



GROW

GROW Token WhitePaper

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Introduction

【 Definition and Structure of Cryptocurrencies 】

■ What is Cryptocurrency?

Cryptocurrency is a valuable asset that can be exchanged online, and it is considered to have the following characteristics:

- (1) It can be used for payment to unspecified persons, and can be exchanged with fiat currencies such as the US dollar and the euro.
- (2) It is recorded and transferred electronically.
- (3) It is not a fiat currency or an asset denominated in fiat currency such as prepaid cards.

Bitcoin and Ethereum are representative cryptocurrencies. Cryptocurrencies are attracting a lot of attention as a mechanism that allows the exchange of valuable assets without the involvement of third parties such as banks. Cryptocurrencies are not legal tender issued by a country or its central bank, so nations or central banks cannot back the value of cryptocurrencies themselves. Therefore, the value of cryptocurrencies tends to fluctuate greatly depending on factors such as the supply and demand of users.

■ Differences between fiat currency and cryptocurrency

Cryptocurrencies have different characteristics from fiat currencies issued by countries or central banks.

(1) In contrast to fiat currencies, there is no central administrator.

Cryptocurrencies are based on the blockchain system in which multiple computers can communicate with each other without the intervention of a server, and all transactions are monitored by participants without the existence of central administrators or issuers. The value of cryptocurrencies is secured in a different way from fiat currencies, which are guaranteed by credit such as the reputation of countries or central banks.

(2) Possible to transfer and exchange between individuals.

To transfer foreign currencies, it is necessary to use financial institutions such as banks or international remittance services, but cryptocurrencies can be transferred directly between individuals. Therefore, cryptocurrencies have the advantage of low or fees free. Also, while electronic money cannot be exchanged for fiat currency, cryptocurrencies can be exchanged for fiat currency by buying and selling them at market value.

(3) Cryptocurrencies have a limited number of issues to maintain their value.

Fiat currencies such as the US dollar and the euro are managed by central administrators at central banks,

who determine the supply and other factors. However, cryptocurrencies cannot change the number of issued coins according to economic conditions because there is no central administrator. Therefore, most cryptocurrencies have a predetermined maximum number of issued coins to maintain their value.

■ The Future of Crypto Assets

In the future, the spread of cryptocurrency payments may increase demand and become a factor in price increases. According to the website CoinGecko, which allows real-time checking of charts and market capitalization of cryptocurrencies, as of 2022, the market capitalization of Bitcoin alone exceeded \$400 billion. It is said that the market size of not only Bitcoin but also all cryptocurrencies will continue to increase.

Growth of DeFi

【 What is DeFi? 】

DeFi is an abbreviation for a specialized term called "Decentralized Finance". In short, it is a financial service that deals with cryptocurrencies and other assets on the internet, and it has no central administrator. It mainly refers to financial services used for asset trading, including cryptocurrencies.

In the past, financial services that were carried out by humans are now being replaced by financial services that use blockchain technology to enable autonomous cryptocurrency transactions through programs. This type of financial service has gained new attention as a platform for cryptocurrency trading.

By combining cryptocurrencies with blockchain technology, it has become possible to conduct asset transactions that are even more free and easier compared to traditional financial services such as banks.

【 Growing demand of DeFi 】

■ Features of DeFi and comparison with traditional financial services

- **Achieving low cost and high interest rates**

When users conduct asset transactions using banks or financial institutions, they are required to pay fees such as "transfer fees," "receiving fees," and "overseas transfer fees" in addition to the actual transaction fees. These fees are incurred to cover the additional costs such as "personnel costs," "rental costs for office space," and "ATM expenses" that are required separately when bank and financial institution service providers intervene in the transaction. Users are paying a lot of money in "fees" every year for each transaction.

On the other hand, DeFi uses smart contract technology, which is a mechanism that automatically executes contracts according to the program on the blockchain of the blockchain technology and the cryptographic assets, and transactions between users are executed by the program, which can keep the "fees" to an extremely low cost. Since transactions are managed by the program in DeFi, the cost that would be incurred if there were service providers can be returned to the users.

If you deposit assets in a bank, you can only receive a small interest rate, and you will need to pay fees for each

transaction, but if you operate with DeFi, you can trade with extremely low fees while receiving higher interest rates than banks. In some cases, the interest rate can be as high as 20% per year.

• **Fast Transactions** ---

One of the advantages of not having a central authority in DeFi is the reduction in time costs required for transactions. In traditional financial services, users deposit money in banks and receive funds from them, which incurs time costs for the exchange of funds.

