since TORA is issued in accordance with the ERC20 standard, it is possible to dispose of TORA on certain external services that accept the ERC20 standard, but we do not recommend or guarantee this. TORA users are required to use external services under their own authority and responsibility.

### 2. Risk of Losing TORA due to the Loss of Private Key

Private key itself or a combination of private keys is required for the disposal of the users' TORA, and the management of the private key shall be under their own authority and responsibility. The loss of the private key associated with the wallet where the user's TORA is stored means the loss of the TORA itself. Besides, loss of TORA may be caused by phishing attacks, malware attacks, DoS attacks, consensus-based attacks, or other various types of attacks.

### 3. Risk associated with Ethereum Protocol

TORA is based on Ethereum protocol ERC20, any Ethereum protocol malfunctions may cause serious effect to TORA, and there might be some possibilities that TORA cannot be used temporarily in such cases. Additionally, it requires transaction fees (gas fees) to use TORA and transfer money on the Ethereum network, but the fees might skyrocket because of the cause we are not related to, like the congestion of Ethereum network.

### 4. Risk of Mining Attacks

TORA is, as well as the other decentralized cryptocurrencies based on the public blockchain protocols, may be subject to attacks by mining during the verification of

the transaction. These attacks may pose a risk to transaction records regarding TORA.

#### 5. Risk of Change in Laws and Regulations, Risk of Taxation

TORA is subject to future changes in laws, ordinances, guidelines, and other regulation or taxation systems related to TORA. In addition, users shall make decisions as regards the necessity of filing tax returns and other taxation related TORA under their own authority and responsibility.

#### 6. Risk due to Input Errors by Users and Other Factors

There may be a risk of unintended transaction results due to input errors or other actions caused by the user, malfunctions or operating conditions of the user's or a third party's communication or system equipment, natural disasters, cyber attacks, or any other cause.

#### 7. Relationships between Users

Any transactions, communications, disputes, etc., that arise between users and other users or third parties in connection with our website shall be handled and resolved under the users' own responsibility, and we shall not be responsible for such matters.

#### 8. Risk associated with the Issuance or Suspension of TORA Circulation

We shall not be liable for any damages incurred by the user about the suspension, termination, or modification of the issuance or distribution of TORA, deletion or loss of the users' messages or information, cancellation of the users' registration, loss of data due use of the service, or malfunction or damage to equipment, or any other matters.

#### 9. Supplementary Provisions

This white paper is prepared and released on January 22, 2022.