In DeFi, transactions are executed by programs alone, allowing users to transact directly with one another. Without an intermediary, transactions are faster compared to traditional services.

• **No Need for Identity Verification** ---

Another reason why DeFi is gaining attention is that it does not require identity verification. As long as users have a wallet to hold their crypto assets, they do not need to go through bank scrutiny or approval.

While having a bank account may be the most common way to create an account, around 1.7 billion people worldwide do not possess a bank account. In countries and regions where the culture of having a bank account is not well-established, anyone with a computer or a mobile phone can transact, allowing people from all over the world to participate in asset transactions.

• **Large Market Growth Potential**

The market size of DeFi, which includes cryptocurrency trading and lending, was almost zero in November 2019, but grew to approximately \$100 billion in November 2021.

The total value of assets in DeFi is growing rapidly, exceeding \$98 billion, and as of 2021, there were over two million wallets related to DeFi observed worldwide.

【 The Future of DeFi 】

■ Limitations of ERC20


Many DeFi services are designed based on the ERC20 standard, which utilizes Ethereum's technology. Well-known DeFi services such as Uniswap and Maker also operate using ERC20, which is based on Ethereum technology.

Ethereum has long been the second largest cryptocurrency by market capitalization and was created to give cryptocurrencies expandability, unlike Bitcoin, which has almost no scalability.

Ethereum's technology is used as a platform for DeFi, and according to Etherscan, which provides Ethereum data, as of December 2020, 829 projects and over 350,000 tokens were based on the ERC-20 standard.

While ERC20 has become extremely popular and is used in various DeFi services, it faces problems such as high transaction fees and increased transaction times when users interact with the network during cryptocurrency transactions. Ethereum is a popular blockchain and is used in various services, causing the blockchain's processing capacity to be limited due to the overwhelming demand for transactions, leading to a chronic scalability problem.

The current transaction processing speed of Ethereum is about 25 transactions per second and is believed to be unable to withstand network congestion. It is said that if DeFi services are used more in the future due to the increasing demand for cryptocurrencies, the high transaction fees and increased transaction times are likely to continue to rise.

A background network diagram consisting of numerous interconnected nodes and lines, forming a complex web of connections. The nodes are represented by small grey dots, and the lines are thin, light grey lines. The overall structure is a dense, interconnected mesh of points and lines, typical of a network graph or a data visualization of a complex system.

Ethereum is also working to improve scalability issues through program updates for cryptocurrencies. Ethereum aims to improve its consensus algorithm to allow the blockchain to be connected with less energy consumption than at present and improve sharding, which aims to distribute transactions and data processing across multiple blockchains to reduce the burden on the entire program.

If Ethereum's scalability problems are not resolved, there is a risk that the low transaction fees and fast transactions, which are the strengths of cryptocurrencies, will be compromised in DeFi services. To address the challenges of Ethereum, which has been the system base for DeFi services for many years, new cryptocurrency blockchain technologies and next-generation DeFi service development are starting in the cryptocurrency industry.

WPF Development

【 WPF to solve DeFi issues 】

“WPF” stands for “WorldPeaceFinance” and is a developing DeFi service aimed at providing unsecured loans based on the blockchain of a cryptocurrency called Solana.

Solana's biggest feature is its processing speed, boasting a processing speed of 50,000 transactions per second, compared to Bitcoin's 6-7 transactions per second and Ethereum's 13-15 transactions per second. Its high processing power has earned it the nickname "Ethereum Killer," drawing attention as a cryptocurrency technology to replace Ethereum.

There are currently no DeFi services that allow for unsecured loans based on Solana, making WPF a pioneering development in the field.

【 The Future of WPF 】

WPF is a decentralized exchange and there are concerns about competition in this growing field. However, since it does not use Ethereum-based blockchain, it is possible to keep transaction fees low. The underlying cryptocurrency, Solana, is a new type of blockchain technology that is overwhelmingly superior in speed compared to Ethereum, thanks to its mining algorithm called Proof of History, which allows for processing about 50,000 transactions per second.

The transaction speed in a decentralized exchange depends on the processing speed of the underlying blockchain of the cryptocurrency. If the speed is slow, slippage may occur, which means a difference between the price offered at the time of the order and the price actually agreed upon. With Solana's technology, it boasts the world's fastest transfer speed and has attracted attention for its high potential as a new decentralized exchange that can further reduce fees compared to traditional decentralized exchanges.

GROW

【 What is GROW? 】

■ GROW Issuance Reason

GROW is a dividend token issued to address the two biggest challenges facing cryptocurrencies: the instability of market fluctuations and the obsolescence of traditional financial institutions' interest rate systems.

A dividend token, as the name suggests, is a token that pays dividends. Dividend payouts are made based on the number of tokens held.

In addition, GROW has been designated as the governance token for WPF, which is currently in development. The combination of the new DeFi service, WPF, and the dividend token, GROW, can propose a new way to operate cryptocurrencies.

■ GROW Token Specifications

Token Name: GROW

Token Symbol: GROW

Blockchain: SPL (Solana Program Library)

Total Supply: 2,500,000,000 tokens

■ What is a governance token?

A governance token is a type of token that gives investors in a DeFi service the right to vote on decisions such as exchange upgrades based on predetermined rules. By holding a governance token, investors become like shareholders in the DeFi service and can monitor the entire service to improve it themselves.

By owning a governance token, you can vote on the future management policy of the DeFi service like in a shareholders' meeting. You can gain the right to operate DeFi in a way that suits your trading style. By creating a system that uses governance tokens to make decisions, authority is delegated to each stakeholder, and centralization is avoided.

【 The Future of Grow 】

■ Early holder benefits

In general, governance tokens can be received as a reward for depositing cryptocurrencies on a decentralized exchange and providing liquidity to DeFi services. That is, there is no benefit to holding the token until the decentralized exchange is open. However, in the case of GROW, even before the decentralized exchange WPF opens, holders can receive a dividend of 0.1% daily based on their holdings. There are benefits to holding GROW even before WPF functions as a decentralized exchange. This policy is a groundbreaking measure to ensure the benefits of early GROW holders.

■ Listing

GROW is scheduled to be listed on the cryptocurrency exchange “bitcastle” within 2023. Only about 2% of cryptocurrencies can be listed on exchanges, and GROW has cleared that hurdle, making it a promising investment for long-term holders.

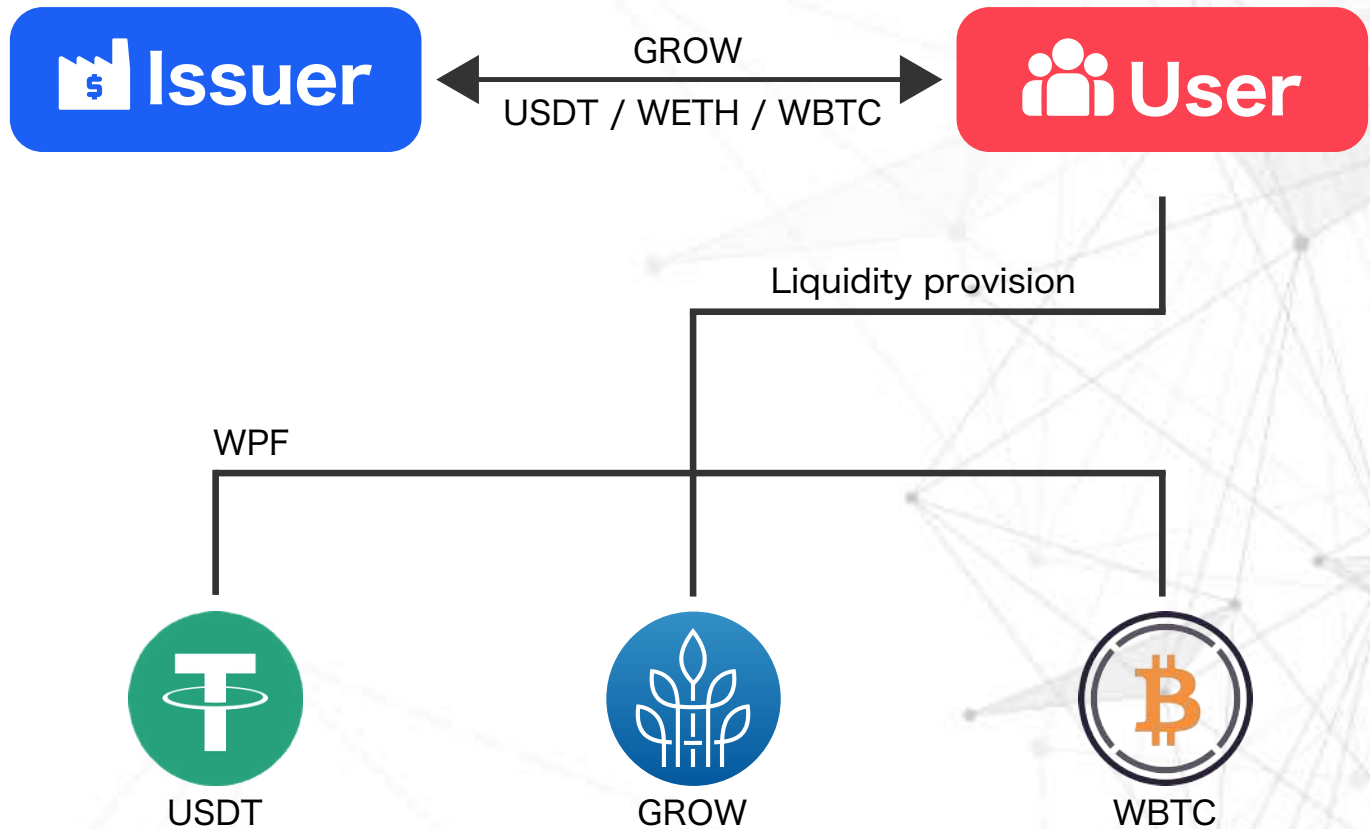
■ Future prospects of GROW and the mechanism for maintaining price

GROW is a governance token for the next-generation DeFi service WPF. As seen in the price increases of governance tokens for globally representative DeFi services such as Uniswap and COMP, the demand for governance tokens for decentralized exchanges is increasing worldwide.

In addition, the number of DeFi based on Solana is still small, and there is expected to be significant demand for GROW as a governance token. After the opening of WPF, the WPF operation will use some of the revenue generated from the difference between lending and borrowing rates to purchase GROW, thereby ensuring a certain level of value. Then, the purchased GROW will be awarded to users who provide liquidity to WPF as a reward. In this way, liquidity for GROW is generated, and as its price rises, the number of WPF users will increase, and a portion of the profits can be used for further purchases. This mechanism of maintaining price circulates and expands.

Use Cases

■ Using Decentralized Exchanges



It is possible to supply liquidity on the decentralized exchange WPF at one's own discretion and responsibility as a self-operation. Liquidity providers can receive GROW, the governance token, in addition to their supply separately by pooling it on WPF.

■ Holding of Cryptocurrencies

(Exchange through trading on cryptocurrency exchanges)

GROW can be bought and sold not only as a governance token on WPF, but also on cryptocurrency exchanges such as Bitcastle. It is possible to exchange GROW with other cryptocurrencies at one's own discretion and responsibility, and a usage method can be considered to gain profits by utilizing price fluctuations between currencies.

■ Using DeFi

As an SPL token based on Solana, GROW can be used in DeFi that handles all SPL tokens, including WPF, from a technical perspective. For example, it is possible to lend GROW through DeFi, such as WPF, at one's own discretion and responsibility, and earn interest income, or receive GROW by paying interest.

■ Utilization of arbitrage trading through DeFi

GROW is a SPL token and can be used in DeFi, which handles all SPL tokens including WPF on a technical level. As the DeFi market is in a growth phase, temporary price differences are prone to occur. In such cases, it is possible to use arbitrage trading to profit by selling the higher priced asset and buying the lower priced asset at one's own discretion and responsibility, and then performing a reverse transaction when the price difference between the two assets has decreased.

Disclaimer

The information presented in this white paper (hereinafter referred to as "this document") is not comprehensive and does not cover all aspects of the GROW token.

The contents of this document are intended as plans at the time of writing and do not constitute a promise of execution. This document is not legally binding and does not impose contractual obligations between the parties.

Before holding and using GROW, please understand and acknowledge the following risks in advance. There are various risks associated with purchasing and holding GROW, including understanding the digital platform, digital assets, blockchain technology, smart contract functions and risks, and mechanisms related to cryptocurrency specifications, and considering financial and business means. Regarding the purchase and operation after holding, please use the service as self-management under your responsibility and authority.

- Since GROW is issued in accordance with the SPL standard, it can be disposed of in various external services that accept the SPL standard, but this is not recommended or guaranteed. When using it, we ask GROW users to use external services as self-management under their responsibility and authority.
- Like other decentralized cryptographic tokens, GROW may be subject to attacks by mining during verification of token transactions on the blockchain. If such attacks occur, they may pose a risk to the records of GROW-related transactions.
- GROW is based on the SPL protocol. Therefore, the SPL protocol may malfunction, have unexpected features, or operate in unexpected ways, which may result in network malfunctions and unexpected operations.